



Corporate Governance Report 2013

Mission

We are a major integrated energy company, committed to growth in the activities of finding, producing, transporting, transforming and marketing oil and gas. Eni men and women have a passion for challenges, continuous improvement, excellence and particularly value people, the environment and integrity.

Countries of activity

EUROPE

Austria, Belgium, Cyprus, Croatia, Czech Republic, Denmark, France, Germany, Greece, Hungary, Ireland, Italy, Luxembourg, Malta, the Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, Switzerland, Turkey, the United Kingdom, Ukraine

AFRICA

Algeria, Angola, Cameroon, Congo, Democratic Republic of Congo, Egypt, Gabon, Ghana, Kenya, Liberia, Libya, Mauritania, Morocco, Mozambique, Nigeria, South-Africa, Togo, Tunisia, Uganda

ASIA AND OCEANIA

Australia, Azerbaijan, China, India, Indonesia, Iran, Iraq, Japan, Kazakhstan, Kuwait, Malaysia, Myanmar, Oman, Pakistan, Papua-New Guinea, Philippines, Qatar, Russia, Saudi Arabia, Singapor, Thailand, Timor Leste, Turkmenistan, the United Arab Emirates, Vietnam, Yemen

AMERICAS

Argentina, Bolivia, Brazil, Canada, Colombia, Ecuador, Groenland, Mexico, Peru, Suriname, Trinidad & Tobago, the United States, Venezuela



Corporate Governance and Shareholding Structure Report

2013¹

Approved by the Board of Directors on March 17, 2014

[1] The Report is published in the "Governance" section of the Company's website eni.com. The Italian text prevails over the English version.

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Corporate Governance and Shareholding Structure Report

This Report, approved by the Board of Directors of Eni SpA on March 17, 2014, provides a broad and comprehensive overview of the Corporate Governance system adopted by Eni SpA (hereinafter referred to as “Eni” or the “Company”). In compliance with the applicable legal² and regulatory requirements, and taking account of the guidelines and recommendations of Borsa Italiana SpA (hereinafter “Borsa Italiana”) and of the most representative business associations, this Report provides information on Eni’s ownership structure and on its compliance with the Corporate Governance Code for listed companies of December 5, 2011³ (“Corporate Governance Code”), explaining the choices made in implementing the Corporate Governance principles, and on the Corporate Governance practices actually instituted. The text of the Corporate Governance Code can be found on the Borsa Italiana website (www.borsaitaliana.it)⁴ and on

the Company’s website⁵ with information on the governance solutions adopted by Eni.

In addition, the Report on Operations, which is a part of the 2013 Annual Report⁶, contains a section entitled “Governance”, which describes Eni’s Corporate Governance system with an integrated view of the creation of sustainable value through business support.

Finally, for a more detailed treatment of compensation matters, please refer to the Remuneration Report⁷, approved by the Board on March 17, 2014 and published with this Report.

The information contained in this Report refers to 2013 and, with respect to certain issues, is up-to-date as of the date of the meeting of the Board of Directors called to approve it. This Report is published in the “Governance” section of the Company’s website⁸.

Eni: profile, structure and values

Profile and structure

Eni is company that issues shares listed on the electronic stock exchange (*Mercato Telematico Azionario*) managed by Borsa Italiana SpA and on the New York Stock Exchange (“NYSE”). Eni is an integrated energy company with operations in 85 Countries and a workforce of 82,289 (26,782 in Italy - 55,507 abroad). The Company operates in oil, natural gas, and energy in general, including the generation and sale of electricity and in the petrochemicals, engineering and construction sectors. Eni’s organisational structure is built around business units, each specialising in a business segment and responsible for achieving segment targets. The “Corporate” unit is in charge of setting policy, providing coordination and control, and supplying certain support services and activities to the

business units in a centralised form.

More specifically, Eni operates through the following business units: (i) exploration and production, which searches for, develops and extracts oil and natural gas; (ii) midstream, which oversees commodity (gas, power and oil) supply, trading, shipping and derivatives, as well as sells LNG, natural gas and electricity to wholesale and industrial customers; (iii) downstream gas and power, which sells natural gas and generates and sells electricity to retail and mid customers; (iv) refining and marketing, which refines and sells petroleum products.

Eni also has a presence in the engineering, construction and petrochemicals sectors through its subsidiaries.

[2] Article 123-bis of Italian Legislative Decree No. 58/1998 (Consolidated Law on Financial Intermediation).

[3] The new Code was produced by the Corporate Governance Committee sponsored by Abi, Ania, Assonime, Assogestioni, Borsa Italiana and Confindustria. More information on the various editions of the Code and the composition of the Committee can be found on Borsa Italiana’s website.

[4] The Corporate Governance Code of December 2011 can be found at http://www.borsaitaliana.it/borsaitaliana/regolamenti/corporategovernance/codicecorpgov2011clean_pdf.htm.

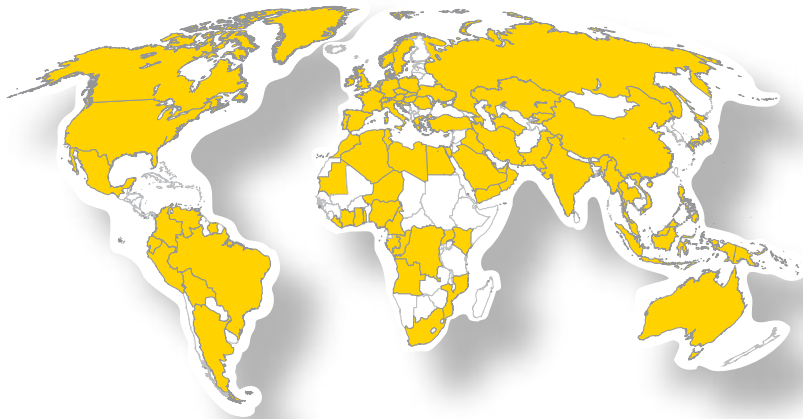
[5] Available at: http://www.eni.com/en_IT/governance/governance-model-policies/eni-corporate-governance-code/eni-corporate-governance-code.shtml.

[6] Available at: http://www.eni.com/en_IT/investor-relation/reports/reports.page?type=bil-rap.

[7] This is the report envisaged by Article 123-ter of the Consolidated Law on Financial Intermediation, published with this Report in the manner required by Article 84-quater of Consob Resolution No. 11971 of May 14, 1999, as amended (“Consob Issuers’ Regulation”).

[8] Available at: http://www.eni.com/en_IT/governance/report-on-corporate-governance/report-on-corporate-governance.shtml

The chart below shows the Eni business segments⁹:



Eni is an integrated energy company, active in 85 countries in the world with a staff of around 82,300 employees.

upstream

Eni engages in oil and natural gas exploration, field development and production, in 42 Countries. The Engineering & Construction business is an OEM of turnkey projects, industrial complexes and infrastructures onshore and offshore to the oil and gas industry and provides drilling services.

mid - downstream

Through refineries and chemical plants, Eni processes crude oil and other oil-based feedstock to produce fuels, lubricants and chemical products that are supplied to wholesalers or through retail networks or distributors. Eni engages in the supply, trading and shipping of oil, natural gas, LNG, electricity, fuels and chemical products.



Share capital	Securities	Organisational Structure	Workforce	Subsidiaries
<p>€4,005,358,876</p> <p>ordinary shares n. 3,634,185,330 without par value</p>	<p>Italy Borsa Italiana</p> <p>USA NYSE</p>	<p>Business unit: Corporate Exploration & Production Midstream Downstream Gas & Power Refining & Marketing</p>	<p>Total employees: 82,289</p> <p>Employees in Italy 26,782</p> <p>Employees abroad 55,507</p>	<p>No. of subsidiaries 315</p>

At December 31, 2013, Eni controls 315 companies in Italy and abroad, including Saipem SpA, Eni International BV and Versalis SpA. The Board of Directors has designated these companies as "strategically important subsidiaries" or "major subsidiaries".

Snam SpA (hereinafter "Snam") is no longer a subsidiary of Eni SpA as from October 15, 2012. The Eni Board of Directors, pursuant to the Italian Prime Ministerial Decree of May 25, 2012, approved the sale of 30% less one share of the voting

(9) For more information, please consult the "Company" section of the Company's website and the Annual Report.

capital of Snam to Cassa Depositi e Prestiti SpA (hereinafter "CDP") at its meeting of May 30, 2012. The closing occurred on October 15, 2012¹⁰. As to its remaining stake in Snam, Eni, through an accelerated book building targeted at Italian and foreign institutional investors, completed the sale of 5% of the share capital of the company (corresponding to 5.28% of the voting capital) on July 18, 2012. Eni continued to divest itself of its stake in Snam through the placement in January 2013 of €1,250 million worth of 3-year bonds convertible into Snam shares, with a maturity of January 18, 2016. Subsequently, on May 9, 2013, Eni completed the placement of 395,253,345 ordinary shares, equal to 11.69% of the share capital of Snam. Eni holds 8.54% of Snam to service the convertible bond following this placement.

Principles and values. The Code of Ethics

Integrity and transparency are the principles that guide Eni's action in formulating a management and control structure that is suited to its size, complexity and operating structure, in adopting an effective internal control and risk management system, and in communicating with shareholders and other stakeholders, also by reviewing and updating the information on its website.

These values are set forth in the Eni Code of Ethics¹¹, approved by the Board of Directors on March 14, 2008, which replaces the previous 1998 Code of Conduct, which all the Company bodies and employees are required to uphold, as well as those who operate in Italy or abroad to achieve Eni's objectives, in the context of their own functions and duties. The Code contains concrete rules of behaviour, so that the principles contained therein form a practical guide for corporate operations.

For that purpose, the Code of Ethics has been translated into 20 languages. It has been distributed¹² widely and is explained through a range of initiatives, including special training courses. The Code represents an essential general principle of Model 231¹³, as well as a key element of the anti-corruption framework¹⁴, of which it is an integral part: the synergies between the Code of Ethics and the Model are underlined by the assignment to the Eni Watch Structure – established by Model 231 – of the function of Guarantor of the Code of Ethics, with the duty of promoting and verifying its implementation.

The Guarantor of the Code of Ethics presents a report every six months on its activities to the Control and Risk Committee, to the Board of Statutory Auditors and to the Chairman and Chief Executive Officer ("CEO") of Eni, who in turn report to the Board¹⁵.

The Code of Ethics applies to all direct or indirect subsidiaries,

both in Italy and abroad. Each subsidiary assigns the function of Guarantor of the Code of Ethics to its own Watch Structure. Listed subsidiaries adjust the Code – where necessary – to their specific characteristics, in accordance with their own managerial independence.

Corporate Governance policy

In the context of Eni's Regulatory System¹⁶, on July 28, 2010 the Board of Directors defined the inalienable principles of Eni's Corporate Governance system, issuing the Corporate Governance Policy in which, identifying integrity and transparency as the founding principles of its system, it stated its commitment to:

- adopt measures that ensure correct handling of any situation that may involve a conflict of interest, even potential, while safeguarding the rights of and relations with its stakeholders and providing complete, timely, clear and correct information;
- pursue the best Corporate Governance practices, including through comparison with the best Italian and foreign governance models and, in particular, with the principles issued by the most representative institutions and associations;
- promote its Corporate Governance principles by encouraging observations and introducing new ideas, in particular through participation in institutional and sector working groups and by promoting relevant initiatives;
- promote and maintain an adequate, effective and efficient internal control and risk management system.

Moreover, the Board established that the model adopted by Eni in performing its management and coordination activities corresponds to that of an integrated company, where the latter denotes the accomplishment of a shared strategic vision and maximisation of value for all company components.

In pursuing this goal, Eni acts in accordance with the managerial independence of the individual companies, in particular of the listed companies and those subject to special regulations, and respects the interests of other shareholders, the confidentiality obligations that safeguard the commercial interests of the companies involved and, regarding foreign companies, local regulations.

Among the other aims pursued, actions designed to ensure an adequate and effective internal control and risk management system for the integrated company are of fundamental importance – both overall and in its main components – in addition to compliance with the rules the Company is subject to in its role as parent company¹⁷.

[10] Pursuant to Article 2, letter c) of the Prime Ministerial Decree of May 25, 2012, starting from the closing on October 15, 2012 "the members of the management or control body, as well as those who hold management positions in Eni or its subsidiaries may not hold a seat on the management or control body or management positions in CDP or Snam and their subsidiaries, nor enter into any direct or indirect professional or financial relationship with such companies; similarly, the members of the management or control body, as well as those who hold management positions in CDP, Snam and their subsidiaries are prohibited from holding a seat on the management or control body or management positions in Eni and its subsidiaries, and from entering into any direct or indirect professional or financial relationship with such companies".

[11] For more information, please refer to the section "Code of Ethics".

[12] For more information on the dissemination and communication of the Code, please refer to the "Sustainability" section of the Eni website: http://www.eni.com/en_IT/sustainability/sustainability.shtml?home_2010_it_tab=navigation_menu.

[13] For more information, please refer to the section on "Model 231".

[14] For more information, please refer to the relevant section of this Report.

[15] The report is submitted together with that requested from the Watch Structure under Legislative Decree No. 231/2001.

[16] For more information on Eni's Regulatory System, please refer to the "Internal control and risk management system" section.

[17] All Eni subsidiaries adopt the Management System Guideline "Eni Control System on Company Reporting"; for further information, please refer to the paragraph "Main features of the risk management and internal control systems applied to the financial reporting process" included in this Report.

Sustainability

Sustainability is an integral part of the Eni governance model and constitutes a driving force behind a process of continual improvement that focuses on issues that arise from continual interaction with stakeholders, from analysis of energy scenarios and from multi-dimensional analysis of the contexts in which Eni operates, with respect to business strategies and integrated risk management.

Sustainability represents the Company's methods of operating that make value creation over the medium and Long-Term possible with a view that incorporates social and environmental responsibilities in its risk analysis and when exploring opportunities.

For this reason, Sustainability is fully integrated into all company processes: from planning, monitoring and control to risk prevention and management, from implementation of operations to reporting, and in communications regarding performance and activities with internal and external stakeholders.

Under this logic, all Company objectives are pursued with an approach that is strongly focused on operational excellence, technological innovation, cooperation for the development of the Countries where Eni operates, the importance of people, the responsibility to manage its business following strict financial rules, the highest ethical principles, and synergies deriving from integration throughout the entire energy chain.

The Board of Directors of Eni plays a key role in defining the Sustainability policies and strategies and approving the Sustainability results, which are also presented to the Shareholders' Meeting. Sustainability and management ethics are specific subjects dealt with during Board Induction in order to allow Directors to understand the processes of integrating Sustainability into business, as well as highlighting how environmental and social issues are involved with and influence activities.

In 2011, the Eni Board of Directors approved the Sustainability Policy¹⁸, which defines the fundamental principles upon which the Company's sustainable operations are based and which are among the highest objectives of Eni's new internal regulatory system.

In order to maintain high Sustainability standards in operations, Eni sets annual targets described in the business plan, pursued through projects and initiatives carried out by all the relevant structures at Eni and its subsidiaries. Approval of the relative action plans and review of the main results achieved is done by the Company's highest decision-making bodies.

Since 2010, in order to emphasise the contribution that operating in a sustainable manner makes to creating value for the Company and stakeholders, the Sustainability results, as well as all the elements that determine the same, are communicated together in the Annual Report, as provided for under the integrated reporting framework supported by the

International Integrated Reporting Council (IIRC), which Eni has followed since 2011.

Eni's Audit Firm (Reconta Ernst & Young) verifies the properness of the overall business planning and management process, as well as the transparency and traceability of the Sustainability data from the operational sites, which are then consolidated and audited at a Country, company, Division, Corporate Department, and Sustainability Unit level.

This certification process complies with the criteria set forth in the ISAE 3000 standard, issued in 2004 by the International Auditing and Assurance Standard Board (IAASB), which is also responsible for issuing auditing principles.

The initiatives undertaken by Eni in terms of governance system Sustainability in 2013 include, in particular: (i) the definition of a model for monitoring diversity (not limited to gender diversity) in the Boards of Directors of Eni's Italian and foreign subsidiaries; (ii) training programs for the Eni SpA corporate bodies (i.e. ongoing induction) and the Directors of Eni's subsidiaries in order to provide them with a better awareness of the tools available to help them properly carry out their duties and give them an understanding of the industry; (iii) promoting shareholder participation in Company life, through clear and thorough communication of information, so that they may exercise their rights in an informed manner; (iv) spreading good governance practices in accordance with the principles outlined in the Code of Ethics; (v) raising awareness among the Eni community of best practices in terms of Corporate Governance; and (vi) taking part in the working group of the Global Compact LEAD Program, focusing on educating Directors about Sustainability issues and subsequent participation in the pilot phase of the program.

Eni's commitment to sustainable development is also recognised by the leading financial Sustainability indexes. In 2013, Eni was included for the seventh consecutive year in the Dow Jones Sustainability World Index and for the sixth straight year in the Dow Jones Sustainability Europe Index, in which five out of the 17 eligible oil and gas companies have been included. Eni was also once again included in the FTSE4Good Index following the half-yearly review in September 2013.

In addition, in 2013 Eni received one of the top scores (92 B) for its sector from the Carbon Disclosure Project, an international non-profit organisation that represents 722 international institutional investors, in demonstration of its commitment to reducing greenhouse gas emissions and limiting the risks associated with climate change.

For more information, please refer to the "Sustainability" section of Eni's website¹⁹.

Eni's Corporate Governance initiatives

In line with the principles of its Corporate Governance Policy, Eni is committed to creating a Corporate Governance system that is inspired by excellence, in open dialogue with the market.

[18] The Eni Sustainability Policy is published, along with other policies approved by the Eni Board of Directors, on the Company's website in the "Governance" section: http://www.eni.com/en_IT/governance/governance-controls/eni-regulatory-system/eni-regulatory-system.shtml.

[19] Available at: http://www.eni.com/en_IT/sustainability/sustainability.shtml?home_2010_it_tab=navigation_menu.

Therefore, between 2011 and 2013 the Company pursued a number of initiatives for improving its own system and that of the nation, focusing heavily on communication with its stakeholders and demonstrating an ongoing commitment to helping shareholders exercise their rights effectively. More specifically, in 2011 Eni contributed to the debate on the Corporate Governance of listed Italian companies, moving from analysis of foreign best practices that are not yet established in the national system and to which Eni pays particular attention due to the international scope of its business. The results of the analysis, filtered through the Company's experience, led to the drafting of 35 proposals (regulatory and voluntary) to improve the efficiency of the Italian system. The proposals, the result of study by Company officers with the support of a team of external and in-house experts, formed in November 2010, was unveiled to the media on July 13, 2011 and opened for comment by the public and the business, financial, academic and institutional worlds. A large portion of the proposals have been incorporated as recommendations or comments in the new edition of the Corporate Governance Code.

Furthermore, in 2013 Eni recognised the need for a more thorough dialogue with the market on Corporate Governance. Therefore, in December 2013, Eni's Chairman began to hold a cycle of meetings that continued into January 2014 with institutional investors and the leading proxy advisors in Europe and the United States, during which the Company's governance system was explained and the most significant issues were comprehensively examined, including in relation to the various applicable regulatory models.

This initiative made it possible to receive external feedback on the Company's governance system, providing insight on where improvements could be made and topics that require further reflection. Attendees appreciated Eni's initiative and noted that the Company's Corporate Governance system is well-designed and solid.

Transparency in terms of the quality and completeness of the information provided²⁰ was judged to be one of Eni's most important strengths.

In addition, its internal control and risk management model is considered to be a fundamental pillar of the Company's Governance, further strengthened in 2013 through the establishment of regulatory instruments aimed at ensuring the overall effectiveness and efficiency of the system.

In this context, there was general appreciation for the Company's adoption of an integrated risk management system that covers risks that are not strictly industrial. The size of the Board of Directors and of its Committees were deemed both appropriate and balanced, as was the separation of powers

between the CEO and the Chairman.

Eni is committed to promoting a greater degree of involvement by its shareholders, particularly retail shareholders. The desire to present Eni in a simple and intelligible manner has led to the creation of a special section of the website²¹ for directly communicating with shareholders, which contains the Shareholders Guide and announcements of targeted initiatives. One of these initiatives involves presenting information on the Shareholders' Meeting called to approve the financial statements by means of a simple, brief cartoon. For more information, please refer to the "Relations with shareholders and the market" section of this Report.

Corporate Governance Model

The Corporate Governance Model of Eni SpA

Eni's Corporate Governance structure is based on the traditional Italian model that – respecting the duties of the Shareholders' Meeting – assigns the strategic management of the Company to the Board of Directors, the heart of the organisational system, and supervisory functions to the Board of Statutory Auditors. The statutory audit is carried out by an Audit Firm appointed by the Shareholders' Meeting.

In accordance with the By-laws, the Board of Directors appoints a Chief Executive Officer to manage the Company, while reserving decisions on certain issues to itself, and delegates powers to the Chairman to allow him to identify and promote integrated projects and strategically relevant international agreements.

The chosen model therefore makes a clear separation between the functions of the Chairman and those of the CEO, both of whom are empowered to represent the Company, in accordance with Article 25 of the By-laws.

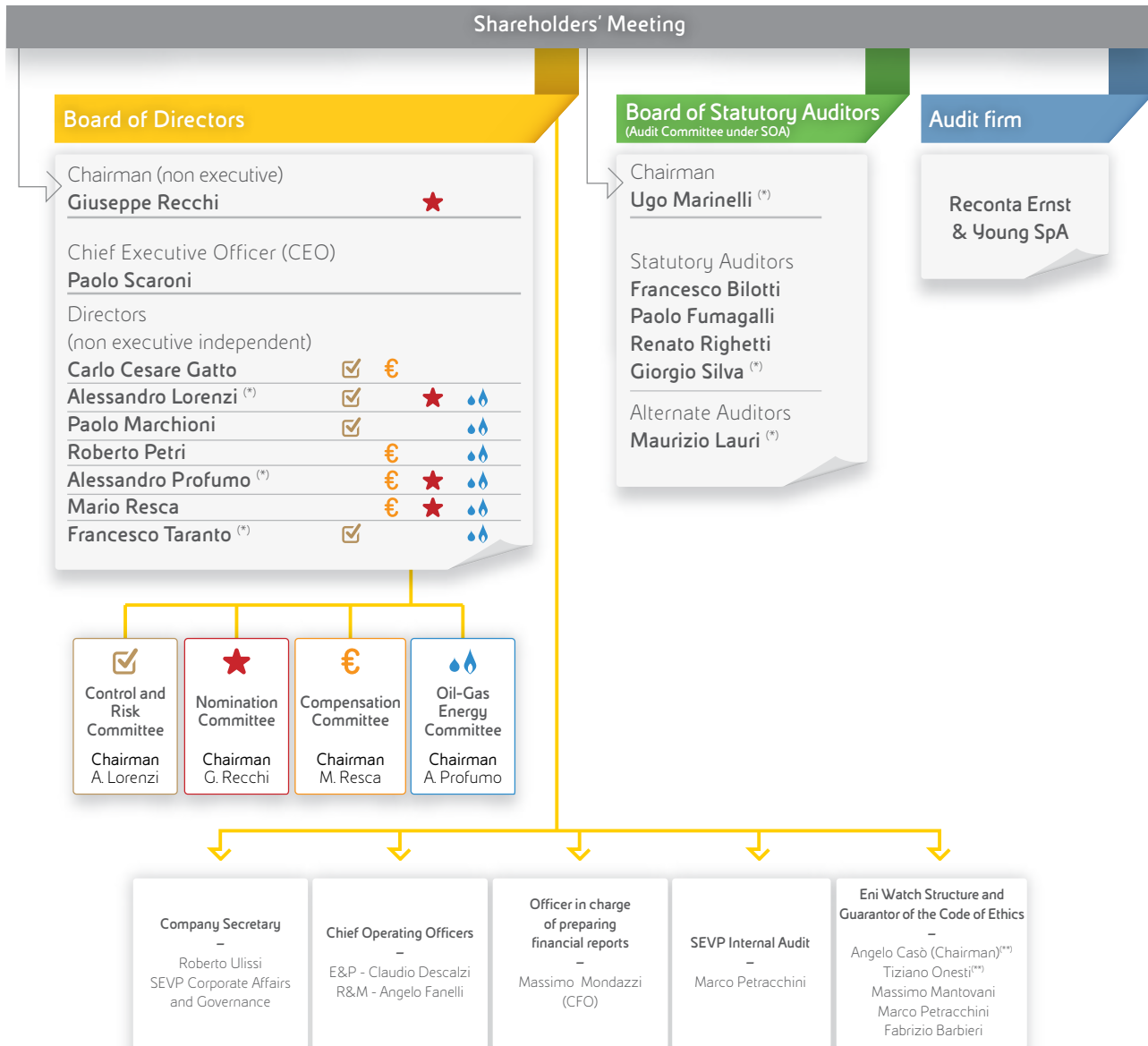
The Board of Directors has created four internal committees having consulting and advisory functions: the Control and Risk Committee, the Compensation Committee, the Nomination Committee and the Oil-Gas Energy Committee. Moreover, on a proposal of the CEO and in agreement with the Chairman, it has appointed two Chief Operating Officers to head Eni's operational Divisions²². The Board of Directors, upon a proposal of the CEO, in agreement with the Chairman and with the approval of the Board of Statutory Auditors, has appointed the Chief Financial Officer as the officer responsible for preparing financial reporting documents ("Financial Reporting Officer"). Certain organisational and managerial decisions, highlighted in this Report, were made to achieve compliance with US regulations, to which the Company is subject as a NYSE-listed company.

[20] In support of this, the "Governance" section of the Eni website indicates that the Company placed first in the KWD ranking published in January 2014. For more information, refer to the "Relations with shareholders and the market" section of this Report.

[21] Available at: http://www.eni.com/en_IT/governance/shareholders/initiatives/initiatives.shtml.

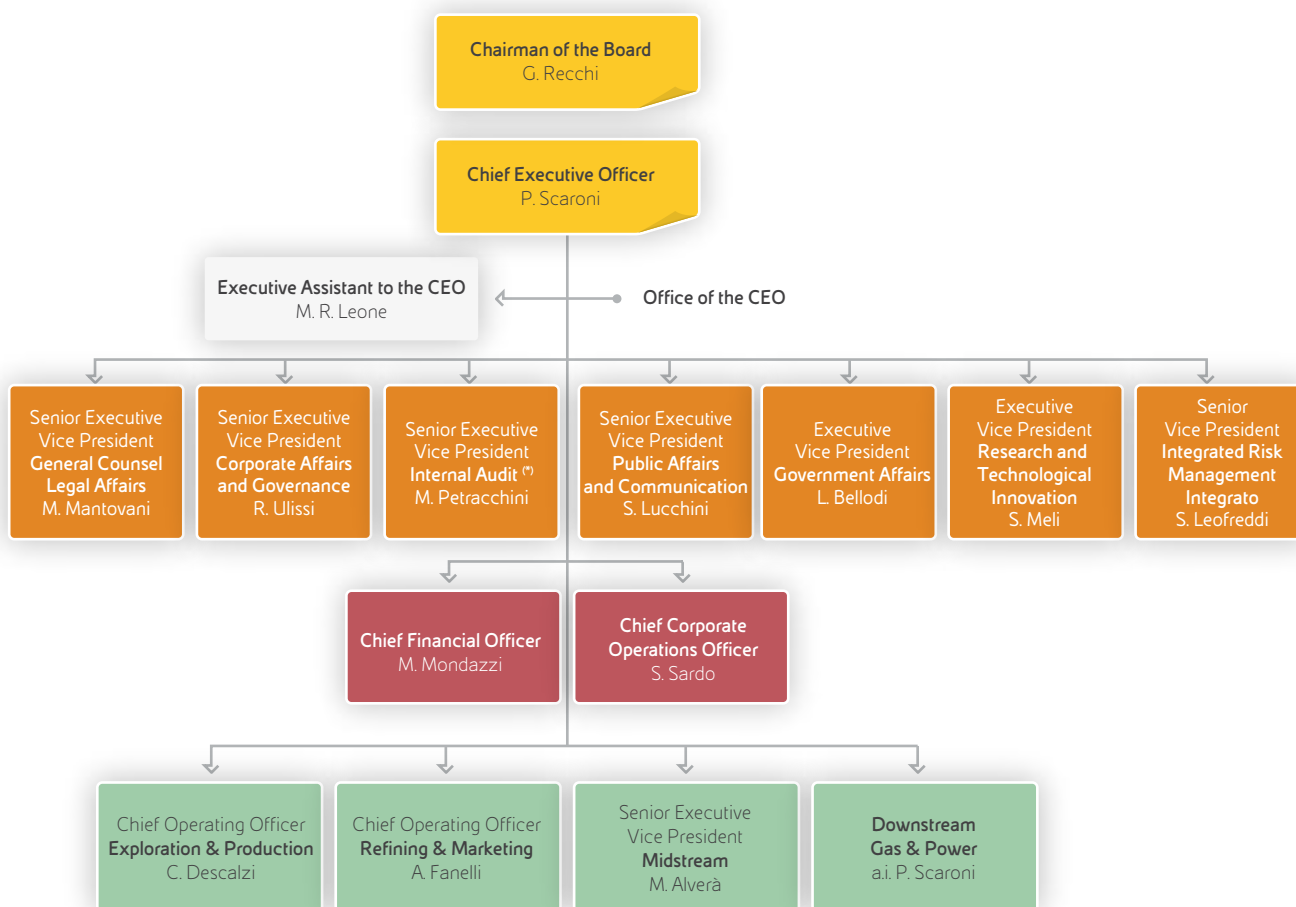
[22] The Board appointed three Chief Operating Officers [Exploration & Production, Gas & Power and Refining & Marketing Divisions]; as a result of the reorganisation of the gas and power sector in July 2013, two business units were formed [Downstream Gas & Power and Midstream business units] and one Division [Gas & Power] was eliminated. There are now only two Chief Operating Officers [Exploration & Production and Refining & Marketing Divisions].

Below is a chart representing the Company's governance structure in 2013:
 Eni's organisational management structure is divided into "corporate" and "business unit" functions that report directly to the CEO of Eni SpA.



(*) Members appointed by the minority list.
 (**) External members.

Below is a charge setting out the current macro-organisational structure:



(*) The Control and Risk Committee oversees the activities of the Internal Audit Department.

The Management Committee²³, presided over by the CEO of Eni SpA, is comprised²⁴ of the Officers who report directly to the CEO, the CEO of Versalis SpA and the Executive Assistant to the Chief Executive Officer. The CEOs of the other Eni companies that report directly to the CEO of Eni SpA are invited to attend those meetings where their duties relate to the items on the agenda. The Management Committee, which provides advice and support to the CEO, usually meets prior to the meetings of the Board of Directors, and whenever the CEO of Eni SpA believes it necessary, to consider the issues he indicates, including those that may be proposed by Committee members, other persons reporting to him or by the CEOs of the Group companies that report directly to him. The Chairman of the Board is invited to attend Management Committee meetings.

Other managerial committees in addition to the Management Committee have been formed. Those with responsibilities involving Corporate Governance, particularly control, include the Compliance Committee and the Risk Committee, described in more detail herein:

- The Compliance Committee is comprised of: the Senior Executive Vice President for Legal Affairs; the Senior Executive Vice President for Corporate Affairs and Governance; the Senior Executive Vice President for Internal Audit; the Executive Vice President for Administration and Finance; the Executive Vice President for Human Resources and Organisation; and the Executive Vice President for Government Affairs. The Committee provides advice and support concerning compliance and governance matters to

[23] La composizione del Comitato di Direzione è aggiornata al 1° Luglio 2013.

[24] Il Direttore Internal Audit non è componente del Comitato, ma partecipa alle riunioni solo quando vengono trattati argomenti di sua competenza.

the CEO and is responsible for reporting the need to examine any new issues more thoroughly in working groups and to assess whether the Board of Directors of Eni SpA has the power to resolve upon Company regulations, or whether the opinion or proposal of the Control and Risk Committee is required. The Compliance Committee meets on at least a quarterly basis and whenever one or more of its members request that it meet.

- the Risk Committee, presided over by the CEO of Eni SpA, provides advice to the CEO on the major risks facing the Group and, specifically, reviews and offers its opinion, at the CEO's request, on the main results of the Integrated Risk Management process. The Committee is comprised of: the Chief Operating Officer (E&P); the Chief Operating Officer (R&M); the Senior Executive Vice President for the Midstream business unit; the head of the Downstream Gas & Power business unit; the CEO of Versalis SpA; the Chief Financial Officer; the Chief Corporate Operations Officer; the Senior Executive Vice Presidents for Legal Affairs, for Corporate Affairs and Governance, for Internal Audit and for Public Affairs and Communication; and the Executive Vice President for Government Affairs. The other persons reporting directly to the CEO of Eni SpA and the CEOs of the subsidiaries that report directly to the CEO of Eni SpA are invited to attend those meetings where their duties relate to the items on the agenda. The Chairman of the Board of Directors of Eni SpA is also invited to attend the meetings.

Corporate Governance Model for Eni companies

On May 30, 2013, the Eni Board of Directors, at the proposal of the CEO, having first been examined by the Nomination Committee with regard to those matters in which it has expertise, and having received the opinion of the Control and Risk Committee, approved the Management System Guidelines [hereinafter "MSG"] for "Corporate Governance of Eni companies", which updates the previous relevant Guidelines. Using this regulatory instrument, the Board of Directors of Eni, consistent with its duties, established the Corporate Governance system and rules for Eni's subsidiaries and investees, adapting it to incorporate legislative developments,

changes in internal organisation and rules²⁵ and to the best practices in the field.

More specifically, the MSG:

- i. governs the legal form and management and control system of Eni subsidiaries, indicating the size, composition and operating principles for the relative bodies;
- ii. redefines the requirements that the members of the management and control bodies of Eni investees that Eni appoints must meet in order to be given and retain such position, particularly as regards integrity, independence and the absence of any conflict of interest;
- iii. - in addition to requiring Directors (usually Eni employees) to comply with the Law and the By-laws, the MSG describes in greater detail the criteria already imposed upon Directors under the prior rules, focusing on issues such as technical and professional skills, managerial experience, opportunities for promotion and the absence of any conflict of interest; - in addition to the requirements provided for by the Law and the By-laws, the MSG imposes upon the Statutory Auditors and the members of the control bodies new requirements concerning integrity, independence and the absence of any conflict of interest, based upon the integrity requirements for Statutory Auditors of listed companies (expanded even further) and on the provisions of the Corporate Governance Code;
- iv. provides that, in order to appoint the members of the management and control bodies, the following must be ascertained, including through the submission of declarations: (i) the existence of privileged relations with (a) important members of local government and (b) suppliers, customers or third-party contractors of the company; (ii) the existence of other relationships prohibited by the Eni Code of Ethics. With regard to the appointment of members of the control bodies, the Guidelines call for the creation of a database containing the names of potential candidates who meet the requirements. Only persons recorded in the database may be nominated.
- v. focuses special attention on diversity, not limited to gender diversity, in the composition of the bodies.

[25] For more information, refer to the section "Eni regulatory system".

Information on the ownership structure²⁶

Share capital structure, significant shareholdings and shareholders' agreements

Eni's share capital is made up of ordinary registered shares. The shares are indivisible and each one grants the holder the right to one vote. Holders of Eni shares have the right to vote in the Company's ordinary and extraordinary Shareholders' Meetings, and exercise the corporate and property rights given them under the laws in force, subject to the limits specified by the latter and by the Company's By-laws.

At December 31, 2013, the Company's share capital amounts to €4,005,358,876 – fully paid-up – and comprises 3,634,185,330 ordinary shares without par value²⁷.

The Company's shares are listed on the electronic stock

exchange (*Mercato Telematico Azionario*) managed by Borsa Italiana SpA. In 1995, Eni issued an American Depositary Receipts (ADR) programme for the US market. An ADR consists of a share certificate representing foreign company shares traded on stock exchanges of the United States. Each Eni ADR represents two ordinary shares and is traded on the New York Stock Exchange²⁸.

Eni is therefore subject to the control of the Ministry of the Economy and Finance, which has enough votes to exercise a dominant influence in the ordinary Shareholders' Meeting of the Company, through stakes held directly in the Company (with 4.34%) and indirectly through Cassa Depositi e Prestiti SpA (CDP SpA), a company controlled by the Ministry (with 25.76%).

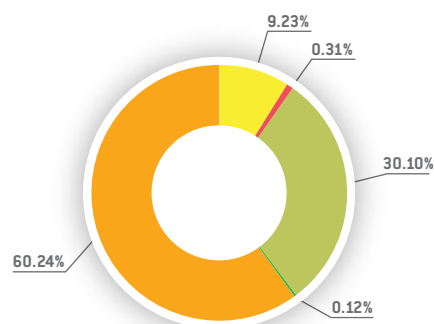
Controlling shareholders

Shareholders	Number of shares	% of total ordinary shares
Ministry for the Economy and Finance	157,552,137	4.34
CDP SpA	936,179,478	25.76
	1,093,731,615	30.10

But Eni is not subject to the management and coordination of the Ministry of the Economy and Finance²⁹ nor is the Company aware of any agreements between shareholders, pursuant to Article 122 of the Consolidated Law on Financial Intermediation. There were no other significant shareholdings in the Eni share capital as of December 31, 2013 based upon the information reported pursuant to Article 120 of the Consolidated Law on Financial Intermediation. This was confirmed again as of March 10, 2014.

Below is a graphical representation of the share capital structure and the distribution of shares by geographical area and amount based on the registered share owners who received the interim dividend paid for 2013 (ex-dividend date of September 23, 2013 – payment date of September 26, 2013).

Shareholder structure based on 2013 interim dividend payment



- Institutional investors
- Retail
- Treasury shares
- Identity of shareholder not provided
- Ministry of the Economy and Finance and Cassa Depositi e Prestiti SpA

[26] Information on the shareholding structure is provided in accordance with the provisions of Article 123-bis, first paragraph, of the Consolidated Law on Financial Intermediation. Information is provided on:

- the mechanism for the exercise of voting rights in any employee share scheme where voting rights are not exercised directly by the employees, as specified in letter e) of the above-mentioned regulation; please note that the Company does not provide employee share schemes and, since 2009, no stock-grant and stock-option plans have been approved for which, in any case, no special mechanism for exercising voting rights was envisaged;
- rules that apply to the appointment and replacement of Directors, as specified in letter l) of the above-mentioned regulation; please refer to the paragraph "Appointment", of the section "Board of Directors";
- amendments to the By-laws, as specified in letter l) of the above-mentioned regulation; please refer to the paragraph, "Shareholders' Meeting and rights".

[27] The extraordinary Shareholders' Meeting held on July 16, 2012, resolved to eliminate the par value of all ordinary shares representing the share capital, previously equal to €1.00 each, and therefore to amend the By-laws and cancel 371,173,546 treasury shares without par value, leaving the amount of share capital unchanged.

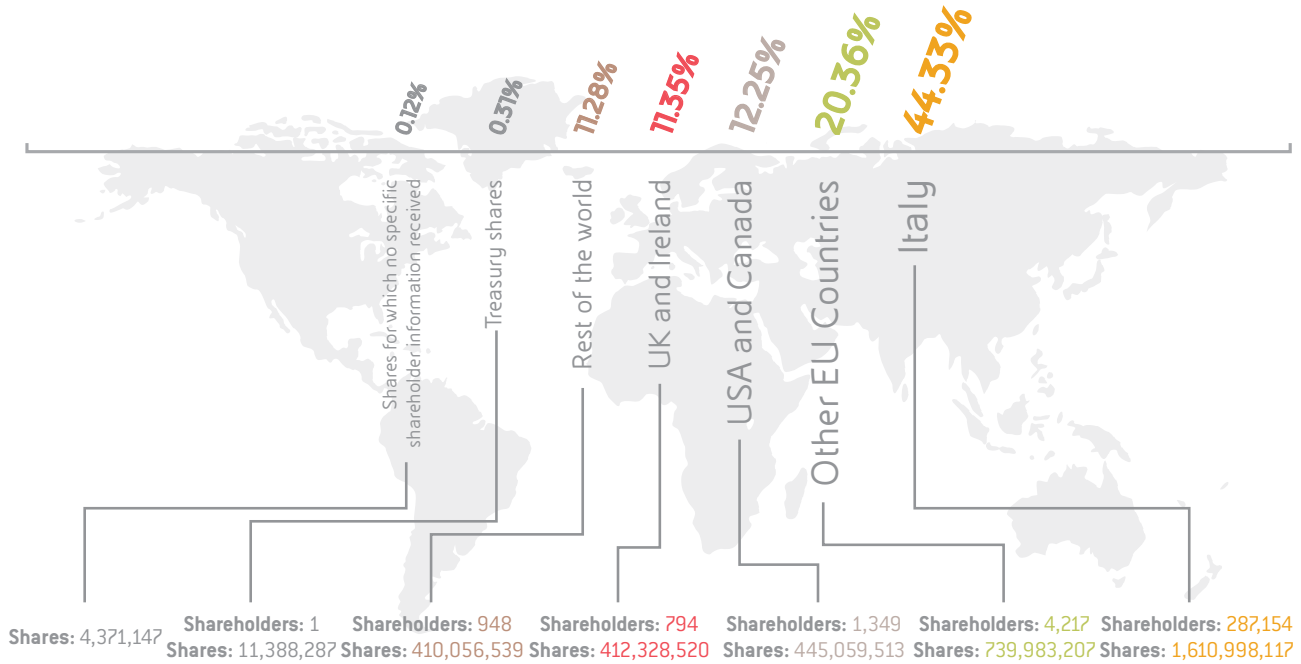
[28] For more information on the ADR program, please refer to the relevant section of the Eni Internet site, which contains a FAQ:

http://www.eni.com/en_IT/faq/faq.shtml?header=faq&home_2010_en_tab=header_tools

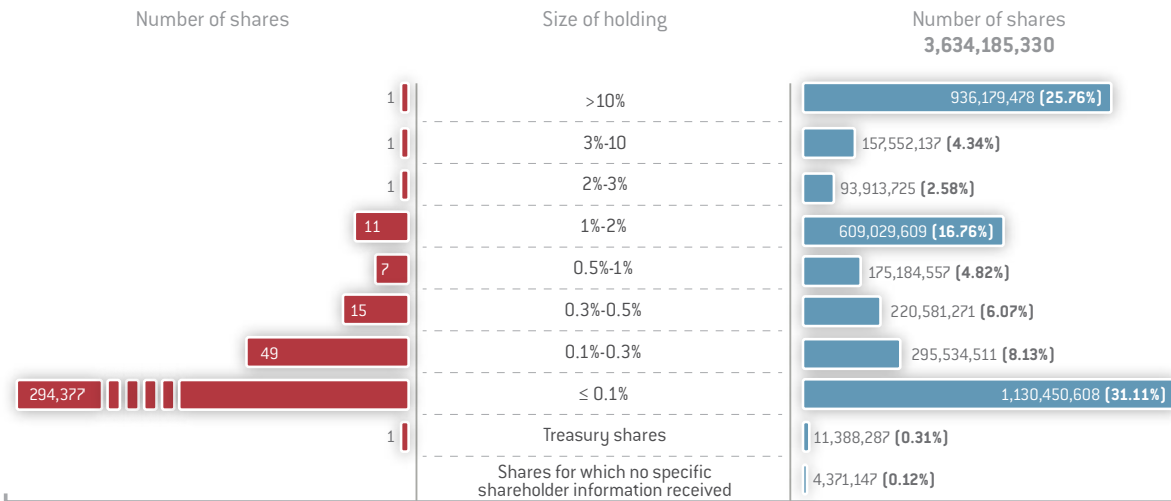
[29] Article 19, paragraph 6, of Italian Decree-law No. 78/2009, ratified By-law No. 102/2009, specifies that the reference to management and coordination activity contained in Article 2497, first paragraph, of the Italian Civil Code must be interpreted with reference to the fact that "entities" refers to "collective legal subjects other than the State having shareholdings in the company in the context of their entrepreneurial activity, or for economic or financial purposes".

Distribution of shareholders by geographical area

Number of shares: 3,634,185,330



Distribution of shareholders by size of holding



Shareholding limits and restrictions on voting rights

Pursuant to Article 6.1 of the By-laws, in accordance with the special provisions specified in Article 3 of Decree-law No. 332 of 1994, ratified By-law No. 474 of 1994⁽³⁰⁾ ("Law No. 474/1994"), under no circumstances whatsoever may any party directly or indirectly hold more than 3% of the share capital. Exceeding these limits shall lead to a suspension of the exercise of voting rights or any other rights (except property rights) related to the shares exceeding the aforementioned limit, but leaving the property rights for such shares unchanged.

Therefore, while formally placing a limit on share ownership, in reality the rule restricts the exercise of voting rights and any other rights except property rights related to shares exceeding 3% of the share capital.

For the purposes of calculating of the shareholding limit (3%), shares held through trustees and/or intermediaries are also taken into account.

Pursuant to Article 32 of the By-laws, and the aforementioned regulations, shareholdings in the share capital of the Company held by the Ministry of the Economy and Finance, public

(30) Article 3 of Law No. 474/94 was formally amended by Decree-law No. 21 of March 15, 2012, ratified, with amendments, By-law No. 56 of May 11, 2012.

bodies, or organisations controlled by the latter are exempt from this provision.

Lastly, the special provision states that the clause regarding shareholding limits shall not apply if the above limit is exceeded following a takeover bid, provided that the bidder – as a result of the takeover – will own a shareholding of at least 75% of the capital with voting rights in deliberations regarding the appointment or dismissal of Directors³¹.

Special powers of the State

Pursuant to Article 6 of the By-laws and in accordance with the special provisions set forth in Law No. 474/1994, the Minister of the Economy and Finance, in agreement with the Minister of Economic Development, retains special powers to be exercised in accordance with the criteria set out in the Italian Prime Ministerial Decree of June 10, 2004³².

The special powers briefly include the following:

- a) opposition with respect to the acquisition by parties subject to the shareholding limit³³, of material shareholdings (i.e., those representing at least 3% of share capital with the right to vote at the ordinary Shareholders' Meeting). The opposition, with explanation, shall be expressed within ten days of the notice to be filed by the Board of Directors at the time request is made for registration in the Shareholders' Register if the Minister considers that such an acquisition may prejudice the vital interests of the Italian State. Until the ten-day term has lapsed, the voting rights and the non-financial rights attached to the shares representing a material shareholding may not be exercised. If the opposition power is exercised, with a measure duly explicating the prejudice that the transaction may cause to the vital interests of the Italian State, the transferee may not exercise the voting rights and the other rights apart from ownership attached to the shares representing a material shareholding and must sell said shares within one year. In the event of failure to comply, the court, upon a request of the Minister of the Economy and Finance, will order the sale of the shares representing a material shareholding in accordance with the procedures set forth in Article 2359-ter of the Civil Code;
- b) opposition to the signing of shareholders' agreements pursuant to Article 122 of the Consolidated Law on Financial Intermediation, involving at least 3% of the share capital with the right to vote at ordinary Shareholders' Meetings. For the purposes of exercising the above-mentioned opposition power, Consob notifies the Minister of the Economy and Finance of the relevant pacts or agreements communicated to it pursuant to Article 122 of the Consolidated Law on Financial Intermediation. The opposition power must be exercised within ten days from the date of the notice from Consob. Until the ten-day term has lapsed, the voting rights and the other rights apart from ownership attached to the shares held by the shareholders

party to such agreements may not be exercised. If the opposition power is exercised, with a measure duly explaining the prejudice that such agreements or pacts may cause to the vital interests of the Italian State, the shareholder pacts or agreements shall be null and void. If in the Shareholders' Meetings the shareholders who signed shareholders' pacts or agreements behave as if those pacts or agreements governed by Article 122 of the Consolidated Law on Financial Intermediation were still in effect, the resolutions approved with their vote, if determinant for approval, may be challenged;

- c) veto power, duly supported by an explanation of the effective prejudice to the interests of the Italian State, with respect to resolutions to dissolve the Company, to transfer the business, to merge, to demerge, to transfer the Company's registered office abroad, to change the corporate purpose, or to amend the By-laws so as to eliminate or modify the powers indicated in letters a), b), c) and d);
- d) appointment of a non-voting Director³⁴.

Decisions to exercise the powers outlined in letters a), b) and c) can be challenged within sixty days, by the parties entitled to do so, before the Regional Administrative Court of Lazio. Decree Law No. 21 of March 15, 2012, ratified with amendments, By-law No. 56 of May 11, 2012, brought the Italian laws on the special powers of the State in line with European rules.

The previous provisions (Article 2 of Decree Law No. 332/94, ratified By-law No. 474/94 and the relative enabling decrees), as well as the clauses in the By-laws deemed incompatible with the new rules, will be repealed by the ministerial regulations implementing the rules affecting the energy, transportation and communications industries. These regulations were approved on March 14, 2014 by the Council of Ministers. Their objectives are, respectively, to identify strategic assets in the indicated sectors and the procedures for exercising special powers. As of the date of approval of this Report, these regulations had not been published in the *Gazzetta Ufficiale della Repubblica Italiana* and, therefore, had not yet entered into force.

The repealed provisions include those expressly indicated by the enabling measures of Law No. 474/94 concerning Eni. However, those provisions regarding limits on shareholdings and restrictions on voting rights pursuant to Article 3 of Law No. 474/1994 remain in effect, with certain formal modifications.

Shares and participating financial instruments referred to in Italian Law No. 266 of December 23, 2005

With the aim of "promoting privatization and the diffusion of investment in shares" of companies in which the State holds a material shareholding, Article 1, paragraphs 381-384 of Italian Law No. 266 of 2005 (2006 Finance Act) allowed companies primarily

[31] Pursuant to Italian Law No. 266 of 2005 (2006 Finance Act), to which a specific paragraph of this Report is dedicated, this clause would cease to apply if the rules regarding the issue of shares or participating financial instruments – such as those specified in the law itself – were included in the By-laws.

[32] The special powers are exercised exclusively in the event of significant and binding reasons of general interest, with particular reference to public order, public security, public health and defence, in the appropriate form and measure and proportionally to the safeguarding of interests, even by means of necessary time constraints, without prejudice to compliance with the national and European principles, first and foremost among these the non-discrimination principle. Article 1, paragraph 2, concerning the special circumstances in which the special powers may be exercised, was repealed by the Italian Prime Ministerial Decree of May 20, 2010.

[33] These are the parties outlined in Article 6.1 of the By-laws, excluding those specified in Article 32.2.

[34] No such Director was appointed.

controlled by the State, such as Eni, to insert provisions in their By-laws, whereby shares or participatory debt financial instruments can be issued that grant the special meeting of the holders of these instruments the right to request that new shares – even at par value – or new participatory debt financial instruments issued to them with voting rights in the ordinary and extraordinary Shareholders' Meeting. Adopting this amendment would imply the elimination of the shareholding limit indicated in Article 6.1 of the By-laws. At present, Eni's By-laws do not include this provision.

Material agreements that would become effective, be modified or extinguished in the event of a change of control of Eni

Eni and its subsidiaries are not parties to any material agreements that can be disclosed without causing serious prejudice to the Company, and that would become effective, be modified or extinguished should the shareholders who control Eni change. Material agreements are agreements that have been examined and approved by the Board of Directors since they fall within its exclusive responsibility.

Agreements between the Company and Directors which envisage indemnities in the event of resignation or dismissal without just cause, or if their employment contract should terminate as the result of a takeover bid

Information on any agreements between the Company and Directors concerning indemnities in the event of resignation or dismissal without just cause or termination of employment as the result of a takeover bid are provided – in accordance with the recommendations of Borsa Italiana for the preparation of this Report – in the Remuneration Report pursuant to Article 123-ter of the Consolidated Law on Financial Intermediation, to which the reader should refer for more information³⁵.

Powers to Directors to increase share capital, issue participatory debt financial instruments and authorisation to purchase treasury shares

The Board of Directors has not been given the power to increase the share capital pursuant to Article 2443 of the Italian Civil Code

nor to issue participatory debt financial instruments.

The ordinary Shareholders' Meeting held on May 10, 2013 cancelled, for the portion not yet implemented at the date of the Shareholders' Meeting, the authorisation to acquire treasury shares as resolved by the Shareholders' Meeting of July 16, 2012 and authorised the Board of Directors to purchase on the Mercato Telematico Azionario – in one or more transactions and in any case within 18 months from the date of the resolution – up to a maximum number of 363 million ordinary Eni shares, for a price of no less than €1.102 and no more than the official price registered on Borsa Italiana in the trading day prior to each individual transaction, plus 5%, and in any case up to a total amount of €6 billion in accordance with the operating methods established in the organisation and management regulations of Borsa Italiana SpA. In order to respect the limit set forth in the third paragraph of Article 2357 of the Italian Civil Code, the number of shares to be acquired and the relative amount shall take into account the number and amount of Eni shares already held in the portfolio.

On October 29, 2013, the Board of Directors approved the procedures for carrying out the purchases involving authorising an intermediary to begin purchasing shares in accordance with the resolution of the ordinary Shareholders' Meeting of May 10, 2013. The programme was initiated on January 6, 2014.

As of December 31, 2013, Eni held a total of 11,388,287 treasury shares, equal to 0.313% of the share capital.

On March 17, 2014, the Board of Directors resolved to submit to the ordinary Shareholders' Meeting called for May 8, 2014, the proposal to acquire treasury shares, after first cancelling, for the portion not yet implemented, the authorisation resolved by the Shareholders' Meeting of May 10, 2013, within the limits and in the manner indicated in the Board's report on the relevant item on the agenda for the Meeting.

In addition to the making the disclosure via press releases to the market on purchases made as required By-law, the Company has set up a web page on the treasury share purchases under the "Governance" section of its website, where up-to-date information on the programme is available³⁶.

[35] The Eni Remuneration Report can be found in the "Governance" and "Investor Relations" sections of the Eni Website (www.Eni.com).

[36] Available at http://www.eni.com/en_IT/governance/shareholders/treasury-shares/treasury-shares.shtml.

Corporate Governance Information³⁷

Compliance with the Corporate Governance Code for Listed Companies of December 2011

On April 26, 2012 the Board of Directors completed the process, begun on December 15, 2011, with the adoption of the recommendations on compensation, of complying with the new Corporate Governance Code for Listed Companies of December 2011 (available on Borsa Italiana's website: www.borsaitaliana.it). At that same meeting, the Board of Directors noted that Eni's Corporate Governance system is consistent with most of the new Code recommendations and confirmed the governance choices³⁸ made in complying with the previous versions of the Code, done with the goal of implementing its provisions, adjusting them to fit Eni's situation, and enhancing certain principles³⁹. In order to provide the market with a simple, transparent and comparable assessment of the choices made by the Company, the text of the Corporate Governance Code was published on the Eni website, with an indication of the solutions and improvements adopted by Eni with respect to individual Code recommendations, along with explanations of these choices⁴⁰. In addition, in implementing the new recommendations of the Corporate Governance Code, in 2012 and 2013:

- the Board of Directors confirmed the policy previously stated on the maximum number of administration and control offices that can be held by its members in other companies, introducing the prohibition on cross-directorships provided for by Article 2.C.5 of the Corporate Governance Code prior to the required date;
- the Rules of the Control and Risk Committee and of the Nomination Committee were modified;
- the Board of Directors, with the support of the Control and Risk Committee, carried out a number of important initiatives aimed at further strengthening the internal control system, focusing efforts on Company risk management in particular⁴¹;
- the Board approved, with the prior supporting opinion of the Control and Risk Committee, the "Internal Audit Charter", which modifies the previous guidelines and contains provisions on the power, duties and exchange of information of the Internal Audit unit;
- the Board of Directors adjusted the resolution on its reserved powers.

With regard to the implementation of the Code recommendations and to maintain continuity with previous governance choices:

- the functions of the Board of Directors have been redefined,

thereby confirming its strategic role and central position within the Company's Corporate Governance system and its wide range of responsibilities, including in terms of Company and Group organisation and the internal control system;

- the most significant transactions of the Company and its subsidiaries have been defined and submitted to the Board for approval, while conduct and procedural controls have been adopted regarding those cases in which the Directors have an interest of their own or on behalf of another, including in the case of transactions with related parties of Eni;
- the Board of Directors has been assigned a central role in defining the Sustainability policies and in approving the Sustainability Report, which must also be presented to the Shareholders' Meeting⁴²;
- as required by the Code, the Board has specified those subsidiaries that are of strategic importance (Saipem SpA, Versalis SpA and Eni International BV);
- the Board of Directors assigned the CEO the duty of overseeing the internal control and risk management system;
- the principle of safeguarding the managerial independence of listed companies (currently, in Italy, Saipem SpA) has been expressly acknowledged, with the commitment on the part of Eni to comply with the provisions of the Code that refer to the shareholders of the issuer.

The measures adopted by Eni to strengthen provisions of the Corporate Governance Code include:

- specifying that the Directors must consider the interests of stakeholders other than shareholders in making decisions (Article 1.P.2 of the Corporate Governance Code);
- the minimum frequency with which Directors with delegated powers must report to the Board has been reduced from three to two months (Article 1.C.1 letter d) of the Corporate Governance Code)⁴³;
- Eni must always seek the assistance of an external consultant in conducting the Board self-assessment to ensure greater objectivity in the evaluation process (Article 1.C.1 letter g) of the Corporate Governance Code);
- in specifying the recommendations provided for by Article 3 of the Corporate Governance Code on the criteria for the independence of Directors, it established the amount of the "additional remuneration" that could compromise the Director's independence at 30% of fixed remuneration, as well as more precisely defining spouses, relatives or in-laws within the second degree of kinship as "close relatives" (Article 3.C.1 letter d) and h) of the Corporate Governance Code);

[37] Corporate Governance information is provided in accordance with the provisions of Article 123-bis, first paragraph, letters e) and l), and second paragraph, of the Consolidated Law on Financial Intermediation.

[38] Board resolutions of December 13, 2006 and, previously, January 20, 2000.

[39] Since December 13, 2006, the Board of Statutory Auditors has complied with the Code provisions that apply to it.

[40] The Corporate Governance Code is published on the Eni website, in the "Governance section" at:

http://www.eni.com/en_IT/governance/governance-model-policies/eni-corporate-governance-code/eni-corporate-governance-code.shtml. This document replaces the Eni Code of December 13, 2006.

[41] For more information, please see the section "Internal control and risk management system".

[42] For the third year, in 2014, Eni will present an integrated report to the market [2013 Annual Report] to allow stakeholders, investors and others to completely understand the interconnections existing between the financial results and its achievements in the environmental and social fields, outlining the dimensions of Eni's sustainable development model.

[43] This frequency is reported in the resolution delegating the powers of the Board of Directors. For more information, please refer to the section on the "Responsibilities" of the Board of Directors.

- in indicating that Eni's Board has decided to form all the committees provided for by the Code (Article 4.C.1 del Corporate Governance Code), it established that these committees (Control and Risk Committee, Nomination Committee and Compensation Committee) shall not consist of a number of Directors representing the majority of the Board itself, so as to not alter the Board's decision-making process (Article 4.C.1 letter a) of the Corporate Governance Code);
- providing that at least two members of the Control and Risk Committee possesses adequate experience in accounting and financial matters (while Article 7.P.4 of the Corporate Governance Code only requires one member to have such experience);
- all the new recommendations on the composition of the Board and the Committees, as well as the prohibition on the cross-directorship of the CEO, have been implemented prior to the deadline contained in the Corporate Governance Code, with the Company documents being adjusted, where necessary, to reflect the new provisions.

The Board of Directors has chosen to not appoint a Lead Independent Director, in consideration of the fact that the Eni By-laws provide that the positions of Chairman and CEO be held by separate persons, that the position of Chairman is not held by someone who controls the issuer and that the Chairman is a non-executive Director (Article 2.C.3 of the Corporate Governance Code). However, independent Director Francesco Taranto, serving as the Senior Independent Director, arranges informal meetings of the independent Directors.

As to the recommendation in Article 7.C.5, letter b) of the Corporate Governance Code, the Board of Directors, upon the proposal of the CEO together with the Chairman, with the approval of the Control and Risk Committee, in consultation with the Nomination Committee and the Board of Statutory Auditors, appoints, revokes the appointment and defines the remuneration of the Senior Executive Vice President for Internal Audit, ensuring that he has the necessary resources for performing his duties. For practical reasons, the Board of Directors has assigned the CEO the ordinary management of employment relationships. However, the Control and Risk Committee oversees the activities of the Internal Audit unit with respect to the Board's duties in this area. The Senior Executive Vice President for Internal Audit also reports to the CEO, who is authorised by the Board to supervise the internal control system. He also reports to the Board of Statutory Auditors as it is the "Audit Committee" under US law.

Finally, the Board, with the approval of the Control and Risk Committee, in consultation with the CEO and the Board of Statutory Auditors, approves the annual audit plan prepared by the Senior Executive Vice President for Internal Audit⁴⁴. Further information on how the other provisions of the Corporate Governance Code have been implemented will be provided in other sections of this Report. In accordance with the suggestions of Borsa Italiana on preparing this Report, details on compliance with the recommendations concerning compensation are contained in the Remuneration Report,

prepared pursuant to Article 123-ter of the Consolidated Law on Financial Intermediation, to which the reader is referred.

Gender balance in Corporate Board composition and initiatives to ensure diversity

Starting from the next elections for the Boards of Eni SpA, coinciding with the Meeting called to approve the 2013 financial statements, the shareholders must ensure that the composition of the Board of Directors and of the Board of Statutory Auditors is balanced with regard to gender, as required By-law⁴⁵, as contained in the Company's By-laws since 2012.

Specifically, the less-represented gender must obtain, in the first upcoming term of office, at least one-fifth of the positions of Director and Standing Auditor, and at least one-third of such positions in the subsequent two terms⁴⁶.

Back in 2011, the Board of Directors of Eni recommended that the unlisted Italian subsidiaries move forward the effects of the law on gender balance (in force starting from the next election occurring in February 2013), thereby achieving in 2012 the goal that at least one-third of the members of the Board appointed be women with regard to those appointments that Eni may make as a shareholder.

For the 2013 elections involving 23 Eni subsidiaries, the goal was raised with 38.8% of the Directors and 36.2% of the standing statutory auditors appointed being women, again out of the total positions appointable by Eni.

In 2013, these companies amended their By-laws to ensure that for three consecutive terms the compositions of the Boards of Directors and the Boards of Statutory Auditors will comply with Article 2 of Presidential Decree No. 251 of November 30, 2012, including in the case of replacement of a member. More specifically, they must ensure that the less-represented gender receives at least one-fifth of the positions of each Board in the first election and one-third of the positions in the next two elections.

The Management System Guideline "Corporate Governance of Eni companies"⁴⁷ approved by the Board of Directors on May 30, 2013 – which updates the previous Corporate Governance Guidelines issued by the Board – provides that, subject to legal requirements, Eni must, in choosing the members of the management and control bodies of its foreign subsidiaries, consider gender diversification, where possible.

In addition, 2013 was the first year that a model for monitoring the composition of the Boards of Directors of Italian and foreign Eni subsidiaries was used. The model focuses on diversity, which is not limited to gender, but also encompasses professional skills, nationality, age, experience and seniority. The primary goal is to monitor Long-Term trends in the diversification of the Boards of Directors and identify any improvements to be made.

[44] For more detailed information on method for implementing the criteria and the principles of the Corporate Governance Code relating to the internal control and risk management system, refer to the relevant section of this Report.

[45] Law No. 120/2011 and Consob Resolution No. 18098 of 2012.

[46] For more information, please refer to the section "Appointment".

[47] For more information, refer to the section "Management System Guideline for Corporate Governance of Eni companies".

Shareholders' Meeting and rights⁴⁸



The Shareholders' Meeting is the body through which shareholders may actively participate in Company life by expressing their will, in the manner and on the issues specified by the law and the Company By-laws. The Shareholders' Meeting meets on an ordinary or extraordinary basis. The call and operation of the Meeting and the methods for exercising the rights of the shareholders are those provided for by the law and By-laws⁴⁹.

Responsibilities of the Shareholders' Meeting

Pursuant to the Law, the ordinary Shareholders' Meeting (i) approves the annual report (which, for Eni, ends at December 31⁵¹); (ii) appoints and removes Directors⁵⁰, and determines their number within the limits set forth in the By-laws; (iii) appoints the Statutory Auditors and the Chairman of the Board of Statutory Auditors; (iv) assigns the auditing functions, upon a proposal of the Board of Statutory Auditors; (v) determines the remuneration of the Directors and Statutory Auditors; (vi) deliberates on the responsibilities of the Directors and Statutory Auditors; (vii) deliberates on any other issues ascribed to it by the law, as well as the authorisations required by the By-laws⁵¹; (viii) approves the Shareholders' Meeting rules.

The extraordinary Shareholders' Meeting is called to resolve upon amendments to the By-laws and on extraordinary operations such as, for example, capital increases, mergers and demergers, excluding those matters for which the Board of Directors is responsible in accordance with the By-laws, pursuant to Article 2365, paragraph 2 of the Italian Civil Code, namely: (i) merger through acquisition and proportional demerger of companies in which the Company holds shares or shareholdings equivalent to 90% or more of the share capital; (ii) opening or closing of secondary offices; and (iii) updating the By-laws to bring them in line with legislative changes.

Specifically with regard to regulations that apply to amendments to the By-laws, Eni is subject to the ordinary legislative framework, except in those cases mentioned in the section of this Report on the special power given the State, to which the reader may refer.

Methods of calling the Shareholders' Meeting

Both the ordinary and extraordinary Shareholders' Meetings, pursuant to Article 16.2 of the By-laws, as amended to take into account Legislative Decree No. 27/2010, are normally held after more than one call. The Board of Directors may decide to hold both Shareholders' Meetings after a single call, if appropriate. In any case, the constitutive and deliberative majority specified by the law shall apply.

At its meeting of March 17, 2014, the Eni Board of Directors 2014 resolved to submit to the extraordinary Shareholders' Meeting called to approve the financial statements an amendment to align the text of the By-laws with the new provision of Legislative Decree No. 91 of June 18, 2012, (the "Corrective Decree"), which, the first paragraph of Article 2369 of the Italian Civil Code having been further amended, establishes the right of recourse to a single call, unless the By-laws state otherwise. If approved, the By-laws will provide that Shareholders' Meetings shall normally be held on single call and that the Board will have to justify the use of multiple calls, which will be deemed an exception.

The Shareholders' Meeting is called by a notice published within the thirty days prior to the date of the Shareholders' Meeting at first or single call⁵², on the Company's website and in the ways set forth in the Consob regulation⁵³. This term, in accordance with Article 125-bis, second paragraph, of the Consolidated Law on Financial Intermediation, is moved forward to the forty days for Shareholders' Meetings called to elect members of the

[48] Information provided in accordance with Article 123-bis, first paragraph, letters e) and l) with reference to the By-laws and second paragraph, letter c) of the Consolidated Law on Financial Intermediation.

[49] Specifically, the Shareholders' Meeting of April 29, 2010 amended the By-laws as a result of the entry into force of Legislative Decree No. 27 of January 27, 2010, (hereinafter "Legislative Decree No. 27/2010"), transposing the so-called Shareholders' Rights Directive (Directive 2007/36/EC of the European Parliament and Council dated July 11, 2007, on the exercise of certain rights of shareholders of listed companies) in Italy. On February 14, 2013, the Board of Directors adjusted the By-laws to comply with the provisions of Legislative Decree No. 91 of June 18, 2012, (hereinafter "Legislative Decree No. 91/2012"), which made changes and additions to Legislative Decree No. 27/2010.

[50] Pursuant to Article 18 of the By-laws: "If the Shareholders' Meeting has not appointed a Chairman, the Board shall elect one from among its members".

[51] More specifically, under Article 16.1 of the By-laws, the ordinary Shareholders' Meeting authorises the transfer of business.

[52] This term is moved back to twenty-one days for Shareholders' Meetings specified in Article 2446 (reduction of share capital due to financial losses), Article 2447 (reduction of share capital to below the legal limit), and Article 2487 (appointment and removal of the liquidators; criteria for the liquidation procedure) of the Italian Civil Code.

[53] Legislative Decree No. 91/2012 also allows notices calling meetings to be held after January 1, 2013 to be published in newspapers.

management and control bodies through the use of slates. The notice calling the meeting, the content of which is defined by the law and the By-laws, contains all the necessary instructions on how to participate in the Shareholders' Meeting including, in particular, information on how to obtain proxy forms and mail-in ballots, including via the Company's website. In the same manner and within the same time period for publishing the notice calling the meeting, unless otherwise specified by the law, the Board of Directors issues a report to the public containing the Shareholders' Meeting agenda. When items are contained in the agenda that, in the abstract, require different deadlines for calling the Shareholders' Meeting, the reports explaining these items are published by the deadline for publication of the notice for each of the items on the agenda.

Moreover, the By-laws state that the Board of Directors may call the Shareholders' Meeting to approve the annual report within the extended deadline of 180 days from the close of the financial year, subject to the publishing of the draft annual report approved by the Board of Directors within 120 days from the close of the financial year.

In order to ensure greater clarity for shareholders, the By-laws establish the minimum threshold – equivalent to one twentieth of the share capital – required for calling the Shareholders' Meeting on request of the shareholders, while also outlining the restrictions and methods specified By-law for exercising said option⁵⁴.

Participating and voting

With regard to Shareholders' Meeting attendance, the so-called "record date" mechanism applies. This mechanism, introduced by Legislative Decree No. 27/2010, and adopted in Article 13.2 of the By-laws, establishes that the right to participate in a meeting and vote must be certified by a statement submitted by an authorised intermediary on the basis of its accounting records to the Company on behalf of the person entitled to vote. This statement shall be submitted on the basis of the balances recorded at the end of the seventh trading day prior to the date of the Shareholders' Meeting. In accordance with Legislative Decree No. 91/2012, the Eni By-laws clarify that the record date is determined with reference to the date of the Meeting at first or single call, provided that subsequent call dates are indicated in the notice at first call; otherwise, it is determined with reference to the individual meeting dates. Credit or debit records in the intermediary's accounts after this date have no effect in terms of legitimising the exercise of voting rights in the Shareholders' Meeting.

The Company must receive the statements submitted by the intermediary by the end of the third trading day prior to the date set for the Shareholders' Meeting, or by the date established by Consob regulations, in agreement with the Bank of Italy, without prejudice to legitimate attendance and the right to vote

in the event that the certifications reach the Company after the deadline, provided that it reaches the Company by the start of the Shareholders' Meeting at each call.

With the amendments made to the By-laws in 2012, the Company aims to provide shareholders with additional tools for attending the Shareholders' Meeting and exercising the right to vote. In particular, without prejudice to the possibility of voting by mail in compliance with the law, the following provisions have been set forth in the By-laws:

- assignment of Shareholders' Meeting proxies via electronic means⁵⁵;
- electronic notification of the proxies, which the shareholder may do through the appropriate section of the Company's website, in the manner set forth in the notice calling the meeting;
- attending Shareholders' Meeting by means of telecommunications systems or voting by mail-in or electronic ballot. The By-laws defer to the notice calling the meeting regarding the instructions on using these telecommunications systems.

Furthermore, the Company may designate a person (the "Designated Representative") to whom shareholders may grant proxies for all or some of the proposals on the agenda up until the end of the second trading day prior to the date for the Shareholders' Meeting at first or single call. Lastly, in order to simplify proxy voting by shareholders who are employees of the Company and who belong to shareholders' associations that meet applicable legal requirements, the By-laws provide that Eni shall make available to these shareholders' associations locations for communications and collecting proxies, in accordance with the terms and conditions agreed with the legal representatives of said associations.

To ensure that shareholders can exercise the rights established in Eni's By-laws, a special section of the Company's website is dedicated to the Shareholders' Meeting through which it is possible, among other things, to submit a question before the Shareholders' Meeting and provide electronic notification of proxies. In accordance with the provisions of Article 83-sexies of the Consolidated Law on Financial Intermediation, the exercise of the above indicated rights is conditional upon the receipt by the Company of the certifying statement sent by an authorised intermediary, which shareholders can submit directly through the Eni website.

In addition, to make it easier for shareholders to exercise their rights, the simple proxy form, used to grant a proxy to the Designated Representative, and the mail-in ballot are available in the special section on the Eni website, together with the relevant documentation.

Since the Shareholders' Meeting held in 2012, Eni has made use of its right to appoint a Designated Representative to whom shareholders can freely grant proxies.

[54] Pursuant to Article 2367 of the Italian Civil Code, shareholders may not request that a Shareholders' Meeting be called for matters which, under the law, the Shareholders' Meeting deliberates upon a proposal of the Directors or on the basis of a project or report of the Directors; apart from these cases, shareholders who request a Meeting be called must prepare a report on the proposals concerning the issues to be discussed and make it available to the public – together with any comment by the Board of Directors – at the time the notice calling the meeting is published, in accordance with the provisions of Article 125-ter, third paragraph, of the Consolidated Law Financial Intermediation. In the event of a delay by the Board of Directors, the Board of Statutory Auditors will make the shareholders' report, along with its own comments, available to the public.

[55] With regard to proxies granted electronically, Legislative Decree No. 91/2012 specifies that an electronic proxy is one granted via computer document signed electronically in accordance with the Digital Government Code.

Shareholders' rights and Shareholders' Meeting rules

Pursuant to the law and the By-laws, Shareholders who severally or jointly represent at least one fortieth of the Company's share capital may:

- ask for items to be added to the agenda by submitting a request within ten days of publication of the notice calling the meeting. The request, which cannot include matters upon which the Shareholders' Meeting must resolve upon a proposal of the Directors or on the basis of a project or report of the Directors, must specify the additional items proposed and must be accompanied by a report to the Board of Directors on the matters proposed for discussion. This report must be made available to the public at the Company's registered office, on the Company's website or as otherwise provided for by applicable regulations, together with any evaluations by the Board of Directors, at the same time as publication of the notice of the additions to the agenda and within fifteen days prior to the date of the Shareholders' Meeting;
- submit proposed resolutions on items already in the agenda in the manner and within the time period given for adding items to the agenda.

Proposed resolutions on the items in the agenda may be presented by individual shareholders entitled to vote at the Shareholders' Meeting, even if such shareholders do not meet the share capital threshold indicated above.

Additions to the agenda and proposed resolutions may also be submitted electronically, provided that the shareholder complies with any requirements indicated by the Company in the notice calling the meeting for identifying such shareholder.

The efficient and orderly running of the Shareholders' Meetings and the right of each shareholder to comment on individual items on the agenda are guaranteed by the Shareholders' Meeting Rules, which were approved by the

ordinary Shareholders' Meeting of December 4, 1998 and are available on the Eni website⁵⁶.

The Board of Directors strives to ensure timely and easy access to any Company information regarded as important for shareholders so that they may exercise their rights in an informed manner⁴⁷. Furthermore, those entitled to vote may submit questions on matters on the agenda even before the start of the Shareholders' Meeting.

Any questions received prior to the Shareholders' Meeting shall be answered at the latest during the meeting itself, including in paper form at the start of the meeting. The Company may provide a single answer to questions with similar content and is not required to reply when the information is already available in "question and answer" format in the appropriate section of its website.

The notice calling the meeting indicates the date by which questions must be submitted to the Company: no more than three days prior to the Shareholders' Meeting at first or single call, or five days if the Company indicates in the notice that it plans to answer questions prior to the meeting. In the latter case, the answers must be provided at least two days prior to the Shareholders' Meeting and must be published in the appropriate section of Eni's website.

Shareholders' Meetings are chaired by the Chairman of the Board of Directors, or in the event of his absence or impediment, by the CEO, or in their absence, by a person named by the Shareholders' Meeting. The Chairman of the Shareholders' Meeting explains the items to be discussed and conducts the Meeting to ensure a fair discussion and that shareholders have the right to comment and receive answers on each of the agenda items.

In order to stimulate the interest of shareholders and promote a greater degree of involvement in Company life, the Company has created a cartoon and a Shareholders' Guide available on its website⁵⁸ with clear and direct information on attendance procedures and on the rights that can be exercised at an event that is of primary importance for the Company.

[56] Available at: http://www.eni.com/en_IT/governance/shareholder-meeting/meeting-regulation/meeting-regulation.shtml.

[57] For more information, please refer to the section on "Relations with shareholders and the market".

[58] Available at: http://www.eni.com/en_IT/governance/shareholders/initiatives/initiatives.shtml.

Board of Directors⁵⁹



From left to right:

Francesco Taranto, Alessandro Lorenzi, Alessandro Profumo, Paolo Marchioni, Paolo Scaroni, Giuseppe Recchi, Roberto Petri, Mario Resca, Carlo Cesare Gatto.

Composition

Pursuant to Article 17 of the By-laws, the Board of Directors is composed of no fewer than three and no more than nine members, elected by the ordinary Shareholders' Meeting, which determines their number within these limits. An additional non-voting Director may be appointed by the State pursuant to Italian Law No. 474/1994, as adopted by Article 6.2, letter d) of the Company By-laws⁶⁰.

The By-laws state that non-controlling shareholders can appoint three-tenths of the total number of Directors on the Board⁶¹.

The Shareholders' Meeting of May 5, 2011 set the number of Directors at nine and appointed the Board of Directors and Chairman of the Board to serve for three financial years until date of the Shareholders' Meeting called to approve the 2013 annual financial statements. On May 6, 2011, the Board appointed Paolo Scaroni as Chief Executive Officer of the Company.

The Board is composed of Giuseppe Recchi (Chairman), Paolo Scaroni (CEO), Carlo Cesare Gatto, Alessandro Lorenzi, Paolo Marchioni, Roberto Petri, Alessandro Profumo, Mario Resca and Francesco Taranto.

Giuseppe Recchi, Paolo Scaroni, Carlo Cesare Gatto, Paolo Marchioni, Mario Resca and Roberto Petri were nominated by the Ministry of the Economy and Finance, which at the time owned 3.93% of the share capital, and elected by the majority of the shareholders that participated in the Shareholders' Meeting (about 60% of the voting capital), equal to 33.12% of share capital. Alessandro Profumo, Francesco Taranto and Alessandro Lorenzi were nominated by institutional investors, holding a total of 0.9% of the share capital, and elected by the non-controlling shareholders that participated in the Shareholders' Meeting (about 38% of voting capital), equal to 20.89% of share capital. On May 6, 2011, Roberto Ulissi, the Senior Executive Vice President for Corporate Affairs and Governance of the Company, was confirmed as the Secretary of the Board of Directors upon a proposal of the Chairman.

Below are some personal and professional profiles of the Board members elected by the Shareholders' Meeting held on May 5, 2011.



Giuseppe Recchi

Mr. Recchi was born in 1964 and he has been Chairman of the Board of Eni since May 2011.

He is also a member of the Board of Directors of Exor SpA and GE Capital Interbanca SpA, and member of the Massachusetts Institute of Technology E.I.'s External Advisory Board.

He is also a member of the executive Board of Confindustria (the Confederation of Italian Industries, where he is also chairman of the Foreign Investors Committee and of the Italian Corporate Governance Committee), Assonime (Association of Italian Joint Stock Companies, where he is also a member of the Chairmanship Committee) and Aspen Institute Italia; a member of the Board of Directors of FEEM-Eni Enrico Mattei Foundation and of the Italian Institute of Technology; and sit on the Advisory Board of Luiss Business School. He is co-chair of the Italy-China Foundation and is also co-chair of the B20 Task Force on Improving Transparency and Anti-Corruption and a member of the Board of Directors of the World Economic Forum's Partnering Against Corruption Initiative.

He holds a degree in engineering from the Polytechnic of Turin. In 1989, started his career at Recchi Construzioni Generali, a general contractor active in 25 Countries in the construction of major public infrastructures. Since 1994 he has served as executive chairman of Recchi America Inc., the US branch of the Recchi Group. In 1999 he joined General Electric, where he held several management positions in Europe and in the US. He served as director

[59] Information also provided pursuant to Article 123-bis, second paragraph, letter d) of Consolidated Law on Financial Intermediation.

[60] Pursuant to Decree Law No. 21 of March 15, 2012, ratified as amended By-law No. 56 of May 11, 2012, Article 6.2, letter d) of the Company By-laws will be repealed as incompatible with the new rules by ministerial regulations implementing these rules with respect to the energy, transportation and communications sectors, approved on March 14, 2014 by the Council of Ministers and not yet in force. More for information, please see the section "Special Powers of the State".

[61] Article 4, paragraph 1-bis, of Law No. 474/1994 (as amended by Legislative Decree No. 27/2010), providing that privatized listed companies apply the general framework set down in the Consolidated Law on Financial Intermediation, confirms that at least one-fifth of the voting directorships must be allocated to slates submitted by non-controlling shareholders.

of GE Capital Structure Finance Group; sole director of GE Capital SFG Italia; managing director for Industrial M&A and Business Development of GE EMEA; and president and CEO of GE Italia. Until May 2011 he was president and CEO of GE South Europe. Until March 2014 he was member of the European Advisory Board of Blackstone.

Mr. Recchi was a member of the Board of Permasteelisa SpA, a member of the advisory Board of Invest Industrial (private equity), a member of the Organising Committee for the Rome Candidacy for the 2020 Olympic Games and a visiting professor in corporate finance at Turin University.



Paolo Scaroni

Mr. Scaroni has been Chief Executive Officer and Chief Operating Officer of Eni since June 2005. He is currently a non-executive Director of Assicurazioni Generali, non-executive deputy chairman of the London Stock Exchange Group and a non-executive Director of Veolia Environnement. He also sits on the Board of Overseers of Columbia Business School and the Fondazione Teatro alla Scala.

After receiving a degree in economics and business from Luigi Bocconi University in Milan in 1969, he worked for three years at Chevron, before obtaining an MBA from Columbia University, New York, and continuing his career at McKinsey. In 1973 he joined Saint Gobain, where he held a series of management positions in Italy and abroad, until his appointment as head of the glass division in Paris in 1984. From 1985 to 1996 he was deputy chairman and CEO of Techint. In 1996 he moved to the UK and served as CEO of Pilkington until May 2002. From May 2002 to May 2005 he was CEO and COO of Enel. In 2005 and 2006 he was chairman of Alliance Unichem. In May 2004 he was appointed Cavaliere del Lavoro of the Italian Republic. In June 2013 he was decorated as Commandeur of the French Légion d'honneur.



Carlo Cesare Gatto

Mr. Gatto has been a Director of Eni since May 2011. He was born in Murazzano (Cuneo) in 1941 and graduated from the University of Turin with a degree in economics and business. He is a certified public auditor. He is currently chairman of the Board of statutory auditors of Rai SpA, Natuzzi SpA, Difesa Servizi SpA and Rainet SpA; standing statutory auditor of Rai Pubblicità SpA and Director of Arcese Trasporti SpA. He

has taught courses on finance, administration and control at the Isvor Fiat SpA training institute. In 1968 he was hired by Impresit as chief accountant where he managed the finance department of the local branch in Jordan. He joined the Fiat Group in 1969 where, over the years, he held a series of positions of increasing responsibility in the area of finance, administration and control. From 1979 to 1990 he was in charge of financial reporting at the Fiat Group and also monitored the transport companies of the Fiat Group operating public transport concessions (Sapav, Sadem, Sita) and oversaw their subsequent sale. In 1990 he was appointed joint manager of finance and control of the Fiat Group, before becoming, in 1998, Chief Administration Officer (CAO). From 2000 to 2004 he was CEO and deputy chairman of Business Solutions, a new sector created by Fiat to provide business services. In 1993 he was the Italian Representative to the European Commission for the fiscal harmonisation of the Member States. In 1992 he was made a Cavaliere Ordine al Merito and, in 1995, an Ufficiale Ordine al Merito of the Italian Republic.



Alessandro Lorenzi

Mr. Lorenzi has been a Director of Eni since May 2011. He was born in Turin in 1948. He is currently a founding partner of Tokos Srl, a securities investment consulting firm, the chairman of Società Metropolitana Acque Torino SpA and a director of Ersel SIM SpA, Millbo SpA and Sicme Motori Srl. He began his career at SAIAG SpA, in the administration and control area. In 1975 he joined Fiat Iveco SpA where he held a series of positions: controller of Fiat V.I. SpA, head of administration, finance and control and head of human resources of Orlandi SpA in Modena (1977-1980) and project manager (1981-1982). In 1983 he joined the GFT Group where he was: head of administration, finance and control of Cidat SpA, a GFT SpA subsidiary (1983-1984), central controller of the GFT Group (1984-1988), head of finance and control of GFT Group (1989-1994) and managing director of GFT SpA, with ordinary and extraordinary powers over all operating activities (1994-1995). In 1995 he was appointed CEO of SCI SpA, where he oversaw the restructuring process. In 1998 he was appointed central manager, and subsequently served as director of Ersel SIM SpA until June 2000. In 2000 he became central manager of planning and control at the Ferrero Group and general manager of Soremartec, the technical research and marketing company of the Ferrero Group. In May 2003 he was appointed CFO of the Coin Group. In 2006 he became central corporate manager at Lavazza SpA and served as a member of the Board of Directors from 2008 to June 2011.

**Paolo Marchioni**

Mr. Marchioni has been a Director of Eni since June 2008. He was born in Verbania in 1969 and is a lawyer specialising in criminal and administrative law and admitted to argue before the Supreme Court and the higher courts. He has been chairman of the Board of Directors of Finpiemonte Partecipazioni SpA since August 2010. He serves as a consultant to government agencies and business organisations on business, corporate, administrative and local government law. He was mayor of Baveno (Verbania) from April 1995 to June 2004 and chairman of the Assembly of Mayors of Con.Ser.Vco from September 1995 to June 1999. Until June 2004 he was a member of the Assembly of Mayors of the Asl 14 health authority, the steering committee of the Verbania health district, the Assembly of Mayors of the Valle Ossola waste water consortium, the Assembly of Mayors of the Verbania social services consortium. From April 2005 to January 2008 he was a member of the Stresa city council. From October 2001 to April 2004 he was a director of CIM SpA of Novara (merchandise interport center) and from December 2002 to December 2005, a director and executive committee member of Finpiemonte SpA. From June 2005 to June 2008 he was a director of Consip SpA. He was vice-president and provincial councilor in charge of the budget, property, legal affairs and productive activities of the Province of Verbano-Cusio-Ossola from June 2009 to October 2011. He was a councilor on the provincial council of the Province of Verbano-Cusio-Ossola from October 2011 to November 2012.

**Alessandro Profumo**

Mr. Profumo has been a Director of Eni since May 2011. He was born in Genoa in 1957 and received a degree in business administration from Luigi Bocconi University of Milan. He is currently chairman of Banca Monte dei Paschi di Siena, of Appeal Strategy & Finance Srl and a member of the supervisory Board of Sberbank. He is also member of the Board of Bocconi University in Milan. He began his career in 1977 at the Banco Lariano, becoming branch manager in Milan. In 1987 he joined McKinsey where he was a project manager in the strategy area for the finance sector. In 1989 he was appointed director of relations with financial institutions and integrated development projects at Bain, Cuneo e Associati firm (now Bain & Company). In 1991 he left the consulting field to join RAS- Riunione Adriatica di Sicurtà, where he was given responsibility, as central manager, for the banking and parabanking sectors. He was also in charge of expanding the revenues of that group's bank and of the distribution and management companies operating in the field of asset management. In 1994 he joined Credito Italiano as joint central manager, overseeing programming and control, and become general manager in 1995. In 1997 he was appointed CEO of Credito Italiano and subsequently of Unicredit, a position he held until September 2010. On an international level, he served as president of the European Banking Federation (Brussels) and chairman of the International Monetary Conference in Washington, DC. In May 2004 he was made a Cavaliere del Lavoro of the Italian Republic.

**Roberto Petri**

Mr. Petri has been a Director of Eni since May 2011. He was born in Pescara in 1949 and graduated with a degree in law from "Gabriele D'Annunzio" University of Chieti and Pescara. He has been chairman of Italimmobili Srl since 2011. In 1976 he was hired by Banca Nazionale del Lavoro (BNL) where he held a series of positions: head of the "Lending Advisory" of BNL in Busto Arsizio (1982), deputy manager for the industrial division at the BNL branch in Ravenna (1983-1987), area chief of BNL in Venice (1987-1989) and joint manager of the central office of BNL in Rome (1989-1990). In 1990 he was appointed commercial manager at Banca Popolare and in 1994 he transferred, holding the same position, to Cassa di Risparmio di Ravenna Group (Carisp Ravenna and Banca di Imola). From 2001 to 2006 he was Chief Secretary to the Under-Secretary of Defence, where he was mainly involved in the Defence Ministry's contacts with industry and international relations. From 2008 to 2011 he was Chief Secretary to the Minister of Defence. From 2003 to 2006 he was a director of Fintecna SpA and from 2005 to 2008 a director of Finmeccanica SpA.

**Mario Resca**

Mr. Resca has been a Director of Eni since May 2002. He was born in Ferrara in 1945 and graduated from Luigi Bocconi University of Milan in with a degree economics and business. He is chairman of Confimprese, and Bioenergy C.G. and a director of Mondadori SpA. After graduation he joined Chase Manhattan Bank. In 1974 he was appointed manager of Saifi Finanziaria (Fiat Group) and from 1976 to 1991 he was a partner at Egon Zehnder. During this period he was appointed a director of Lancôme Italia and of companies belonging to the RCS Corriere della Sera Group and the Versace Group. From 1995 to 2007 he served as chairman and CEO of McDonald's Italia. He has also been chairman of Sambonet SpA and Kenwood Italia SpA, a founding partner of Eric Salmon & Partners, chairman of the American Chamber of Commerce, director-general of Italian Heritage and Antiquities at the Ministry of Cultural Heritage and Activities, chairman of the Convention Bureau Italia SpA and has also been an Extraordinary Commissioner of Cirio Del Monte. He was made a Cavaliere del Lavoro in June 2002.



Francesco Taranto

Mr. Taranto has been a Director of Eni since June 2008. He was born in Genoa in 1940. He is currently deputy chairman of Banca CR Firenze SpA (Cassa di Risparmio di Firenze SpA) and is a director and member of the executive committee of Rimorchiatori riuniti SpA. He became his career as a stock broker in Milan in 1959. From 1965 to 1982, he worked at Banco di Napoli as deputy manager of the stock market and securities department. He held a series of management positions in the asset management field, notably as manager of securities funds at Eurogest from 1982 to 1984, and general manager of Interbancaria Gestioni from 1984 to 1987. After moving to the Prime Group (1987 to 2000), he served as CEO of the parent company for an extended period of time. He was also a director of ERSEL S.I.M., a member of the Board of Assogestioni and of the Committee for the Corporate Governance of listed companies formed by Borsa Italiana. He was a director of Enel from October 2000 to June 2008.

Appointment⁶²

Voting slates

To ensure that non-controlling shareholders are represented on the Board, Directors are elected on the basis of slates. This system has been set out in the Company By-laws since 1994, in compliance with the special rules that apply to the Company itself. In particular, Article 4 of Law No. 474/1994 specifies that members of management and control bodies are appointed using a slate system and governs the procedure for calling the Shareholders' Meeting and publishing the slates, the percentage of share capital required for submitting slates and the number of positions allotted to the non-controlling shareholders.

The rule, however, which was amended by Legislative Decree No. 27/2010, with the introduction of paragraph 1-bis of Article 4, states that during Shareholders' Meetings called after October 31, 2010, the procedure for appointing members of the Company bodies must comply with the provisions established for all listed companies, with the exception of the number of Board members allotted to non-controlling shareholders⁶³.

Right to submit slates

Therefore, pursuant to Article 17 of the By-laws, which was

appropriately amended to align its provisions with those of the above-mentioned decree⁶⁴, slates of candidates may be submitted by shareholders⁶⁵ when – either alone or together with others – they represent at least 1% of Eni's share capital or any other threshold established by Consob regulations. Since 2011, and recently with its resolution dated January 29, 2014, Consob set the threshold for Eni at 0.5% of the share capital. Ownership of the minimum holding need to submit slates shall be determined with regard to shares registered in the name of the shareholder on the date on which the slates are filed with the Company, without considering any subsequent transfer of the shares. Each shareholder may only submit (or contribute towards submitting) and vote for a single slate. Controlling persons, subsidiaries and companies under common control may not submit or participate in the submission of other slates, nor can they vote on them, either directly or through nominees or trustees.

Composition, submission and publication of slates

Slates must list candidates in numerical order and expressly indicate those who fulfil the independence requirements specified by the law and By-laws. They are filed with the Company's registered office at least twenty-five days prior to the date of the Shareholders' Meeting at first or single call convened to appoint the members of the Board of Directors, and are made available to the public at the Company's registered office, on its website and in any other manner established in the law⁶⁶ and by Consob regulations at least twenty-one days prior to the meeting date. Slates of candidates are also communicated to Borsa Italiana SpA. All candidates must satisfy the integrity requirements established by applicable law. Together with the filing of each slate, on penalty of inadmissibility, the following shall also be filed: the curriculum vitae of each candidate, statements of each candidate accepting his nomination and affirming the absence of any grounds making him ineligible or incompatible for such position and that he satisfies the requirements of integrity and independence required by the law and the By-laws. Furthermore, in line with legislative provisions, the By-laws of Eni⁶⁷ provides that – for the first three elections of the Board of Directors subsequent to August 12, 2012 – slates that contain three or more candidates must include candidates of both genders, as specified in the notice calling the Meeting, in order to achieve gender balance. If the slate voting mechanism does not yield the minimum gender representation required by law, an impartial mechanism is used based upon the number of votes received by the candidates to identify those of the over-represented gender to be replaced by the members of the less-represented gender who may be listed on the same slate or chosen by the Shareholders' Meeting. The shareholders

[62] Information also provided pursuant to Article 123-bis, first paragraph, letter l) of Consolidated Law on Financial Intermediation.

[63] Article 4, paragraph 1-bis, of Law No. 474/1994 confirms that at least one-fifth of the voting directorships (rounded up) must be allocated to slates submitted by non-controlling shareholders.

[64] The Shareholders' Meeting of April 29, 2010 and the Board of Directors of June 3, 2010 aligned the By-laws to the new regulations.

[65] Pursuant to Article 17.3 of the By-laws, the Board of Directors may submit a slate of candidates.

[66] In accordance with Article 147-ter of the Consolidated Law on Financial Intermediation, amended by Legislative Decree No. 91/2012, and adopted in the Eni By-laws, slates may also be filed with the Company via distance communication methods, provided that they comply with any requirements stated by the Company in the notice calling the meeting that are strictly required to confirm the identity of the submitters.

[67] Refer to Articles 17 and 34 of the Company's By-laws.

who submitted the slates must also be identified, indicating the percentage of the share capital held⁶⁸. Once the voting formalities are satisfied, seven-tenths of the Directors to be elected are drawn from the slate that receives the most votes of the shareholders, rounded off in the event of a decimal number to the next lowest whole number, in the order that they appear on the slate. The remaining Directors are drawn from the other slates, which shall not be connected in any way, directly or indirectly, to the shareholders who have submitted or voted the slate that receives the largest number of votes⁶⁹.

The slate voting procedure shall apply only to the election of the entire Board of Directors. If, for any reason, Directors are not appointed using this procedure, the Shareholders' Meeting shall resolve, with the required legal majorities, so as to ensure that the composition of the Board is compliant with the law and the By-laws. In any case, even when Directors are replaced during their term of office, compliance with the required minimum number of independent Directors and the applicable rules concerning gender balance is still required.

In accordance with Article 6, second paragraph 2, letter d) of the By-laws, the Minister for the Economy and Finance, in agreement with the Minister for Economic Development, may also appoint a non-voting Director. The Ministers have not exercised this right⁷⁰.

Succession plan for Executive Directors and key personnel

The Nomination Committee has been appointed by the Board of Directors to develop a proposed succession plan for the CEO, to be submitted to the Board, where possible and appropriate in relation to the Company's shareholding structure. As of the date of approval of this Report, the Committee has not proposed a succession plan for the CEO of Eni given the nature of the Company's shareholding structure.

At its meeting of September 19, 2013, the Nomination Committee re-examined the methodology for identifying the successors for management positions that fall under its responsibility (for those positions that Eni's Board of Directors is responsible for appointing and key personnel who are stable members of Eni's Management Committee) and checked the application of this methodology.

The process of crafting succession plans for these key positions has been firmly in place since 2012 at Eni and is comprised of the following phases:

- the analytical description of the contents of each position, particularly with respect to the areas of responsibility, any changes in the position expected in the short term, the management experience and skills required to fully perform the position;
- the evaluation of the current position holder and potential successors performed with the assistance of leading industry consultants;

- the establishment of the "succession table" containing the names of potential successors and plans for their development;
- the evaluation of the overall risk related to the making such theorised replacements.

In 2013, the following actions were performed:

- it was necessary to review the scope of positions covered (and related profiles) and the proposed succession in light of internal reorganisation and events;
- the succession plan process was extended to key positions at Eni (around 150 positions);
- the application of the methodology approved by the Nomination Committee in 2012 was confirmed, being considered, according to the external advisor to Eni, a best practice; with regard to this, the procedure for standardising and regulating the process is being prepared.

As stated, the Nomination Committee reviewed the results of applying this methodology to management positions overseen by the Committee itself and the primary effects overall and for the individual position, for which the application of the methodology in the various phases was shared for each.

For Eni, having structured succession plans for key positions is very important for decision making involving the mobility and development of management personnel whether there is continuity or strong discontinuity in the reference environment.

Independence requirements

The law and By-laws

The Consolidated Law on Financial Intermediation establishes that at least one Director, or two if the Board is comprised on more than seven members, must satisfy the independence requirements for Statutory Auditors of listed companies as set out in Article 148, third paragraph of that law, as well as any other requirements set out in codes of conduct if the By-laws so provide.

Article 17.3 of Eni's By-laws improve on the existing law by establishing that at least one Director, if there are no more than five Directors, or at least three Directors, if there are more than five, shall satisfy the independence requirements. The same article also provides for a mechanism beyond the ordinary election system for ensuring that the requirement of a minimum number of independent Directors is satisfied. By doing so, Eni seeks to strengthen the presence of independent Directors on its Board.

Corporate Governance Code recommendations

Article 3 of the Corporate Governance Code also recommends that an adequate number of non-executive Directors be independent, meaning that they do not maintain nor have they recently maintained, directly or indirectly, any business relationships with the issuer or persons linked to the issuer of such a significance as to influence their autonomous

[68] In addition, in the case of slates filed via distance communication methods, the requirements for confirming the identity of the submitters as specified in the notice calling the Meeting must be satisfied.

[69] The criteria for connection are set out in Article 144-quinquies of the Consob Issuers' Regulation.

[70] For more information, please see the section "Special powers reserved to the State".

judgement. The number and competences of independent Directors must be adequate in relation to the size of the Board and the activity performed by the issuer and they must be such as to enable the formation of committees within the Board, in accordance with the guidelines set out in the Code. As for issuers belonging to the FTSE-Mib index, at least one-third of the Board members must be independent Directors, rounded down in the event of a decimal number to the next lowest whole number. In any event, there shall be no fewer than two independent Directors.

Eni specifications

As to these requirements, Eni has further specified three points of the Code⁷¹:

- “strategically important subsidiaries” in which the Director may have been a leading figure are identified⁷²;
- the amount of “additional remuneration” that could compromise the independence of a non-executive Director has been established in the amount of 30% of the “fixed remuneration”⁷³;
- “close relative” was defined to include spouse, relatives and relatives-in-law within second degree of kinship⁷⁴.

Board assessments

The Board of Directors assesses the independence of Directors, after verification by the Nomination Committee, based on the criteria established by the Consolidated Law on Financial Intermediation and on the requirements set forth in the Corporate Governance Code.

Following appointment and periodically, the non-executive Directors must provide statements that they satisfy the independent requirements and the Board assesses the independence of these Directors, taking account of all the above criteria and prioritising substance over form, as required by the Corporate Governance Code. The Board also evaluates the independence of Directors when circumstances arise that could affect their independence. The Nomination Committee is responsible for enquiries connected with the Board’s verification that the Directors satisfy the independence requirements.

More specifically:

- at its meeting of **May 6, 2011**, following appointment, and of **February 14, 2012** (after investigation by the Nomination Committee), the Board of Directors – on the basis of the statements made and the information available to the Company – confirmed that the non-executive Directors (Gatto, Lorenzi, Marchioni, Petri, Profumo, Resca and Taranto) were independent pursuant to the law, the By-laws and the Eni Corporate Governance Code at that time⁷⁵. Director Resca was confirmed as independent, even under the Eni Corporate Governance Code, although he has held the position for more

than nine of the last twelve years⁷⁶, on account of his proven independence of judgment. With reference to the marital relationship between Director Profumo and an employee of the Company, the Board believes that this relationship does not compromise his independence as defined by Corporate Governance Code, in consideration of his ethical and professional integrity and his international reputation. It was also decided that the position held by Director Gatto as chairman of the Board of auditors of Rai SpA, a company along with Eni under the common control of the Ministry of the Economy and Finance, does not compromise his independence since he performs auditor duties, which by their very nature are independent, and because Rai is subject to special legal rules which limit the control power exercised by the Ministry over that company;

- subsequently, the Nomination Committee, following the provisions contained in the new edition of the Corporate Governance Code, which recommends that the Board evaluate the independence of Directors upon the occurrence of relevant circumstances (Article 3.C.4), once again reviewed the independence of Director Profumo at its meetings of September 20 and October 18, 2012 since he was appointed chairman of the Board of Directors of Banca Monte dei Paschi di Siena, a bank with which Eni has financial dealings, on April 27, 2012. Once it obtained documentation on existing financial relationships with the bank and other available supporting information, the Committee determined⁷⁷ that the business dealings between Eni and the bank were not such as to compromise the independence of Director Profumo. Based on the investigation performed by the Committee, on **October 29, 2012** the Board confirmed this determination of Director Profumo’s independence;
- in its meeting of **February 14, 2013**, based upon the investigation performed by the Nomination Committee, the Board of Directors confirmed the previous conclusion that all the non-executive Directors satisfied the independence requirements and, with regard to Directors Resca and Profumo, confirmed the reasons previously stated. It also confirmed the independence of Director Gatto with regard to this position as chairman of the Board of statutory auditors of Rainet SpA, a wholly-owned subsidiary of Rai SpA, a company of which he is also chairman of the Board of statutory auditors. The Board of Directors confirmed his independence despite his appointment to Rainet SpA for the same reasons it found him independent following his appointment as chairman of the Board of statutory auditors of Rai SpA.;
- in its meeting of **February 12, 2014**, based upon the investigation performed by the Nomination Committee, the Board confirmed that non-executive Directors Gatto, Lorenzi, Marchioni, Petri, Profumo, Resca and Taranto are independent

[71] These specifications have been followed by Eni since 2006, when it became compliant with the previous Corporate Governance Code.

[72] Criterion 3.C.1.b).

[73] Criterion 3.C.1.d).

[74] Criterion 3.C.1.h).

[75] Although the Board’s Chairman is a non-executive Director, he cannot be considered independent under the Corporate Governance Code as he is a senior officer of the Company (Criterion 3.C.2 of the Corporate Governance Code).

[76] Director Resca was first appointed in 2002.

[77] In the absence of the Director involved.

pursuant to the law, the By-laws and the Eni Corporate Governance Code, confirming the previous conclusions, including with regard to the position of standing auditor of Rai Pubblicità SpA held by Director Gatto.

The assessments of the Board carried out on February 12, 2014 are provided in the charges attached to this Report.

Verifications by the Board of Statutory Auditors

The Board of Statutory Auditors has verified the proper application of the criteria and procedures adopted by the Board in assessing the independence of its members.

Integrity requirements, reasons for ineligibility and incompatibility

Article 148 of the Consolidated Law on Financial Intermediation specifies that individuals who perform management and administration functions in listed companies must fulfil the integrity requirements established for members of control bodies in the guidelines issued by the Minister of Justice⁷⁸. In particular, Article 17.3 of the By-laws, in transposing this provision, establishes that all candidates for the position of Director must fulfil the integrity requirements specified in current regulations. In addition, the Directors are required to fulfil additional specific requirements established by the special rules applicable to them.

The same provision also requires the Board to periodically evaluate the independence and integrity of Directors and ascertain the absence of circumstances that would render them ineligible or incompatible.

Pursuant to Article 17.3 of the By-laws, if a Director does not or no longer satisfies the independence and integrity requirements or if circumstances arise that render him ineligible or incompatible, the Board shall declare that the Director has forfeit the position and replace him, or shall invite him to rectify the circumstances rendering him incompatible by a deadline set by the Board itself, on penalty of forfeiture. The appointed Directors must notify the Company if they should no longer satisfy the independence and integrity requirements or if cause for ineligibility or incompatibility should arise. Following appointment and on a regular basis, the Directors are required to issue statements that they continue to satisfy the integrity requirements under applicable law and the Board verifies that the integrity requirements have been satisfied, in accordance with current regulations.

The Nomination Committee is responsible for enquiries connected with the periodic verification that the Directors satisfy the integrity requirements and the absence of circumstances that would render them ineligible or incompatible.

At its meetings of May 6, 2011, of February 14, 2012 and, after

investigation by the Nomination Committee, of February 14, 2013, as well as at the most recent meeting of February 12, 2014, the Board of Directors – on the basis of the statements made and the information available to the Company – verified that the integrity requirements have been satisfied and that there are no circumstances rendering any of the Directors ineligible or incompatible, including with regard to any Eni holdings in financial, banking and/or insurance companies.

Policy of the Board of Directors on the maximum number of offices held by its members in other companies

With its resolution of May 6, 2011 (confirming the guidelines established by the previous Board), the Board of Directors specified the general criteria for determining the maximum number of management and control offices that can be held by its members in other companies that are compatible with effective performance of their role as Director of Eni. Subsequently, after the adoption of the Corporate Governance Code (December 2011 edition) at its meeting of October 29, 2012, the Board, acting on the proposal of the Nomination Committee, confirmed its previous policy and introduced, in advance of the deadline set in the Corporate Governance Code, a prohibition on cross-directorships⁷⁹ by which “the Chief Executive Officer of an issuer (A) shall not be appointed director of another issuer (B) not belonging to the same corporate Group, of which a director of the issuer (A) is Chief Executive Officer”. Therefore, following these changes of October 29, 2012, the Board resolved that:

- an executive Director should not hold: (i) the office of executive director in any other listed company, whether Italian or foreign, or in any financial⁸⁰, banking or insurance company or in a company with shareholders' equity exceeding €10 billion; (ii) the office of non-executive Director or statutory auditor (or member of another controlling body) in more than three of the aforesaid companies; and (iii) the office of non-executive director in another issuer of which a Director of Eni is an executive Director.
- a non-executive Director, in addition to the office held in Eni, should not hold the office of: (i) executive Director in more than one of the aforesaid companies and non-executive Director or statutory auditor (or member of another controlling body) in more than three of the such companies; or as (ii) non-executive director or statutory auditor in more than six of such companies; or as (iii) executive director of another issuer of which an executive Director of Eni is a non-executive Director.

The limit on multiple offices excludes offices held in Eni Group companies.

If these limits are exceeded, the Director will promptly inform

[78] Ministerial Order No. 162 of March 30, 2000.

[79] Article 2.C.5 of the Corporate Governance Code. The Board, with these changes made on October 29, 2012, therefore planned to immediately apply the Code recommendations, which the Code itself stated could be postponed until the first Board election after 2011, in accordance with Eni's decision to immediately implement all the new recommendations concerning Board and Committee composition. As required by the Corporate Governance Code, the resolution of October 29, 2012, took into account the participation of Directors on Board committees.

[80] For the purposes of assessing the number of offices held, financial companies are those companies defined under Article 106 of Legislative Decree No. 385/1993 (Consolidated Law on Banking) and companies that provide investment or collective portfolio management activities or services pursuant to the Consolidated Law on Financial Intermediation.

the Board, which will assess the situation in light of the interests of the Company and will call upon the Director to take action in accordance with its decision.

In any case, before taking up the office of director or statutory auditor (or member of another controlling body) in another company that is not a direct or indirect subsidiary or associated company of Eni, the executive Director shall inform the Board of Directors, which will evaluate the compatibility of the office with the functions attributed to the executive Director and with the interests of Eni. The rules applicable to executive Directors also apply to Chief Operating Officers, with the exception of the prohibitions on cross-directorships.

On the basis of information provided following appointment, the Board of Directors periodically verifies that the Directors have complied with the aforementioned limits on multiple offices. It most recently verified the compliance of the Directors, after investigation by the Nomination Committee, at its meeting of February 12, 2014.

Detailed information on the number of offices held by Board members with reference to the resolution of February 12, 2014 is available in the chart attached with this Report.

Powers

The Board of Directors has been granted the broadest powers for the ordinary and extraordinary administration of the Company to pursue its purpose.

On 6 May 2011, the Board of Directors appointed Paolo Scaroni⁸¹, as Chief Executive Officer and Chief Operating Officer, entrusting him with the widest powers for the ordinary and extraordinary administration of the Company, while exclusively reserving to itself the most important strategic, operational and organisational powers, in addition to those that cannot be delegated by law. More specifically, by resolution dated December 12, 2013, in line with the role assigned the management body by the Corporate Governance Code, the Board:

1. defines the system and rules of corporate governance for the Company and the Group and approves the Corporate Governance and Shareholding Structure Report, having first received the opinion of the Control and Risk Committee with regard to the internal control and risk management system. It approves the basic guidelines for the internal regulatory system, the policies and, normally, the compliance and governance Management System Guidelines. Having first received the favourable opinion of the Control and Risk Committee, it adopts procedures to ensure the transparency and the substantive and procedural fairness of transactions with related parties and transactions in which a director or statutory auditor holds a personal interest or an interest on behalf of third parties, evaluating annually whether a review is necessary. The Board also adopts, acting on a proposal of the Chief Executive Officer, a procedure for the internal handling and disclosure to third parties of documents and information concerning the Company and, in particular, inside information.
2. establishes the Board's internal committees, which provide recommendations and advice, and appoints their members

3. and chairmen, determining their duties and compensation and approves their rules of procedure and annual budgets.
3. expresses the general criteria, acting on a proposal of the Nomination Committee, for determining the maximum number of management and control offices in financial, banking insurance companies or large companies listed on a regulated market (including foreign markets) that a Company director may hold that are compatible with effective performance of his role as a director, taking due consideration of the positions held in the Board's internal committees.
4. delegates and revokes the powers of the Chief Executive Officer and the Chairman, establishing the limits and procedures for exercising those powers and determining, after examining the proposals of the Compensation Committee and consulting with the Board of Statutory Auditors, the compensation associated with these duties. The Board may impart directives to the delegated bodies and may itself undertake any operations falling within the delegated powers.
5. establishes the basic structure of the organizational, administrative and accounting arrangements of the Company (including the internal control and risk management system), of its strategically important subsidiaries and of the Group as a whole. It evaluates the adequacy of the organizational, administrative and accounting systems of the Company, its strategically important subsidiaries and the Group established by the Chief Executive Officer.
6. After examining the proposals of and subject to an opinion of the Control and Risk Committee, establishes the guidelines for the internal control and risk management system to ensure that the main risks faced by the Company and its subsidiaries are properly identified, measured, managed and monitored. It also determines the compatibility of such risks with managing the business consistent with its strategic objectives. The Board sets the limits of the Company's financial risk exposure. Having received the opinion of the Control and Risk Committee, it (i) examines the main risks faced by the Company, which have been identified taking due account of the characteristics of the activities of the Company and its subsidiaries, as presented by the Chief Executive Officer at least every six months, and (ii) evaluates, every six months, the adequacy of the internal control and risk management system with respect to the characteristics of the Company and its risk profile, as well as the system's effectiveness.
7. approves at least annually, having first received the opinion of the Control and Risk Committee and in consultation with the Board of Statutory Auditors and the Chief Executive Officer, the audit plan drawn up by the head of the Internal Audit Department. It also evaluates, having first received the opinion of the Control and Risk Committee and in consultation with the Board of Statutory Auditors, the findings contained in the recommendation letter, if any, of the external auditor and in its statement on the key issues that arose during the statutory audit.
8. defines, acting on a proposal of the Chief Executive Officer, the

[81] Paolo Scaroni was first appointed CEO of the Company on June 1, 2005.

strategic guidelines and objectives of the Company and the Group, including sustainability policies.

It examines and approves the budgets and the strategic, industrial and financial plans of the Group, periodically monitoring their implementation, as well as agreements of a strategic nature for the Company.

It examines and approves the plan for the Company's non-profit activities and approves operations not included in the plan whose cost exceeds €500 thousand, provided that reports on operations not included in the plan and not subject to Board approval are periodically submitted to the Board, in accordance with section 10 below.

9. examines and approves the annual financial report including the individual and consolidated financial statements and the semi-annual and quarterly financial reports required by applicable law. It reviews and approves the sustainability reporting not already contained in the annual financial report.
10. receives reports from directors with delegated powers at Board meetings, or on at least a bi-monthly basis, on the actions taken in exercising their delegated powers, as well as on Group activities and on atypical or unusual transactions that have not been submitted to the Board for examination and approval, as well as on the execution of related-party transactions and those involving the interests of directors and statutory auditors in accordance with the deadlines established under the relevant internal procedures. More specifically, it receives a semi-annual report explaining any changes in investment transactions previously approved by the Board, in accordance with points 14.b and 14.c below, for which one of the following conditions has been met:
 - a. a cost increase of more than 15% (or 30% for exploration projects), as well as of €100 million or \$150 million in absolute value terms (depending upon the currency used in making the investment), or that, in any case, exceeds the above limit of 15% (or 30%) if the NPV becomes negative;
 - b. an increase of more than six months in the timetable, if the NPV becomes negative;
 - c. profitability falls below the hurdle rate.

It also receives periodic reports on the implementation of the business plan and the financial plan.
11. receives a report from the Board's internal committees on at least a semi-annual basis.
12. assesses general developments in the operations of the Company and the Group on the basis of information received from directors with delegated powers, paying particular attention to conflicts of interest and comparing the results – as reported in the annual financial statements and interim financial reports – with budget forecasts.
13. evaluates and approves, having first received the opinion in consultation with the Control and Risk Committee, transactions of the Company and its subsidiaries with related parties, in accordance with the associated procedure approved by the Board, as well as transactions in which the Chief Executive Officer has an interest pursuant to Article

2391, paragraph 1, of the Italian Civil Code, that fall within the scope of his responsibilities.

14. evaluates and approves any transaction executed by the Company and its subsidiaries that has a significant impact on the Company's strategy, performance or financial position. The Board ensures compliance with the principle of operational independence with specific regard to the listed companies of the Eni Group and companies subject to unbundling regulations. It also ensures the confidentiality of transactions between subsidiaries and Eni or third parties for the protection of the subsidiaries' interests. Transactions with a significant impact include the following:
 - a. the acquisition and disposal of equity investments, companies or business units, mineral and real property rights, transfers of assets, mergers, demergers and liquidations of companies with a value exceeding €100 million, without prejudice to Article 23.2 of the By-laws;
 - b. investments in fixed assets exceeding €300 million or of a lesser amount if they are of particular strategic importance or are exposed to a particular risk;
 - c. any exploration initiatives and portfolio operations in the E&P sector in new countries;
 - d. sale and purchase contracts for goods and services other than investments and gas supplies with a total price exceeding €1 billion – except for ordinary business operations – or of a term exceeding twenty years; gas supply contracts, or amendments of such contracts, in the amount of at least 3 billion cubic metres per year and a term of ten years;
 - e. financing granted to entities other than subsidiaries: i) for amounts exceeding €200 million if the amount is proportionate to the interest held or, ii) in any case, if granted to non-investee companies or the amount is not proportionate to the interest held;
 - f. the issuing by the Company of unsecured and secured guarantees to entities other than subsidiaries: i) for amounts exceeding €200 million if in the interest of the Company or of Eni subsidiaries or associated companies, as long as the guarantee is proportionate to the interest held, or ii) of any amount if the guarantees are issued in the interest of associated companies and the amount is not proportionate to the interest held. The Board delegates joint power to the Chief Executive Officer and the Chairman to issue guarantees referred to in point i) of an amount between €100 million and €200 million;
 - g. Eni SpA intermediation agreements.
15. appoints and removes – acting on a proposal of the Chief Executive Officer and in agreement with the Chairman and in consultation with the Nomination Committee – the Chief Operating Officers and grants their associated powers. In the case of appointment of the Chief Executive Officer as Chief Operating Officer, the proposal is made by the Chairman.
16. appoints and removes – acting on a proposal of the Chief Executive Officer, in agreement with the Chairman, and in

[82] With respect to transactions with interested Directors and Statutory Auditors and to transactions with related parties, the responsibilities of the Board of Directors are set out in the procedure adopted by the Board on November 18, 2010, and subsequently modified on January 19, 2012 (please refer to the relevant section of this Report).

consultation with the Nomination Committee, and having first received the opinion of the Board of Statutory Auditors – the officer in charge of preparing financial reports, and ensures that he has adequate powers and means to carry out his statutory duties and monitors compliance with the administrative and accounting procedures established by this officer.

17. appoints and removes – acting on a proposal of the Chief Executive Officer, in agreement with the Chairman, having first received the opinion of the Control and Risk Committee, and in consultation with the Board of Statutory Auditors and the Nomination Committee - the head of the Internal Audit Department, ensuring that he has the necessary resources to perform his duties and establishing a remuneration structure in line with the Company's compensation policies. It also approves the guidelines for the Internal Audit Department.
18. appoints – acting on a proposal of the Chief Executive Officer in agreement with the Chairman, in consultation with the Nomination Committee and having first received the opinion of the Board of Statutory Auditors – the Eni Watch Structure established pursuant to Legislative Decree no. 231 of 2001, determining its composition.
19. It ensures the designation of a manager responsible for shareholder relations.
20. examines and approves - acting on a proposal of the Compensation Committee – the Remuneration Report and, in particular, the remuneration policy for directors and managers with strategic responsibilities to be presented to the Shareholders' Meeting called to the approve the annual financial statements. It also defines - after having examined the proposals of the Compensation Committee – the criteria for remunerating the senior executives of the Company and of the Group and takes steps to implement compensation plans based on shares or other financial instruments approved by the Shareholders' Meeting.
21. resolves – acting on a proposal of the Chief Executive Officer – on the exercise of voting rights and, in consultation with the Nomination Committee, on the appointment of members of corporate bodies of the strategically important subsidiaries. In the case of listed companies, the Board ensures compliance with the provisions of the Corporate Governance Code that fall under the responsibility of the Shareholders' Meeting.
22. formulates proposals to present to the Shareholders' Meeting.
23. examines and resolves on other issues that directors with delegated powers believe should be presented to the Board due to their particular importance or sensitivity.

In accordance with Article 23.2 of the By-laws, the Board also decides upon: mergers and proportional spin-offs of companies in which the Company's shareholding is at least 90%; the establishment and closing of secondary offices; and the amendment of the By-laws to comply with regulatory provisions. During the financial year, the Board may also resolve to distribute interim dividends, as allowed by Article 29.3 of the By-laws. In the meeting held on May 6, 2011, the Board delegated powers to the Chairman, Giuseppe Recchi, to allow him to identify and

promote integrated projects and international agreements of a strategic nature, in accordance with Article 24.1 of the By-laws. Pursuant to Article 27 of the By-laws, the Chairman presides over the Shareholders' Meeting, convenes and chairs meetings of the Board of Directors and verifies that resolutions passed by the Board are implemented.

At the December 12, 2013 meeting, the Board designated Saipem SpA, Eni International BV and Versalis SpA as strategically important subsidiaries, for the purposes of those transactions covered by paragraph 14 above.

At the meeting of January 16, 2014, the Board, on the proposal of the CEO, evaluated the organisational, administrative and accounting structure of the Company, its major subsidiaries and the Group, finding it adequate.

At the meeting of March 17, 2014, the Board of Directors, having received the reports of the officer responsible for preparing financial reporting documents ("Financial Reporting Officer") and of the Control and Risk Committee and having consulted with the Committee, judged as positive: i) the adequacy and effectiveness of the internal control and risk management system, taking account of the nature of the Company and its risk profile; ii) the powers of and tools available to the Financial Reporting Officer to be appropriate, as well as his being compliant with administrative and accounting procedures.

The primary internal regulations approved by the Board of Directors, particularly those on Compliance and Governance, are described in the Internal Control and Risk Management section of this Report.

Meetings and running of meetings

At the meeting held on May 6, 2011, the Board of Directors the Board of Directors approved the rules that set out the procedures for calling and running its meetings, confirming those established previously.

In particular, Board meetings are called by the Chairman who, in agreement with the CEO, determines the agenda and sends it at least five days prior to the scheduled date of the meeting to the Directors, standing Statutory Auditors and the magistrate of the Court of Auditors appointed to monitor the financial management of Eni.

Normally, at the same time the notice calling the meeting is sent and, in any case, no less than three days prior to the date of the meeting, any documentation relating to the items on the agenda is made available, with the assistance of the Board Secretary, to the Directors, standing Statutory Auditors and the magistrate of the Court of Auditors, with the exception of price-sensitive information which is not subject to prior notification.

When necessary and urgent, the notice calling the meeting may be sent at least 12 hours in advance of the scheduled meeting time. The By-laws allow Board meetings to be held via videoconferencing and teleconferencing, and these procedures are specifically governed in the rules.

Managers of the Company and of its subsidiaries are normally invited to attend Board meetings to provide information on matters on the agenda⁸³. Specific information is also provided on individual

[83] In accordance with the recommendations of Article 1.C.6 of the Corporate Governance Code.

sectors in which the Company and the Group operate. In accordance with the provisions of Article 2391 of the Italian Civil Code and the internal regulations governing “Transactions involving interests of Directors and Statutory Auditors and transactions with related parties⁸⁴”, before each item on the Board meeting’s agenda is discussed, each Director is required to disclose whether he holds any personal interest or interest on behalf of third-parties in relation to the matters or issues to be discussed, clarifying their nature, terms, origin and extent.

During 2013, the Board of Directors met 13 times, each meeting lasting an average of 3 hours and 20 minutes, and with an average participation rate of 97.4% of the Directors and, more specifically, 96.5% of the independent Directors. In addition, a “Strategy Day” was held on July 9, 2013 with all of the Directors in attendance. The tables accompanying this Report show the participation rate for each Director at Board meetings and at the meetings of those committees of which he is a member.

In 2014, there have been three meetings held as of March 17, including one held on that date. A further ten meetings are scheduled to be held before the end of the year.

Pursuant to the Corporate Governance Code, a public announcement is made within 30 days of the close of the previous financial year of the dates of the Board of Directors meetings called to examine the preliminary results, the annual financial statements and the interim financial reports required by applicable regulations. These meetings also serve to determine the interim dividend payable for the year and to submit a proposal to the Shareholders’ Meeting for the balance of the dividend, accompanied by the associated distribution and ex-dividend dates. The financial calendar is available on the Eni website⁸⁵.

In December 2013, the independent Directors met to further discuss certain issues and stressed the importance of continuing the Board training programme on select business topics (“ongoing-induction”)⁸⁶. Moreover, in 2013, in view of the frequency of Board meetings, the independent Directors had numerous occasions to meet, formally and informally, to exchange views and hold discussions.

Board review and Advice for Shareholders on the composition of the Board

In accordance with international best practices and the provisions of the Corporate Governance Code, the Board of Directors launched, for the eighth straight year, a self-assessment programme (Board Review) for the Board of Directors and its Committees, for the 2013 financial year.

As usual, the Board Review was conducted with the support of an external advisor to ensure objectivity in the process. In line with the duties assigned to it by the Board and with the self-assessment recommendations, the Nomination Committee played a supervisory role during the Board Review process. More specifically, the Committee evaluated the bids from external advisors, recommending the advisor to be engaged, taking account of additional services the advisor provides to Eni or companies its controls.

Due to the upcoming expiration of the Board’s term of office, the

Nomination Committee decided to not conduct a peer review as it had done in the past.

Upon the proposal of the Nomination Committee, the Board decided to engage Spencer Stuart to help conduct the Board Review. Spencer Stuart also provides Eni with executive search and assessment services, but, based on its international standing, this was deemed to not compromise the independence and objectivity required of an advisor.

A senior partner from Spencer Stuart’s London office was also involved in order to provide a non-Italian point of view to the assessments performed.

The Board Review was based on individual interviews conducted by the advisor with each Director, on the basis of an interview guide provided to the Directors beforehand by the advisor, and also involved the Chairman of the Statutory Auditors and the Company Secretary on specific aspects of the operation of the Board.

As established in the Corporate Governance Code, the Board Review examined the size, composition, level of operation, and efficiency of the Board and the Committees, taking into account the professional skills, experience, particularly management experience, the gender of the Directors and their seniority. In addition, in light of the provisions of the Corporate Governance Code that recommend that the Board offer its advice to the shareholders prior to the election of the Board of Directors on the type of professionals that it believes should be elected to the Board, the Directors’ views on this matter were gathered during the interviews conducted by the consultant. To help the Directors in considering the issue, Spencer Stuart prepared an index of the Boards of the leading international companies in the sector.

As an integral part of the Board Review, the advisor compared the operating procedures used by Eni’s Board with international best practices in this area.

The results of the interviews conducted by the advisor and their comparison with international best practices were presented and discussed at the Board’s February 12, 2014 meeting. The results of the Board Review revealed that the Board effectively handled a number of issues in 2013 involving all the Directors in a positive working environment. This led to cooperative decision-making with a high degree of support for the choices made. Specifically, the following strengths were noted:

- i. the commitment and dedication shown by the Chairman to his work; specifically, he encouraged all the Directors to participate in discussions and ensured that they had the opportunity to do so; promoted and organised meetings; made sure that documents containing information were provided, even between meetings; monitored the implementation of Board resolutions; prepared and monitored an action plan for implementing the results of the 2012 Board Review, and introduced a quarterly evaluation of Eni’s results as compared with those of its peers;
- ii. the CEO’s ability to project authority, his strategic vision and his understanding of the business, as well as his ability to encourage interaction between the Company’s top management and the Board;

[84] For more information, please refer to the relevant section of this Report.

[85] Available at: http://www.eni.com/en_IT/investor-relation/financial-calendar/financial-calendar.shtml.

[86] For more information, please refer to the “Board Induction” section of this Report.

- iii. the size and balance on the Board between executive, non-executive and independent Directors;
- iv. the opportunity for Directors to freely express their opinions and to meet informally;
- v. the autonomy and authority with which the Board Committees played their role, effectively supporting the Board;
- vi. the effective and efficient scheduling of Board meetings and, in particular, the appropriate frequency and duration of such meetings; the clarity of the agenda and the summaries of the issues to be dealt with; the quality, in terms of completeness and clarity, and the timeliness of the documentation provided to the Board; the preciseness of the minute taking of Board discussions; the respect for confidentiality by all the participants; the reports presented by the Committees at each meeting;
- vii. the Board's ability to examine and discuss strategy through the process of analysing and supporting management's proposals, and management, and to influence strategically important issues thanks to a broader understanding of the business in which Eni operates, to the procedures for organising meetings, facilitated by the Chairman, to involvement in analysing business strategies by organising a Strategy Day, to visits to operating facilities and gaining a deeper understanding of the industry from management;
- viii. the effectiveness of the crisis management system; monitoring issues related to internal control, risk management, financial structure and investments, including through the work of the Committees; the awareness of the Board as to risk identification and integrated risk management.

In line with the opinion expressed last year, the advisor confirmed that the Eni Board has adopted a good number of international best practices and remarked that it is one of the best Boards with which it had ever worked. Based on the analysis performed and the comparison made with international best practices, a number of key issues for reflection on the part of the Board (existing and new) to help it make further improvements were identified. Specifically:

- i. further strengthening of the induction and ongoing enrichment process, with a greater focus on understanding the business, particularly given its complexity and the variety of sectors in which it operates;
- ii. scheduling additional informal and formal meeting (i.e. visits to operating facilities) to give Directors a deeper understanding of the business and reinforce cohesion;
- iii. sharing methods for measuring the Board's effectiveness using performance standards or indicators;
- iv. encouraging the Nomination Committee to take a proactive role in proposing the succession plan for the CEO to the Board.

The results of the Board Review will be provided to the new Board so that it may benefit from the experience of the current Board.

Advice for shareholders on the composition of the Board

Having considered the results of the Board Review and the having received the opinion of the Nomination Committee, the Board, consistent with the recommendations contained in Article 1.C.1 letter h) of the Corporate Governance Code, has developed

a position on the future size and composition of the Board of Directors, directing this policy at the shareholders in view of the upcoming Board elections.

More specifically, the Board considers the current number of Directors, equal to nine, to be appropriate. It is the maximum established in the By-laws. With regard to the composition of the Board, it has expressed its view on the characteristics that the Chairman, the CEO and other members of the Board should possess.

As regards the Chairman, the Board recommends that he be a person of substance, who conveys authority, preferably independent at the time of initial appointment or who, in any event, can be seen as a guarantor for all shareholders. In addition, the Chairman should have prior experience chairing Boards or heading listed companies of a size and complexity comparable to that of Eni; should be expert in matters of Corporate Governance or have an international profile or be recognised for his integrity by the financial markets. The Chairman should also be a non-executive director.

The Board believes that the CEO should have prior experience in managing listed companies or companies of a size, complexity and international presence comparable to that of Eni, as well as should have an understanding of Eni's business or similar businesses. The Chief Executive Officer should be granted broad management powers.

With regard to the seven remaining Directors, the Board advised that they should be all non-executive and independent, in accordance with the provisions of the law and the recommendations of the Corporate Governance Code. Both substance and form should be considered in evaluating whether the independence requirement is met. The Boards suggest that a preponderance be managers (at least five out of seven) with previous positions in companies of considerable size and complexity, of whom (i) at least two with a management, accounting or control background (former chief financial officers); (ii) at least one ex-Chief Executive Officer/general manager; (iii) at least two with significant experience abroad, including in the course of holding one of the above management positions. Moreover, the Board recommends that there be an expert in the energy sector and an expert in risk management or compliance, who may come from the academic world, but with prior experience serving on the Board of Directors of companies listed on the Italian FTSE-Mib index.

It suggests that the composition of the Board represent a range of complementary skills and professional backgrounds in order to ensure that all the issues on the agenda can be assessed thoroughly and to ensure that the Board Committees have an appropriate membership. Furthermore, all Directors should be able to understand and speak English.

The Board also invited shareholders to evaluate whether the candidates to serve as Directors have the time available to prepare for and take part in Board and Committees meetings, as well as to participate in a number of informal meetings with other Directors.

Finally, with regard to diversity, in addition to the above professional experience and the provisions of Italian law concerning gender balance in corporate bodies, the Board recommends the presence of at least one non-Italian director,

given the international nature of Eni's activity, provided that he is able to speak and work in Italian. Furthermore, shareholders should consider ensuring a range of different ages in the composition of the Board. The Board's advice was published on February 21, 2014 on the Company's website.

Board Induction

In accordance with the provisions of the Corporate Governance Code regarding the effective and informed performance of a Director's duties, Eni prepared a training programme (the "Board Induction") for the members of the current Board immediately after their appointment on May 5, 2011. This program, which will enter its third edition with the election of the Board in 2014, was intended to provide new Directors with in-depth knowledge of the Company's activities and organisation, the industry and legislative framework in which it operates, corporate dynamics and their development and the role to be performed in relation to Eni's specific characteristics. The programme, which also included the new members of Eni's Board of Statutory Auditors and in which other members of the two bodies were also invited to participate, began on May 19, 2011, and was divided into a series of meetings in which Eni's top management illustrated the activities and organisation of the individual business areas and the main subsidiaries, going further in-depth on issues of greater interest for the Company bodies, with a view to ensuring clear communication and overall understanding of the system. The meetings were scheduled using the Company's Departments and Divisions as a reference point, as well as the main subsidiaries, and focused on: Eni Corporate Governance; the duties, obligations, powers, composition and

operation of the Board of Directors; the industry and the market; human resources and organisation; remuneration; security and HSE; procurement; Group business; company management; the control and risk systems; sustainability and ethics in business administration; identity management; research, development and technological innovation.

The Company has also provided each Director and Statutory Auditor with a guide to the primary applicable regulations and to Company documents that are useful in performing their work. In 2013 series of ongoing induction meetings dedicated to a deeper analysis of certain business issues was carried out, as in the previous year.





In this context, once a year the Board holds a meeting abroad at an operating facility. In line with this provision, the November 22, 2013 meeting was held in Venezuela.

In addition, more thorough information was provided on issues of importance to them in their work as Directors, especially those relating to the internal control and risk management system.

Remuneration Report

For information on the 2014 Remuneration Policy and the compensation paid in 2013 to the Directors, the Statutory Auditors, the Chief Operating Officers of the Divisions and other key personnel, please refer to the Remuneration Report.

Board Committees⁸⁷

<p>Control and Risk Committee</p> 	<p>Alessandro Lorenzi Carlo Cesare Gatto Paolo Marchioni Francesco Taranto</p>	<p>Compensation Committee</p> 	<p>Mario Resca Carlo Cesare Gatto Roberto Petri Alessandro Profumo</p>	<p>Nomination Committee</p> 	<p>Giuseppe Recchi Alessandro Lorenzi Alessandro Profumo Mario Resca</p>	<p>Oil-Gas Energy Committee</p> 	<p>Alessandro Profumo Alessandro Lorenzi Paolo Marchioni Roberto Petri Mario Resca Francesco Taranto</p>
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The Board of Directors has created four internal committees (three of which are required by the Corporate Governance Code) to provide it with recommendations and advice: a) the Control and Risk Committee; b) the Compensation Committee; c) the Nomination Committee and d) the Oil-Gas Energy Committee. The composition, duties and operational procedures of these committees are governed by their rules⁸⁸, which are approved by the Board, in compliance with the criteria outlined in the Corporate Governance Code.

The committees required by the Code (Control and Risk Committee, Compensation Committee and Nomination Committee) are composed of no fewer than three members and, in any case, fewer than the number representing a majority on

the Board, as indicated by the Board upon adopting the Corporate Governance Code, so as to avoid altering the Board's decision-making process.

More specifically, the rules of:

- the Control and Risk Committee indicate that it is made up of three to four non-executive Directors, all of whom are currently independent. The Committee may be made up of non-executive Directors a majority of whom shall be independent. In the latter case, the Chairman of the Committee shall be chosen from among the independent Directors;
- the Compensation Committee indicate that it is made up of four non-executive Directors, all of whom are currently

[87] Information provided pursuant to Article 123-bis, second paragraph, letter d) of the Consolidated Law on Financial Intermediation.

[88] The rules for the four committees are available on Eni's website at: http://www.eni.com/en_IT/governance/board-of-directors/bod-committees/committees.shtml.

independent. The Committee may be made up of non-executive Directors of whom a majority shall be independent. In the latter case, the Chairman of the Committee shall be chosen from among the independent Directors;

- the Committee Oil-Gas Energy Committee indicate that is made up of six non-executive Directors, the majority of whom meet the independent requirements;
- the Nomination Committee indicate that it is made up of three to four Directors, a majority of whom are independent.

At the meeting of May 6, 2011, the following non-executive Directors, all of them independent, were appointed as members of the committees:

- Control and Risk Committee: Alessandro Lorenzi (Chairman), Carlo Cesare Gatto, Paolo Marchioni and Francesco Taranto;
- Compensation Committee: Mario Resca (Chairman), Carlo Cesare Gatto, Roberto Petri and Alessandro Profumo;
- Oil-Gas Energy Committee (OGEC): Alessandro Profumo (Chairman), Alessandro Lorenzi, Paolo Marchioni, Roberto Petri, Mario Resca and Francesco Taranto.

The Nomination Committee is currently made up of four non-executive Directors, three of whom are independent, is presided over by the Chairman of the Board of Directors, Giuseppe Recchi (non-executive), and is comprised of the Chairmen of the other Board Committees: Alessandro Lorenzi (Chairman of the Control and Risk Committee, independent), Alessandro Profumo (Chairman of the Oil-Gas Energy Committee, independent) and Mario Resca (Chairman of the Compensation Committee, independent).

With regard to participation in Committee meetings:

- the Chairman of the Board of Statutory Auditors, or a Statutory Auditor designated by him, participates in Control and Risk Committee meetings. The Chairman of the Board of Directors, the CEO, the other standing Statutory Auditors and the magistrate of the Court of Auditors may also attend the meetings. Furthermore, the Committee may, through its Chairman, invite other persons, including other members of the Board of Directors or the Company structure, to attend the meetings in relation to individual items on the agenda;
- the Chairman of the Board of Statutory Auditors, or a standing Statutory Auditor designated by him, are invited to participate in Compensation Committee meetings. Other Statutory Auditors may also attend meetings in which the Committee is addressing issues about which the Board of Directors is required to obtain an opinion from the Board of Statutory Auditors. Company managers or other persons who, at the invitation of the Chairman of the Committee, are called to provide information and opinions based on their expertise on specific items on the agenda may also attend the meetings. No Director may take part in meetings of the Committee during which Board proposals regarding his compensation are being discussed;
- the Chairman of the Board of Directors, the CEO and the other Directors are invited to attend Oil-Gas Energy Committee meetings. The Chairman of Eni's Board of Statutory Auditors – or another standing Statutory Auditor designated by the

former – may also participate, as are other individuals, who need not be affiliated with Eni, at the invitation of the Committee with regard to the specific items in the agenda;

- the Chief Executive Officer participates in Nomination Committee meetings, and the Chairman of the Board of Statutory Auditors, or a Statutory Auditor designated by the former, are invited to participate for matters within the competence of the Board of Statutory Auditors, as well as other persons who, at the invitation of the Committee itself, are called to provide information and opinions based on their expertise on specific items in the agenda.

The Committee Secretaries shall keep the minutes of their respective meetings.

In the exercise of their functions, the committees have the right to access any information and Company functions necessary to perform their duties, are provided with adequate financial resources in accordance with the terms established by the Board of Directors, and can avail themselves of external advisers. With regard to this, at the start of the year the Board allocates to the Committees the resources they request, apart from changes that may be required during the year.

A detailed description of each committee and its activities in 2013 is provided below. More information can be found in the table attached to this Report.

Control and Risk Committee

During 2013 the Committee met 20 times, with an average participation rate of around 99% of its members. As of March 17, 2014, eight meetings have been held this year⁸⁹. Further meetings are expected, the scheduling of which will be confirmed following the election of the Board of Directors.

The composition, appointment and operational procedures, duties, powers, and resources of the Committee are governed by its Rules, which were updated in July 2012 to bring them in line with the Corporate Governance Code of 2011.

For more detailed information on the Committee's duties, please refer to the section "Internal control and risk management system" of this Report.

Below is a summary of the main issues tackled during the year, with the Board of Statutory Auditors in attendance:

- 1) In assisting the Board of Directors, the Committee oversees the activities of the **Internal Audit unit**, monitoring its work for independence, autonomy, adequacy, efficiency and effectiveness, ensuring that it is performed with the required level of objectivity, competence and professional diligence, in accordance with the Eni Code of Ethics and international standards. In particular, the Committee reviewed:
 - i. the Integrated Audit Plan and the Budget for Eni's Internal Audit unit for 2013 and 2014, expressing its opinion thereon to the Board of Directors;
 - ii. the results of scheduled and non-scheduled internal audits, the results of monitoring the status of corrective actions planned by the operational units to tackle issues that emerged during the audits, the results of audits

(89) Subsequently on March 17, 2014, the Committee scheduled a further two meetings to be held prior to the termination of its term in office. After that date, it is estimated that another seven meetings will be held, in line with the calendar of the Board of Directors.

- carried out by Eni's Internal Audit unit in response to specific requests from the Control and Supervisory bodies, as well as the status of other activities conducted by the Internal Audit unit (such as reports of problems, risk assessment, independent monitoring);
- iii. the Internal Audit Reports of December 31, 2012 and June 30, 2013 on the primary results of internal audits performed and on the assessment of the suitability of the Internal Control System for achieving an acceptable overall risk profile, as well as the independence requirements for the head of the Internal Audit unit and the results of the 2013 Internal Quality Review give high marks for how the activities conducted generally conform to international internal auditing standards and the provisions of the Internal Audit Charter;
 - iv. the annual Internal Audit Report of Saipem for 2012 and the reports of the head of Saipem's Internal Audit unit and other departments for the purposes of monitoring events that most affect listed companies, within the scope of their responsibilities and taking into account the managerial autonomy of Saipem, which has its own control bodies and independent watch structure;
- 2) in performing its duties with respect to **the internal control system as applied to the financial reporting model**, during periodic meetings with the CFO, also in his capacity as the officer responsible for preparing financial reporting documents (the "Financial Reporting Officer" or "FRO") and the Company's administrative structures, with the Board of Statutory Auditors and the audit firm in attendance, the Committee reviewed:
 - i. the Reports of the FRO on Eni's administrative and accounting structure at December 31, 2012 and at June 30, 2013, verifying the appropriateness of the powers and resources assigned to the FRO;
 - ii. the FRO's Reports on the internal control system as applied to financial reporting at December 31, 2012 and at June 30, 2013;
 - iii. the key aspects of the individual and consolidated financial statements at December 31, 2012 of Eni and its subsidiaries Saipem, Eni Trading & Shipping, Versalis and Syndial and Eni's half-year Financial Report at June 30, 2013. Before the topic was submitted to the Board of Directors, it examined impairment test methodology and findings as well as the major issues related to the application of the accounting principles in preparation for the drafting of the 2013 Annual Report;
 - iv. reviewed the main aspects of the Annual Report on Form 20-F 2012 and the draft of the Directors' report with regard to the interim dividend for the 2013 financial year;
 - v. reviewed the reports of the audit firms on the 2012 financial statements and on the limited audit performed on the Financial Report at June 30, 2013; the content of the Management Letter and the statement of the audit firm on the status of the audit pursuant to SOA 404;
 - 3) in the context of its periodic meetings with the **Legal Affairs Department**, the Committee closely examined the main legal issues and received updates on developments in the major pending legal proceedings, including relating to the so-called Teampeg Process⁹⁰, particularly as concerns the possible accounting repercussions, for the purpose of performing their duties as they pertain to the process of preparing the annual and half-year financial reports. It also examined the periodic reports prepared by the Anti-Corruption Legal Support Unit regarding the various support activities provided to Eni and subsidiary company structures regarding anti-corruption issues, particularly as regards training programs;
 - 4) with regard to the **New Regulatory System**, the Committee issued a favourable opinion on:
 - i. the changes to the "Privacy" and "Corporate Governance of the Eni companies" Management System Guidelines, subsequently approved by the Board of Directors;
 - ii. the proposal to not make changes to the "Transactions involving the interests of Directors and Statutory Auditors and transactions with related parties" Management System Guideline, as no modifications were deemed necessary;
 - 5) in thoroughly examining specific internal control and risk management issues, including during special meetings with certain members of Eni's top management, the Committee:
 - i. issued a favourable opinion for the Board of Directors to give its approval on the new "Internal Control and Risk Management System" MSG and updating the Internal Audit Charter, which describes the principles for the operation and performance of Eni's Internal Audit activities;
 - ii. met on several occasions with the Integrated Risk Management unit, focusing in particular on the evolution of Eni's top risks and on the progress made in the related treatment actions;
 - iii. met with the Finance Department to examine the 2012 report on the management and control of financial risks, issuing its favourable opinion to the Board on the proposed revision of the "Eni Financial Risk Management and Control Guidelines";
 - iv. reviewed the periodic reports on disciplinary action taken against employees for illegal conduct;
 - v. was informed about the status of implementing the Consumer Price Control Model at December 2012;
 - 6) as envisaged in Eni's Compliance Model (Model 231), it met – together with the Board of Statutory Auditors – with the members of the Eni Watch Structure to review the Watch Structure's semi-annual report on its activities, including in its role as Guarantor of the Code of Ethics, and to take a closer look at certain issues of common interest with regard to the activities performed.

[90] For more information, refer to the "Internal Control and Risk Management" section of this Report.

Compensation Committee

Established by the Board of Directors for the first time in 1996, the Committee provides recommendations and advice to the Board and specifically it:

- i. submits to the Board of Directors for its approval the Remuneration Report and, in particular, the compensation policy for Directors and key management personnel to be presented to the Shareholders' Meeting called to approve the financial statements, as provided for by applicable law;
- ii. periodically evaluates the adequacy, overall consistency and actual implementation of the adopted policy, formulating proposals on the topic for the Board of Directors;
- iii. presents proposals for the compensation of the Chairman of the Board and the Chief Executive Officer, covering the various forms of compensation and benefits awarded;
- iv. presents proposals for the compensation of members of the Board's internal committees;
- v. examines the CEO's recommendations and presents proposals for general criteria for compensation for key management personnel; annual and Long-Term incentive plans, including equity-based plans; establishing performance targets and assessing results for performance plans in connection with the determination of the variable portion of the compensation for Directors with delegated powers and with the implementation of incentive plans;
- vi. monitors the execution of Board resolutions;
- vii. reports on its activities to the Board at least once every six months.

The Committee also issues the opinions required under the procedure for related party transactions in the manner specified therein⁹¹.

In order to effectively perform its analytical and research functions, the Compensation Committee makes use of the relevant Company structures and may seek, through the latter, the support of external consultants that are not in positions that would compromise their independence of judgement. The Chairman of the Board of Statutory Auditors, or a standing Statutory Auditor designated by him, is invited to participate in Committee meetings. Other Statutory Auditors may also attend meetings in which the Committee is addressing issues about which the Board of Directors is required to obtain an opinion from the Board of Statutory Auditors. Company managers or other persons who, at the invitation of the Chairman of the Committee, are called to provide information and opinions based on their expertise on specific items on the agenda may also attend the meetings. No Director may take part in meetings of the Committee during which Board proposals regarding his compensation are being discussed.

The Committee reports to the Board of Directors every six months and to the Shareholders' Meeting called to approve the financial statements through its Chairman or another Committee member designated by the Chairman.

In 2013, the Compensation Committee met seven times with a 93% participation rate.

The following were among the most important issues addressed in the first half of the year:

- i. the periodic review of the compensation policy introduced in 2012 in order to prepare the proposed policy guidelines for 2013;
- ii. the review of Eni's results for 2012 and the establishment of Eni's performance targets for 2013 as they relate to existing variable incentive plans;
- iii. the formulation of proposals for implementing the Deferred Monetary Incentive Plan for the CEO, COO and other management personnel;
- iv. the examination of the 2013 Eni Remuneration Report. In the second half of the year, the results of the vote by the Shareholders' Meeting on the compensation policy for 2013 and the guidelines for preparing the 2014 Report were analysed and the proposal on implementing the Long-Term Monetary Incentive Plan for the CEO, COO and key management personnel was finalized. The Committee also examined the impact of the new Law No. 98/2013 on Eni with regard to reducing the compensation of Directors with delegated powers of listed companies controlled by the government, in order to prepare the proposal to submit to the Shareholders' Meeting for approval. The Committee has scheduled three meetings for 2014; as of the date of approval of this Report the three meetings have already been held, focusing on the periodic evaluation of the compensation policies followed in 2013 and on formulating proposed policies for 2014, as well as on the financial results and the determination of performance targets linked to the implementation of the variable compensation plans. Subsequent meetings will be scheduled by the new Board, following its election.

The composition, appointment, operational procedures, duties, powers and resources of the Committee are governed by rules approved by the Board of Directors on June 1, 2011 and amended to incorporate the recommendations of the Corporate Governance Code of March 2010, as modified in December 2011. More information on the role and activities of the Compensation Committee is provided in the Remuneration Report, prepared pursuant to Article 123-ter of the Consolidated Law on Financial Intermediation.

Nomination Committee

At the meeting on July 28, 2011, the Board of Directors of Eni SpA approved the establishment of the Nominations Committee, chaired by the Chairman of the Board of Directors and composed of the Chairmen of the Control and Risk Committee, the Compensation Committee and the Oil-Gas Energy Committee. The CEO attends the Committee meetings, with the power to propose those appointments for which the Board is responsible and the associated succession plans, as well as the criteria governing the succession plans for the Company's key management personnel. The Committee's Secretary is the Chief Corporate Operations Officer of Eni. In accordance with the recommendations of the Corporate Governance Code (including responsibilities involving Board Review, competing interests, and the maximum number of offices), the Nomination Committee:

- i. assists the Board of Directors in formulating any criteria for

[91] For more information, please refer to the relevant section of this Report.

- the appointment of executives and members of the Boards and bodies of the Company and of its subsidiaries, proposed by the Chief Executive Officer, whose appointment fall under the Board's responsibilities, and of the members of the other Boards and bodies of Eni investee companies;
- ii. provides evaluations to the Board of Directors on the appointment of executives and members of the Boards and bodies of the Company and of its subsidiaries, proposed by the Chief Executive Officer, whose appointments fall under the Board's responsibilities and oversees the associated succession plans. Where possible and appropriate, the Committee proposes, with due regard to the shareholding structure, the succession plan for the Chief Executive Officer to the Board of Directors;
 - iii. acting upon a proposal of the Chief Executive Officer, examines and evaluates criteria governing the succession plan for the Company's key management personnel;
 - iv. proposes candidates to serve as Directors in the event one or more positions need to be filled during the course of the year (Article 2386, first paragraph, of the Italian Civil Code), as recommended by the Corporate Governance Code in the case of the replacement of independent Directors, ensuring compliance with the requirements on the minimum number of independent Directors and the percentage reserved for the less-represented gender;
 - v. proposes to the Board candidates for the position of Director to be submitted to the Shareholders' Meeting of the Company, taking account of any recommendations received from shareholders, in the event it is not possible to draw the required number of Directors from the slates presented by shareholders;
 - vi. oversees the annual self-assessment programme on the performance of the Board of Directors and its Committees and, on the basis of the results of the self-assessment, provides its opinions to the Board of Directors regarding the size and composition of the Board or its Committees as well as, where appropriate, the professional qualifications it feels should be represented on the same, so that the Board is able to explain its position to the shareholders prior to the appointment of the new Board;
 - vii. proposes to the Board of Directors the slate of candidates for the position of Director to be submitted to the Shareholders' Meeting if the Board decides to opt for the process envisaged in Article 17.3 of the By-laws;
 - viii. proposes to the Board of Directors guidelines regarding the maximum number of positions as director or statutory auditor that a Company Director may hold and performs the associated periodic checks and evaluations for submission to the Board;
 - ix. periodically verifies that the Directors satisfy the independence and integrity requirements, and ascertains the absence of circumstances that would render them incompatible or ineligible;
 - x. provides its opinion to the Board of Directors on any activities carried out by the Directors in competition with the Company;
 - xi. reports to the Board of Directors, at least once every six months and no later than the deadline for the approval of

the annual financial statements and of the semi-annual financial report, on the activity carried out, as well as on the adequacy of the appointment system, at the Board meeting indicated by the Chairman of the Board of Directors.

The Rules of the Nomination Committee were approved by the Board of Directors of Eni SpA on September 29, 2011, and amended on October 29, 2012.

In 2013, the Nomination Committee met five times, with a participation rate of 95% and lasting an average of about 40 minutes.

More specifically, in 2013 the Committee:

- i. conducted the enquiry into whether Directors satisfy the integrity requirements and the absence of circumstances that would render them ineligible or incompatible, in accordance with the Board's policy, and as to whether the Directors satisfy the independence requirements;
- ii. expressed its opinion on the proposals put forth by the CEO on the appointments of the Board of Directors and the Board of Auditors of Versalis SpA;
- iii. examined, with regard to the requirements for the members of the management and control bodies of Eni subsidiaries and investees, the "Corporate Governance of the Eni Companies" MSG, which updates the guidelines previously issued by the Board of Directors on April 24, 2009;
- iv. on two occasions it considered the issue of the appointment of members of the Board of Directors of Saipem SpA;
- v. re-examined the methodology for identifying the successors for management positions that fall under the responsibility of the Nomination Committee (for those positions that Eni's Board of Directors is responsible for appointing and key personnel who are stable members of Eni's Management Committee) and checked the application of this methodology;
- vi. examined the documentation pertaining to the 2013 Board Review and conducted the search for the external advisor for the self-assessment and to assist the Board in preparing its advice to the Shareholders, prior to the election of the new Board, on the professional qualifications it feels should be represented on the Board and its Committees.

Two meetings have been held so far this year as of March 17, 2014. Further meetings are expected, the scheduling of which will be confirmed following the election of the Board of Directors.

Oil - Gas Energy Committee

The Oil-Gas Energy Committee (OGEC) was established within Eni's Board of Directors in order to monitor developments in international energy markets. It provides recommendations and advice to the Board of Directors concerning the energy scenarios underpinning strategic planning.

In 2013, the OGEC met seven times, with an average participation rate of 87%. The meetings were often attended by the Chairman, a Director, and the Chairman of the Board of Statutory Auditors.

During the year, the OGEC analysed the primary factors underlying the energy situation, in a market characterised by the difficult economic climate in Europe (caused by a marked

slowdown in demand for gas and oil products, with an impact on midstream and downstream margins], and by a more balanced environment for crude oil, where the weak economic outlook and robust expansion in non-OPEC production has tended to balance the crisis in production faced by certain OPEC nations or the slower ramp-up in Iraqi output. Given this situation, a new scenario methodology was discussed and approved. In revising the scenario applicable to the 2014-2017 business Plan and Long-Term Plan, the analysis of the causes that led to a crisis in the consumption of gas, electricity and oil products in Italy were shared with the Committee. The Committee also delved deeper into certain issues of interest. Specifically, it analysed the role of technological innovation in the oil downstream market; it conducted a detailed analysis of the evolution of the risk to the E&P portfolio, with a focus on the threats of political violence and blow-out risks. With regard to the competitive challenges, emphasis has been placed on the growing focus by the major oil companies on the upstream business, which is increasingly exposed to the development of major integrated projects or on high-sulphur oil and on exploration activity that is more focused on cutting-edge issues (high risk-high reward). As to the national oil companies, the international expansion of the Asian companies and other interesting deals were discussed.

Chief Operating Officers of the Divisions

Pursuant to Article 24.1 of the By-laws, the Board of Directors may appoint one or more Chief Operating Officers⁹², defining their powers, upon the proposal of the CEO, in agreement with the Chairman, subject to fulfilment of the integrity requirements specified by law.

The Board periodically assesses the integrity of the Chief Operating Officers on the basis of statements provided by the COOs themselves; failure to satisfy these requirements will result in dismissal. The Chief Operating Officers are also required to comply with the rules established by the Board of Directors regarding the maximum number of offices they may hold, in accordance with the rules that apply to the CEO⁹³.

The Board of Directors has appointed the Chief Operating Officers responsible for Eni's operating Divisions, namely⁹⁴:

- **Claudio Descalzi**, Chief Operating Officer of the Exploration & Production Division, appointed on July 30, 2008;
- **Angelo Fanelli**, Chief Operating Officer of the Refining & Marketing Division, appointed on April 6, 2010.

At its February 12, 2014 meeting, the Board of Directors – on the basis of the statements made – verified that the integrity requirements have been satisfied and that the Chief Operating Officers are compliant with the rules on the maximum number of offices that may be held.

Board of Statutory Auditors⁹⁵

Duties

The Board of Statutory Auditors, pursuant to the Consolidated Law on Financial Intermediation, monitors:

- i. compliance with the law and the Company's By-laws;
- ii. observance of the principles of sound administration;
- iii. the appropriateness of the Company's organisational structure for matters within the scope of the Board's authority, the adequacy of the internal control system and the administrative and accounting system and the reliability of the latter in accurately representing operations;
- iv. the procedures for implementing the Corporate Governance rules provided for in the Corporate Governance Code, with which the Company complies;
- v. the adequacy of the instructions imparted by the Company to its subsidiaries in order to guarantee full compliance with legal reporting requirements.

In addition, pursuant to Article 19 of Legislative Decree No. 39/2010, in its role as the "internal control and financial auditing committee", the Board of Statutory Auditors oversees the following:

- i. financial reporting process;
- ii. the effectiveness of the internal control, internal audit (where applicable) and risk management systems;
- iii. the statutory auditing of the annual financial statements and consolidated financial statements;
- iv. the independence of the external auditor or the statutory audit firm, in particular with regard to the provision of non-audit services to the entity subject to statutory audit.

The responsibilities assigned under the decree to the "internal control and financial auditing committee" are consistent and substantively in line with the duties already assigned to the Board of Statutory Auditors of Eni, with specific consideration of its role as the audit committee under the US Sarbanes - Oxley Act (discussed in further detail below).

As already set forth in the Consolidated Law on Financial Intermediation and currently regulated by Article 13 of Legislative Decree No. 39/2010, the Board of Statutory Auditors submits a reasoned proposal to the Shareholders' Meeting on the selection of the external auditors and the determination of the associated fees.

In addition, pursuant to Article 19, paragraph 1, letters c) and d), of the above decree, the Board of Directors supervises the statutory audit of the annual accounts and the independence of the external auditor or statutory audit firm, in particular with regard to the provision of non-audit services to the entity subject to statutory audit.

In accordance with Article 153 of the Consolidated Law on Financial Intermediation, the Board of Statutory Auditors

[92] For information, please consult the management chart found on the Eni website at: http://www.eni.com/en_IT/company/organisation-chart/organisation-chart.shtml.

[93] With the exception of the prohibition on cross-directorships.

[94] The Board appointed three Chief Operating Officers (Exploration & Production, Gas & Power and Refining & Marketing Divisions); as a result of the reorganisation of the business in July 2013, two business units were formed (Downstream Gas & Power business unit and Midstream business unit) and one Division (Gas & Power) was eliminated. There are now only two Chief Operating Officers (Exploration & Production and Refining & Marketing Divisions).

[95] Disclosures provided pursuant to Article 123-bis, second paragraph, letter d) of the Consolidated Law on Financial Intermediation.

presents the results of its supervisory activity in a report that accompanies the financial statements.

On March 22, 2005, the Board of Directors, electing the exemption granted by the Securities and Exchange Commission ("SEC") to foreign issuers of securities listed on regulated US markets, designated the Board of Statutory Auditors as the body that, as from June 1, 2005, performs, to the extent permitted under Italian regulations, the functions attributed to the audit committee of foreign issuers by the Sarbanes-Oxley Act and SEC rules.

On June 15, 2005, the Board of Statutory Auditors approved internal rules governing its performance of the duties assigned to it under that US legislation⁹⁶. The text of the rules is available on the Eni website⁹⁷.

Composition and appointment

Under the provisions of the Consolidated Law on Financial Intermediation, the Board of Statutory Auditors shall consist of at least three standing Statutory Auditors and at least two alternate Statutory Auditors. The Company's By-laws establish that the Board of Statutory Auditors shall consist of five standing members and two alternate members, appointed by the Shareholders' Meeting for a term of three years. They may be reappointed at the end of their term.

As with the Board of Directors and in accordance with applicable regulations, the By-laws establish that the Statutory Auditors shall be elected on the basis of slates in which the candidates are listed in numerical order. Two standing Statutory Auditors and one alternate Statutory Auditor are appointed from among the candidates of the slates submitted by non-controlling shareholders. Under the provisions of the By-laws, the submission, filing and publication of slates are governed by the procedures established for the Board of Directors⁹⁸ and the provisions of Consob regulations.

Slates shall be divided into two sections: the first containing candidates for appointment as standing Statutory Auditors and the second containing candidates for appointment as alternate Statutory Auditors. At least the first candidate in each section must be entered in the register of auditors and have carried out statutory audit activities for no less than three years.

The slates are accompanied by: (i) information identifying the shareholder or shareholders who have submitted the slate, indicating the overall percentage shareholding; (ii) statements from shareholders other than those who hold a controlling or plurality equity interest certifying that they are not related to the latter; (iii) a personal and professional curriculum vitae; (iv) statements from each candidate certifying that they meet the requirements established under applicable regulations; (v) statements from each candidate accepting the candidacy; (vi) a list of positions held in other companies. The election is carried out in accordance with the procedures already described for the Board of Directors. The slate voting procedure only applies

for the election of the entire Board of Statutory Auditors. In the event of the replacement of a Statutory Auditor elected from the slate that received a majority of votes, the alternate Statutory Auditor from the same slate shall be appointed. In the event of the replacement of a Statutory Auditor elected from another slate, the alternate Statutory Auditor from that slate shall be appointed. As regards the composition and appointment of the Board of Statutory Auditors, as in the case of the Board of Directors, the Extraordinary Shareholders' Meeting of May 8, 2012 amended the By-laws of the Company so as to ensure gender balance in the management and control bodies of listed companies upon their initial appointment and in the case of replacement of members during the term. These provisions are applicable to the first three appointments of these bodies subsequent to August 12, 2012. With specific reference to the Board of Auditors, the By-laws establish that if replacement results in non-compliance with gender-balance rules, the Shareholders' Meeting must be called as soon as possible to approve the necessary resolutions to ensure compliance⁹⁹.

Pursuant to Article 28.2 of the By-laws, in accordance with the provisions of the Consolidated Law on Financial Intermediation, the Shareholders' Meeting appoints the Chairman of the Board of Statutory Auditors from among the candidates elected from the slates other than that which received a majority of votes.

On May 5, 2011 the Shareholders' Meeting appointed the Board of Auditors for a term of three years until the date of the Shareholders' Meeting called to approve the financial statements for 2013: Ugo Marinelli (Chairman), Roberto Ferranti, Paolo Fumagalli, Renato Righetti and Giorgio Silva, standing Statutory Auditors; Francesco Bilotti and Maurizio Lauri, alternate Statutory Auditors.

The Shareholders' Meeting also established the annual remuneration payable to the Chairman of the Board of Statutory Auditors and to each standing Statutory Auditor, in the amount of €115,000 and €80,000, respectively, in addition to reimbursement of any necessary expenses incurred while performing their duties.

Roberto Ferranti, Paolo Fumagalli, Renato Righetti and Francesco Bilotti were appointed on the basis of the list submitted by the Ministry of the Economy and Finance, which at the time held 3.93% of the share capital, and voted by the majority of the shareholders participating in the Shareholders' Meeting (i.e., about 57.7% of voting capital), equal to 31.78% of share capital.

On September 5, 2013, Francesco Bilotti, the Alternate Auditor elected on the basis of the slate submitted by the Ministry of the Economy and Finance, replaced Standing Auditor Roberto Ferranti following his resignation due to incompatibility with his new position on the Board of Directors of Cassa Depositi e Prestiti SpA, pursuant to the Decree of the Prime Minister of May 25, 2012 as a result of the disposal of Snam.

Ugo Marinelli, Giorgio Silva and Maurizio Lauri were elected

[96] The Rules were amended on March 30, 2007 to take account of the amendments introduced with Legislative Decree 303/2006 to Article 159, paragraph 1, of the Consolidated Law on Financial Intermediation and by the Eni Corporate Governance Code, as well as to update references in response to the organisational changes introduced since June 15, 2005, when the previous Rules were approved. The Rules were amended further on April 7, 2010 to reduce the time limits for calling meetings.

[97] At the address: <http://www.eni.com/en/IT/governance/board-of-statutory-auditors/board-of-statutory-auditors.shtml>.

[98] See the section "Appointment" in the chapter on the "Board of Directors" in this report.

[99] For more information, please see the "Gender balance in corporate Board composition and initiatives to ensure diversity" section.

on the basis of the slate submitted by institutional investors, holding a total of 0.9% of share capital, and voted by the minority of the shareholders participating in the Shareholders' Meeting (i.e. about 40.6% of voting capital), equal to 22.37% of share capital.

The following provides some details on the personal and professional profiles of the elected standing Statutory Auditors.



Ugo Marinelli

Mr. Marinelli has been Chairman of the Board of Statutory Auditors of Eni SpA since June 2008. He was born in Rome in 1941 and graduated with a degree in economics and business from LUISS Guido Carli University of Rome. He is a professional accountant and certified public auditor. He is a member of the audit committee of Ferrero International and chairman of the Board of auditors of Associazione Civita. He spent a large part of his professional life (from 1965 to 2000) at Arthur Andersen, where he held positions of increasing responsibility both nationally and internationally (Managing Partner of the Rome office, Managing Partner for Italy of ABA - Assurance and Business Advisory ("Products and Services"), a member of the management committee for Italy, a member of the Board of the Andersen Worldwide Organisation and chairman of the compensation committee, member of the nominating committee of Andersen Worldwide Organisation, member of the International Executive Committee of ABA - Assurance and Business Advisory). He is an expert in international accounting standards (IFRS) and was a member of the European Financial Reporting Advisory Group (EFRAG), the technical consultative body of the European Commission for the endorsement of the international accounting standards issued by the International Accounting Standards Board (IASB). He has held positions as an Auditor and Director. From 1985 to 1994 he was a professor of auditing in the economics and business department of the University of Rome "La Sapienza", and, until 2012, he was a professor of Auditing at the "Federico Caffè" business school at the University of Rome "Roma Tre".



Roberto Ferranti¹⁰⁰

Mr. Ferranti was a standing Statutory Auditor of Eni from June 2008 to September 2013. He was born in Rome in 1947 and graduated from the University of Rome "La Sapienza" with a degree in economics and business. He is certified public auditor. He is currently chairman of the Board of auditors of

Agenzia Nazionale per la Sicurezza del Volo, a member of the audit committee of Federazione Italiana Nuoto, and Chairman of the Board of Auditors of Registro Italiano Navale. He has been the Head Inspector General of the Inspectorate General for Public Accounting and Finance since July 2009. In May 2010 he was appointed chairman of the Italian Accounting Standards Committee as provided for by Law 196/2009 reforming government accounting. In 1987, he became the head of Division VI of the Inspectorate General for the Budget – State Accountant General's Office – and in 1992 was appointed head of Division II of the Inspectorate General for the Budget. In 1994, he took over as interim head of the Public Finance Office of the Inspectorate General for the Budget and in 1997 became director of that office. He has served as the chairman of the Board of statutory auditors of Equitalia Piacenza SpA and Equitalia Spezia SpA, as a Director of Equitalia Cerit SpA of Florence and as a statutory auditor of SIMEST SpA. He is been a member of working groups involved in preparing sections of the General Report on the Italian Economy and reviewing the Treasury Summary Accounts. He has also been an instructor at the State Accountant Generals' Office.



Francesco Bilotti

Mr. Bilotti has been a standing Statutory Auditor of Eni since September 2013. He was born in Marano Principato in 1941 and graduated from the University of Rome "La Sapienza" with a degree in law. He is a certified public auditor and an attorney. He is currently a standing statutory auditor of Artigiancassa SpA and he is also a retired executive from the Treasury Department of the Italian Ministry of the Economy and Finance. Mr. Bilotti has served as Chairman of the Board of the Statutory Auditors of Mediocredito Piemontese, Fondo Interbancario di Garanzia and Sicot Srl - Treasury Department consulting company, and as a standing statutory auditor of CONSAP SpA, CONSIP SpA, SOGIN SpA and Patrimonio dello Stato SpA.



Paolo Fumagalli

Mr. Fumagalli has been a standing Statutory Auditor of Eni since May 2011. He was born in Busto Arsizio (VA) in 1960 and received a degree in political science from Università Cattolica in Milan. He is a chartered accountant and certified public auditor and is a member of the Italian Association of Journalists. He is a founding partner of Studio Professionale

[100] The biography contains information reported to the Company up through September 2013.

Associato GFT & Partners, in Milan; chairman of BFS Partner SpA, of CAPFIN SpA and of Fondazione San Giacomo; a Director of ICAM SpA and of IISussidiario.net Srl; a member of the Board of statutory auditors of ASPEM Energia Srl, Aspem SpA (A2A Group), Arriva Italia Srl (Deutsche Bahn Group) and Enel Ingegneria e Ricerca SpA. He teaches courses on pension funds and supplementary pension schemes in the Banking, Financial and Insurance Sciences Department of Università Cattolica (Milan). He has also been a Director of Banca Intesa SpA (2000-2006), chairman of Intesa Sanpaolo Vita SpA (2002-2011) and of Intesa Sanpaolo Previdenza (2003-2012), and a member of the Board of Atatutory Auditors of Cassa Depositi e Prestiti SpA (CDP SpA) (2010-2012). He was a director of the Varese (2002-2007) and Monza and Brianza (2007-2011) Chambers of commerce on behalf of ANIA and ABI (national insurance and banking associations).



Renato Righetti

Mr. Righetti has been a standing Statutory Auditor of Eni since May 2011. He was born in Rome in 1946 and holds a degree in law from the University of Rome. He is a certified public auditor. He is currently an anti-money laundering consultant for the judiciary and parliamentary committees, with a focus on the fight against organised crime. He has been a standing statutory auditor of Ansaldo STS SpA since April 2011. He has been a manager of the Italian Foreign Exchange Office and, subsequently, of the Bank of Italy. From 1974 to 1981 he was a member of the group of experts formed to combat the flight of capital abroad and to manage criminal investigations in the foreign exchange sector. Until 1994 he was part the secretariat of the Governor of the Bank of Italy in his capacity as chairman of the Board of Directors of the Italian Foreign Exchange Office, as well as secretary of the Board itself. From 1995 to 1998 he was a member of a Group of financial experts of the Information Services Coordination Committee. In 2006 he represented the Bank of Italy on the Greco Committee for the collection of legal costs and in 2007 he was appointed coordinator of the sub-group formed to develop guidelines for the effective use of seized assets. He was the head of Italian and international anti-money laundering activities of the Bank of Italy until 2008 and was a member of the Financial Security Committee (CSF) of the Ministry of the Economy and Finance. From 2004 to 2008 he was an advisor to the Oversight Committee for Major Public Works of the Ministry of the Interior. Until 2010 he headed the group of experts formed by the Milan Public Prosecutor's Office to assist in the fight against financial crime and activities related to money laundering, usury and terrorist financing.



Giorgio Silva

Mr. Silva has been a standing Statutory Auditor of Eni since May 2005. He was born in Samarate (VA) in 1945 and graduated from Università Cattolica del Sacro Cuore in Milan with a degree in economics and business. He has been registered as a certified public accountant in Busto Arsizio since July 4, 1975, and in Varese since May 3, 1989. He has been a chartered accountant since 1981 and certified public auditor since 1995. He currently holds the following positions: Chairman of the Board of Statutory Auditors of Kedrios SpA, TSP - Tecnologie e Servizi per il Pubblico Srl; standing statutory auditor of RCS Mediagroup SpA, Alitalia Compagnia Aerea Italiana SpA, CAI Second SpA, Air One SpA, Alitalia Cityliner SpA, Air One Technic SpA, SIA SpA, Hewlett Packard Italiana Srl, Bolton Alimentari SpA; alternate statutory auditor of Luxottica SpA, Autogrill SpA, CAI First SpA and Nuova Sidap Srl; and auditor for Fondazione Corriere della Sera, Fondazione Candido Cannavò Per Lo Sport and the Province of Varese. He is a speaker at conferences and author of articles and other publications relating to taxation issues. He is a member of the watch structures (pursuant to Legislative Decree 231/01) of RCS Mediagroup SpA and Luxottica SpA. He held executive administrative positions in major industrial companies between 1965 and 1973. He held an executive position in the tax division of the auditing firm Peat Marwick & Mitchell (now KPMG) in Milan from 1973 to 1976. In 1977, he joined the Studio Legale Tributario L. Biscozzi - A. Fantozzi, currently Studio Legale e Tributario Biscozzi Nobili, of which he is a founding partner. He held the positions of Director of Gemina SpA from 1996 to May 3, 1999, chairman of the Board of Statutory Auditors of Impregilo SpA from 1999 to May 2, 2005, and standing statutory auditor of Luxottica SpA from May 2006 to May 2009.

The personal and professional curricula of the Statutory Auditors are also available on the Eni website, in the Governance section.

Professional, integrity and independence requirements: causes for ineligibility, incompatibility and dismissal

As stated in the Eni Corporate Governance Code, the Statutory Auditors shall also act independently of the shareholders who have appointed them. Pursuant to the Consolidated Law on Financial Intermediation, the Statutory Auditors must meet specific independence requirements, as well as experience and integrity requirements, as established in the regulations issued by the Minister of Justice in agreement with the Minister of the Economy and Finance¹⁰¹.

[101] "Regulation containing the guidelines for establishing the professional and integrity requirements for members of the Board of Statutory Auditors of listed companies, issued in accordance with Article 148 of Legislative Decree No. 58 of February 24, 1998" set forth in Decree No. 162 of March 30, 2000.

With reference to professional requirements, Article 28 of the By-laws states that – as established in the above ministerial regulations – the requirements may also be met through professional or teaching experience (of at least three years) in the commercial law, business economics and corporate finance fields, or through the exercise of management functions (for at least three years) in the engineering and geology fields. In addition, all of the Statutory Auditors currently in office are entered in the register of certified auditors. Upon their appointment, the Statutory Auditors declared for the first time that they fulfilled the independence, integrity and professional requirements set forth in the applicable regulations, verified by the Board of Directors at its meeting of May 6, 2011. Subsequently, in compliance with the provisions of the Corporate Governance Code designed to ensure that the Statutory Auditors meet the independence requirements, on the basis of the criteria specified in the Code for Directors, at its meeting of January 15, 2014, the Board of Statutory Auditors ascertained that its members all met the independence, integrity and professional requirements, while the Board of Directors performed its verification duties at its meeting of February 12, 2014. Finally, pursuant to applicable regulations, persons may not hold office in a control body of an issuer if they hold the same office in five other listed companies. As long as they hold office in the control body of just one issuer, persons may hold other management and control positions in Italian companies, within the limits specified in the Consob regulations¹⁰². The Statutory Auditors are required to report the offices they hold or have relinquished, in the manner and within the time limits established in the applicable regulations, to Consob, which shall then publish the information, making it available on its website.

Meetings and operational procedures

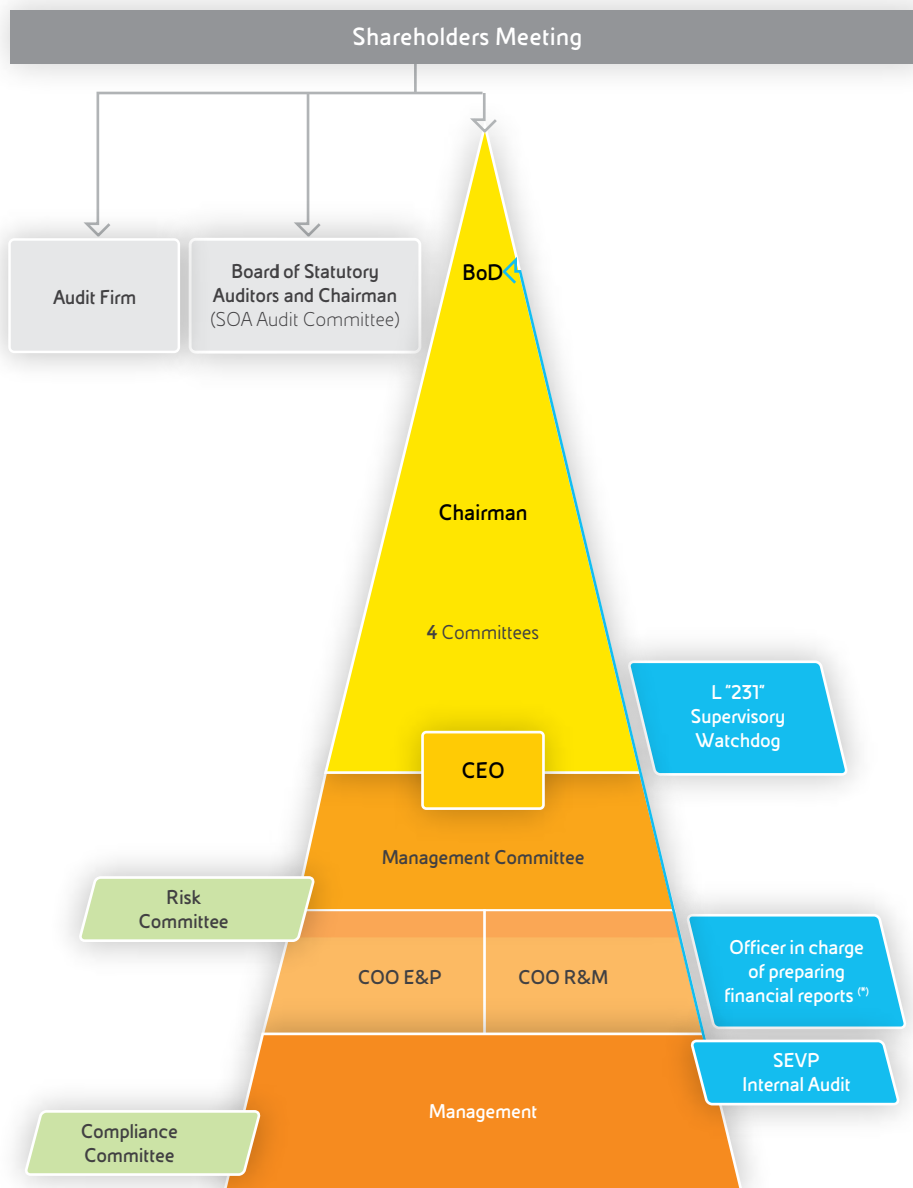
The Statutory Auditors, simultaneously with the Directors,

are provided with documentation of the issues on the agenda to be discussed at the Board of Directors meetings, and the Board of Directors and CEO shall report – on at least a quarterly basis or, in any case, during the Board of Statutory Auditor meetings – on the activities performed and on transactions with the greatest impact on performance and financial position carried out by the Company and its subsidiaries, in addition to providing a comprehensive bimonthly statement on transactions carried out with related parties and in particular on transactions in which Directors or Statutory Auditors have an interest, in compliance with the corporate procedure governing transactions with related parties¹⁰³. Under that procedure, the Statutory Auditors must inform the Board of Directors and the other Statutory Auditors of any personal or third-party interests they hold in relation to any given transaction of the Company. The Board of Statutory Auditors may also meet via videoconferencing or teleconferencing systems. In 2013, the Board of Auditors met 32 times. The average duration of the meetings was 4 hours and 20 minutes. In 2013, an average of 95% of the Statutory Auditors attended meetings of the Board of Statutory Auditors and an average of 84% attended the meetings of the Board of Directors. As of March 17, 2014, eight meetings have been held in 2014. A further two meetings will be held before the date of the Shareholders' Meeting called to approve the 2013 financial statements, marking the end of the term of office of the current Board of Statutory Auditors. The calendar for the subsequent meetings, without prejudice to the meetings required by Article 2404 of the Italian Civil Code, will be set following the formation of the new Board of Statutory Auditors. The tables attached to this Report demonstrate the participation rate for each Statutory Auditor for the meetings of the Board of Statutory Auditors and the Board of Directors.

[102] Most recently, see the Consob resolution of January 20, 2012.

[103] For more details, please see the relevant section of this Report.

Internal control and risk management system¹⁰⁴



(*) Also CFO.

Eni is aware that an effective internal control and risk management system (hereinafter the "ICRMS") contributes to a sound management of the company in line with the business objectives set by the Board, fostering informed decision-making and contributing to the protection of capital, efficient and effective processes, reliable financial reporting and compliance with the law, the By-laws and internal procedures. In order to promote and maintain an adequate ICRMS, Eni utilises organisational, informational and regulatory tools,

aimed at making it possible to identify, measure, manage and monitor the main risks that Eni faces.

This system is integrated into the organisational, administrative and accounting structure, and more generally into Eni's Corporate Governance framework, and is based upon the recommendations of the Corporate Governance Code, taking into consideration national and international reference models and best practices, aimed at strengthening their overall effectiveness and efficiency, in part in relation to the international nature of the Company.

[104] This chapter was approved by the Board of Directors, having received the opinion of the Control and Risk Committee; the section "Main characteristics of the internal control and risk management system applied to the financial reporting process (Management System Guideline on Eni's internal control system applied to financial reporting)", and the section "Officer responsible for preparing financial reporting documents (Financial Reporting Officer)", were also reviewed by the audit firm pursuant to Article 123-bis, fourth paragraph, of the Consolidated Law on Financial Intermediation.

In order to implement these recommendations, on March 14, 2013, Eni's Board, acting upon the proposal of the Control and Risk Committee, established the "Internal Control and Risk Management System Guidelines"¹⁰⁵, which provide the structure for the ICRMS, including with respect to information flows and procedures for implementation, which are mandatory for Eni SpA and all of its subsidiaries. The Guidelines set forth the primary roles and responsibilities relating to the ICRMS, setting out the modes of interaction between the various actors involved, in order to maximise effectiveness and efficiency and reduce any duplication¹⁰⁶.

The CEO, charged by the Board with implementing the Guidelines, issued an ICRMS regulation on April 11, 2013. This regulation, along with the previous one of December 18, 2012 on Integrated Risk Management¹⁰⁷, made it possible to represent, develop and launch a model integrating the various existing elements of Eni's ICRMS thereby providing all of Eni management with a suitable framework for establishing and implementing this system, while allowing the Board to receive at least every six months an organic representation of the various elements of the system on which to base its decisions. On June 27, 2013, consistent with the Integrated Risk Management process, the CEO presented to the Board of Directors a detailed report on the main risks facing Eni, updating the results of the first risk assessment cycle performed in December 2012. A second annual risk assessment cycle was later carried out for 2013, based in part on the analysis used for the 2013-16 Strategic Plan, aimed at identifying possible changes in the risk profile with respect to any discontinuity in strategy and/or the internal and external situation. The CEO presented the results to the Board on December 12, 2013. At its meeting of July 31, 2013, the Board of Directors, taking into consideration the Report of the Officer responsible for preparing financial reporting documents (hereinafter "Financial Reporting Officer" or "FRO") and the Report of the Control and Risk Committee, the half-year report on the risks examined during the June 27, 2013 meeting and having received the opinion of the Control and Risk Committee, formed a favourable opinion of: (i) the adequacy and effectiveness of the internal control and risk management system, with regard to the characteristics of the business and its risk profile compatible with the business objectives; (ii) the adequacy of the powers and resources available to the FRO, as well as the observance of the administrative and accounting procedures he had put in place. On March 17, 2014, the Board of Directors, taking into consideration the Reports of the FRO and of the Control and Risk Committee, and having received the opinion of the Committee, formed a favourable opinion of: (i) the adequacy and effectiveness of the internal control and risk management system, with regard to the characteristics of the business and its risk profile compatible with the business objectives; (ii) the adequacy of the powers and resources available to the FRO, as

well as the observance of the administrative and accounting procedures he had put in place.

Below is a detailed description of the roles and duties of the actors in Eni's internal control and risk management system.

Actors and duties

Board of Directors

The Eni SpA Board of Directors, having examined the proposals and having received the opinion of the Control and Risk Committee, sets the guidelines for the ICRMS, so as to ensure that the main risks to the Company and its subsidiaries are properly identified, measured, managed and monitored, as well as to determine the degree of compatibility of such risks with managing the business consistent with its strategic objectives. More specifically, the Board sets restrictions on the Company's financial risk.

For that purpose, the Board:

- has established a **Control and Risk Committee** to provide it with support in making evaluations and decisions pertaining to the system, as well as in relation to approving periodic financial reports;
- has charged the **CEO**, who is the Director responsible for the internal control and risk management system, with the duty of implementing the guidelines and overseeing the system;
- on the proposal of the CEO in agreement with the Chairman, having first received the favourable opinion of the Control and Risk Committee and in consultation with the Board of Statutory Auditors: (i) appoints and removes the **head of the Internal Audit unit**; (ii) ensures that he has the necessary resources to perform his duties; and (iii) establishes the remuneration framework in line with corporate policies.

Subject to the other powers granted by the law, the By-laws and the Corporate Governance system and within the context of the Board, the **Chairman** plays an important role with regard to:

- the proposals for appointing and removing the main officers and bodies of the Company (Chief Operating Officers, Watch Structure, FRO and the head of Internal Audit, for which he evaluates and shares with the CEO the proposals concerning the remuneration framework and the adequacy of the resources allocated for them to perform their duties);
- flows of information on the activities of the Internal Audit unit, receiving along with the CEO of Eni SpA, the Chairman of the Control and Risk Committee of Eni SpA and the Chairman of the Board of Statutory Auditors of Eni SpA, the results of the audit performed, as well as the periodic reports on the activities of Eni's Internal Audit unit, on the procedure it follows in managing risks and on how well it is following the plan for their containment, in addition to specific reports prepared with regard to significant events. The Chairman is also informed, along with the Chairman of the Control and Risk Committee of Eni SpA and the Chairman of the Board of

[105] The ICRMS guidelines incorporate the previous risk guidelines that the Board approved on December 13, 2012 after having received the opinion of the Control and Risk Committee.

[106] Article 7.P.3 of the Corporate Governance Code.

[107] In order to support the decision-making process, the results of the periodic risk assessment and monitoring activities are presented by the Integrated Risk Management Department to the Risk Committee, a committee comprised of Eni's top management and chaired by the CEO. Every six months the latter submits the findings to the Board of Directors for examination to assist it in evaluating the suitability and effectiveness of the ICRMS, with regard to the characteristics of Eni and its risk profile compatible with the business objectives, as well as its effectiveness. For more information, please refer to the "Management System Guideline for Integrated Risk Management" section of this Report.

Statutory Auditors of Eni SpA, whenever the CEO of Eni SpA asks the Eni's Internal Audit unit to audit specific areas of operations and to verify compliance with internal rules and procedures in operations;

- the activities of the Eni Watch Structure, receiving a report every six months on its activities with information on investigations performed and legislative changes in the area of the administrative liability of companies, as well as an immediate report on particularly material or significant facts discovered;
- attendance of executives and heads of departments at Board Meetings: the Chairman may ask the CEO of Eni SpA, even at the request of one or more Directors, that the executives of Eni SpA and of the Group companies, the heads of the relevant departments (based upon the issues being addressed) and, specifically, the head of the Integrated Risk Management department attend Board meetings to provide information on items on the agenda.

In order to perform its management and strategic oversight duties, the Board, having received the prior opinion of the Control and Risk Committee:

- examines the main business risks, identified by taking into account the nature of the activities of the Company and its subsidiaries, submitted by the CEO at least once every six months;
- evaluate at least once every six months the adequacy and effectiveness of the internal control and risk management system, with regard to the characteristics of the business and its risk profile compatible with the business objectives, unless unforeseen events occur requiring special investigation to verify that the controls were effective with regard to particular situations;
- to approve, at least once a year (and most recently on January 16, 2014), the Audit Plan prepared by the head of Internal Audit, in consultation with the Board of Statutory Auditors and the CEO;
- evaluating, in consultation with the Board of Statutory Auditors, the findings contained in the suggestion letter, if any, of the firm that performed the statutory audit and in its report on the fundamental issues that arose during the statutory audit. At its meeting of October 29, 2013, the Board shares the findings contained in the suggestion letter of the firm that performed the statutory audit and in its report on the fundamental issues that arose during the statutory audit, having received the opinions of the Control and Risk Committee and of the Board of Statutory Auditors.

Board of Statutory Auditors

In addition to the supervisory and control functions provided for under Article 149 of the Consolidated Law on Financial Intermediation, the Board of Statutory Auditors monitors the financial reporting process and the effectiveness of the internal control and risk management system, in accordance with the Corporate Governance Code, and has been designated the "Internal control and financial auditing committee", pursuant to Legislative Decree No. 39/2010 and the "Audit Committee" pursuant to US regulation.

More specifically, the Board:

- i. evaluates the offers submitted by external auditors for their engagement to perform the statutory audit of the accounts and provides a reasoned recommendation to the Shareholders' Meeting concerning the engagement or termination of the external auditor;
- ii. oversees the work of the external auditor engaged to perform the statutory audit of the accounts or perform other consulting, review or certification services;
- iii. makes recommendations to the Board of Directors on the resolution of disagreements between management and the audit firm regarding financial reporting;
- iv. approves the procedures¹⁰⁸ for: (a) the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or statutory auditing matters; (b) the confidential, anonymous submission by anyone, including third parties and employees of the Company, of concerns regarding questionable accounting or auditing matters;
- v. approves the procedures for the pre-approval of specifically identified admissible non-audit services and examines the disclosures on the execution of the authorised services;
- iv. evaluates requests to use the external audit firm engaged to perform statutory audit services for admissible non-audit services and provides its opinion to the Board of Directors;
- vii. examines the periodic reports from the external auditor relating to: (a) all critical accounting policies and practices to be used; (b) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management officials of the Company, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the external auditor; (c) other material written communication between the external auditor and management;
- viii. examines reports from the Chief Executive Officer and the Chief Financial Officer concerning any significant deficiency in the design or operation of internal controls which are reasonably likely to adversely affect the Company's ability to record, process, summarise and report financial information and any material weakness in internal controls;
- ix. examines reports from the Chief Executive Officer and the Chief Financial Officer concerning any fraud that involves management or other employees who have a significant role in the issuer's internal controls.

In the performance of its functions the Board of Statutory Auditors may avail itself of Company units, in particular the Internal Audit unit and the Administration and Financial Reporting unit. The Board of Statutory Auditors receives the information required to perform its duties. The procedures for coordinating the functions of the Board of Statutory Auditors with those of the Internal Audit unit and the Control and Risk Committee are described in the sections on these latter.

[108] For more information, please refer to the "Procedure for whistleblowing reports (including anonymous complaints) received by Eni SpA and subsidiaries in Italy and abroad" section of this Chapter.

Control and Risk Committee

The Control and Risk Committee, formed in Eni in 1994¹⁰⁹, supports, on the basis of an adequate control process, the Board in evaluating and making decisions concerning the ICRMS and in approving the periodic financial reports.

The Committee is composed solely of non-executive Directors, with expertise¹¹⁰ consistent with their duties and reports to the Board at least once every six months, on the occasion of the approval of the annual and semi-annual financial reports, on its activities and on the adequacy of the ICRMS.

The Committee prepares its periodic reports to the Board of Directors taking account of information provided by the FRO, the head of the Internal Audit unit and Eni's Watch Structure in their respective reports, and, more generally, on information obtained in performing its duties.

The Committee advises the Board of Directors. Specifically it:

- i. issues a prior opinion: (a) on and drafts recommendations and updates concerning the guidelines for the ICRMS to be approved by the Board of Directors; (b) on the half-yearly evaluation of the adequacy and effectiveness of the ICRMS, with regard to the characteristics of the business and its risk profile compatible with its business objectives; to this end, at least once every six months the Committee reports to the Board of Directors, on the occasion of the approval of the annual and semi-annual financial reports, on its activities and on the adequacy of the ICRMS; (c) on the approval, at least once a year, of the Audit Plan; (d) and on the evaluation of the findings reported in the suggestion letter, if any, of the audit firm¹¹¹ and in its report on the fundamental issues that arose during the statutory audit;
- ii. issues its favourable opinion on the proposals formulated by the CEO together with the Chairman of the Board of Directors concerning the appointment, the removal and the definition of the structure of the remuneration of the head of the Internal Audit unit, as well as the adequacy of the resources provided to the latter;
- iii. examines the main risks presented to the Board of Directors of Eni SpA and issues opinions on specific aspects concerning the identification of the main risks;
- iv. examines and issues an opinion on the adoption and amendment of the rules on the transparency and the substantive and procedural fairness of transactions with related parties and those in which a Director or Statutory Auditor holds a personal interest or an interest on behalf of a third party, while performing the additional duties assigned it by the Board of Directors, including examining and issuing an evaluation on specific types of transactions, except for those relating to compensation¹¹².

In addition, the Committee, in assisting the Board of Directors:

- i. evaluates, together with the financial reporting officer and after having consulted the firm that performs the

statutory audit and the Board of Statutory Auditors, the proper application of accounting standards (IFRS) and their consistency in preparing the consolidated financial statements prior to their approval by the Board of Directors;

- ii. monitors the independence, adequacy, efficiency and effectiveness of the Internal Audit unit and oversees its activities. In particular, the Committee: (a) examines the results of the audit activities performed by the Internal Audit unit; (b) examines the periodic report prepared by the Internal Audit unit containing adequate information on the activities carried out, on the manner in which risk management is conducted and on compliance with risk containment plans, as well as the assessment of the suitability of the ICRMS. The Committee may assign the Internal Audit unit the task of auditing specific areas of operations, simultaneously notifying the Chairman of the Board of Statutory Auditors of the assignment;
- iii. examines and assesses: (a) the adequacy of the powers and resources assigned to the FRO and the findings of the periodic reports prepared by the latter on the occasion of the approval of the annual and semi-annual consolidated financial reports; (b) communications and information received from the Board of Statutory Auditors and its members regarding the ICRMS, including those concerning the findings of enquiries conducted by the Internal Audit unit in connection with reports received, including anonymous reports (whistleblowing); (c) the periodic reports issued by Eni's Watch Structure, including in its capacity as Guarantor of the Code of Ethics; (d) information on the ICRMS, including that provided in the course of periodic meetings with the competent Company structures, enquiries and reviews carried out by third parties.

In any event, the Committee shall establish an information exchange procedure with the Board of Statutory Auditors for the purposes of promptly sharing information necessary for them to complete their respective tasks and to coordinate their respective activities in areas for which they are jointly competent so as to ensure the orderly performance of company business. Please refer to the relevant section on this Report for more detailed information on the Committee's activities in 2013.

The Chief Executive Officer, acting as the Director responsible for the internal control and risk management system

The Chief Executive Officer of Eni SpA is charged by the Board of Directors with establishing and maintaining an effective ICRMS. For this purpose, the CEO:

- i. identifies the main risks faced by the Company, taking account of the characteristics of the activities of Eni SpA and its subsidiaries, and reports on them to the Board of Directors at least once every six months;

[109] The Internal Control Committee, first established within the Board of Directors on February 9, 1994, changed its name to "Control and Risk Committee" by resolution of the Board of Directors on July 31, 2012, in accordance with the recommendations of the 2011 Corporate Governance Code.

[110] The Rules of the Control and Risk Committee of Eni require that at least two – not just one as under the Corporate Governance Code – of the members of the Committee have adequate experience in accounting and financial matters.

[111] Eni has designated the Board of Statutory Auditors as the Audit Committee pursuant to US regulations (Sarbanes-Oxley Act) with the duty to evaluate the proposals presented by the audit firm for its appointment and to oversee the auditing process.

[112] For further information, please see the section "Management System Guideline for Transactions involving the interests of Directors and Statutory Auditors and transactions with related parties".

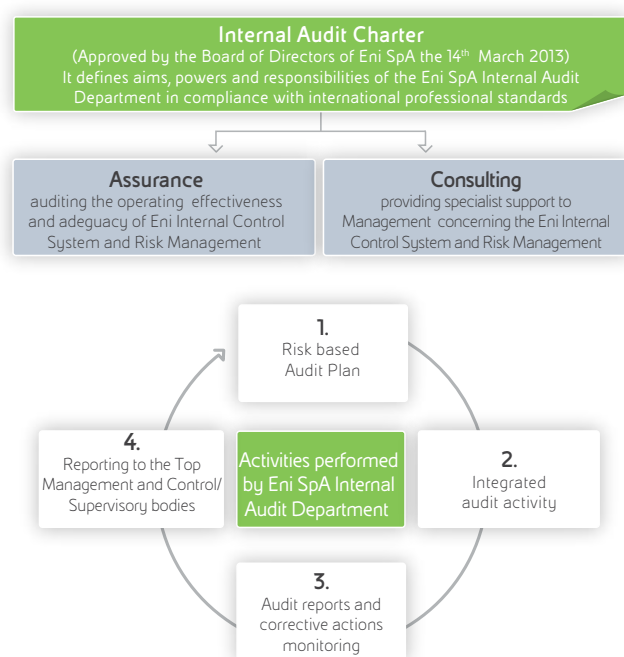
- ii. implements, as stated above, the policy guidelines for the ICRMS defined by the Board and is responsible for their planning, execution and management;
- iii. constantly monitors the overall adequacy and effectiveness of the ICRMS, ensuring that it is updated in response to changes in the operational and regulatory framework.

As regards the internal control system for financial reporting, these duties are performed without prejudice to the role assigned by law to the Financial Reporting Officer¹¹³.

The CEO may ask the Internal Audit unit to perform an audit on specific areas of operations and on compliance with internal rules and procedures in executing business transactions. In this case, the head of the Internal Audit unit provides simultaneous notice to the Chairmen of the Board of Directors, of the Control and Risk Committee and of the Board of Statutory Auditors upon beginning such work.

The CEO shall promptly notify the Control and Risk Committee (or the Board of Directors) of problems or critical issues that arise in performing his duties or that he has discovered so that the Committee (or the Board) can take appropriate action.

Internal Audit



Highlights (data of 2013)

- 124 resources, over 70% are certified resources (CIA, CISA, CCSA, CFE, CRMA)
- 65 Audit Reports issued in the year
- About 900 corrective actions monitored
- Sarbanes-Oxley Act independent monitoring activity on about 550 process controls
- 228 Whistleblowing reports opened

The Internal Audit unit plays a leading role in verifying and assessing the ICRMS. It is primarily responsible for:

- i. independently verifying, both periodically and in relation to special needs and with international standards, the function and suitability of Eni's ICRMS, in order to make it more efficient and effective;
- ii. providing specialised support to management concerning the ICRMS to improve the effectiveness, efficiency and integration of controls over corporate processes.

In keeping with best national and international practices, the aims, areas of intervention and the operational methods of the Internal Audit unit are set out in the "Internal Audit Charter" approved by the Board of Directors on March 14, 2013¹¹⁴.

The **head of the Internal Audit unit** is appointed by the Board of Directors, having received the prior favourable opinion of the Control and Risk Committee and in consultation with the Board of Statutory Auditors, upon a proposal of the CEO (in his capacity as the Director responsible for the internal control and risk management system) in agreement with the Chairman of the Board of Directors. The proposal is also reviewed by the Nomination Committee.

The appointment is subject to verification that he satisfies the integrity, professionalism, expertise and experience requirements required to perform his duties, as well as determination of the absence of any circumstances rendering him incompatible for the position, including conflicts of interest, with respect to previous business or positions held with the Company and/or its subsidiaries; the Control and Risk Committee is tasked with annually evaluating whether these requirements are met.

On December 15, 2010, the Board of Directors appointed Marco Petracchini as the head of the Internal Audit unit, upon a proposal of the CEO (in his capacity as the Director responsible for the internal control and risk management system) in agreement with the Chairman of the Board of Directors, having first received the favourable opinion of the Internal Control Committee¹¹⁵. Following the election of the Board of Directors, the appointment of Mr. Petracchini was confirmed on May 19, 2011.

The Board of Directors, having received the prior favourable opinion of the Control and Risk Committee and in consultation with the Statutory Auditors, upon the proposal of the CEO in agreement with the Chairman of the Board of Directors, also approves the fixed and variable remuneration for the head of the Internal Audit unit, in keeping with Company policies, and ensures that he has adequate resources to perform his duties. The head of the Internal Audit unit, without prejudice to the responsibilities of the Board of Directors regarding his appointment, removal, compensation and allocation of adequate resources to allow him to perform his duties, reports to the CEO in his capacity as Director responsible for implementing and maintaining an efficient internal control and

[113] For more information, please see the section "Officer responsible for preparing financial reports (Financial Reporting Officer)".

[114] The 2013 Internal Audit Charter is annexed to the Management System Guideline for the Internal Control and Risk Management System and replaces the previous guidelines approved in 2008.

[115] The Committee was renamed the Control and Risk Committee following adoption of the 2011 Corporate Governance Code on April 26, 2012.

risk management system.

The Control and Risk Committee oversees the activities of the Internal Audit unit, monitoring its autonomy, adequacy, effectiveness and efficiency. The head of the Internal Audit unit also reports to the Board of Statutory Auditors in its capacity as the "Audit Committee" pursuant to US regulations. The head of the Internal Audit unit is not responsible for any operational area, has direct access to any information which may be pertinent to the performance of his duties and has adequate resources at his disposal to carry out his duties.

Scope of activity

The Internal Audit unit of Eni SpA performs its assigned duties:

- for Eni SpA and its subsidiaries ("covered companies"), excluding the listed subsidiaries that have their own Internal Audit units, to which it provides tools and methodologies to be used by their Internal Audit units (adapted as appropriate, where agreed);
- for: (i) associated companies and joint ventures on the basis of specific agreements, including taking part in joint audits conducted by teams consisting of members chosen by Eni and by the other partners and (ii) companies that, under applicable law, have their own Internal Audit units, to take advantage of operational synergies and pursuant to specific agreements.

With regard to the covered companies, all their divisions, departments, units, processes and/or subprocesses, IT systems (including financial reporting systems) are subject to internal audit, without exception, with regard to the risks and resulting objectives of:

- i. efficient and effective processes;
- ii. reliable financial reporting;
- iii. compliance with the law, regulations, the By-laws and applicable rules, particularly with regard to Model 231 and anti-corruption regulatory instruments;
- vi. protection of capital (as a combined effect of the preceding types of internal audit activities).

Furthermore, the Internal Audit unit of Eni SpA:

- i. performs supervisory activities on behalf of the Eni Watch Structure;
- ii. conducts independent monitoring as provided for by the internal control system with regard to financial reporting and/or similar duties based upon the internal control models applicable and that are approved by the Board of Directors of Eni SpA;
- iii. on the basis of the principles and criteria established, organises and monitors the systematic gathering of the data, information and evaluations need to formulate and update the Audit Plan proposal;
- iv. oversees the investigation of concerns reported under the specific internal regulation in support of evaluations by the competent control and supervisory bodies, including the Board of Statutory Auditors in its capacity as audit committee pursuant to US regulations;

- v. ensure the necessary flows of information on the investigations performed and the related periodic reporting to top management and the supervisory and control bodies of Eni, as well as the management and the supervisory and control bodies of the subsidiaries, in line with the applicable regulations;
- vi. carries out the preparations required for the engagement of the firm that performs the statutory audit pursuant to applicable law, as well as verifies that the firm continues to satisfy the independence requirements throughout its appointment, reporting on such to the Board of Statutory Auditors of Eni SpA.

Duties

Internal Audit activities are scheduled based on an annual "risk-based" Audit Plan, i.e. one which uses a structured analysis and prioritisation of the main risks faced by both Eni SpA and the covered companies, approved by the Board of Directors, subject to the prior opinion of the Control and Risk Committee, in consultation with the CEO and the Board of Statutory Auditors. The Eni SpA supervisory plan, approved by Eni's Watch Structure, pursuant to Eni's Model 231, forms an integral part of the Audit Plan.

The head of the Internal Audit unit of Eni SpA, who has direct access to any information which may be pertinent to the performance of his duties, may also order spot audits not provided for under the Plan based on specific requests made by the Board of Directors, the Control and Risk Committee, the Board of Statutory Auditors, the CEO, the COOs, the CEOs of the strategically important subsidiaries¹¹⁶ and the Eni Watch Structure, as well as based on his own assessment.

The findings of each internal audit performed are reported in Internal Audit Reports, which are sent simultaneously to the CEO of Eni SpA (in part for subsequent transmission to the structures audited), to the Chairman of the Board of Directors of Eni SpA, to the Control and Risk Committee and to the Board of Statutory Auditors of Eni SpA. The Internal Audit Reports are also sent to the Eni Watch Structure, to the extent such falls within the scope of its duties, and to the control and supervisory bodies of the subsidiaries, with regard to internal audits involving them. The Internal Audit Reports contain brief evaluations of the internal control system for the areas and processes audited, the description of the findings made and the limitations encountered, as well as recommendations. In response, the heads of the activities and areas audited are required to draw up corrective action plans, the implementation of which is monitored by the Internal Audit unit.

The head of the Internal Audit unit reports periodically on his activities, on the risk management process and on compliance with the plans developed to mitigate risk, as well as on the suitability of the ICRMS. The reports are submitted to the Chairman of the Board of Statutory Auditors, the Chairman of the Control and Risk Committee, the Chairman of the Board of Directors and the CEO.

[116] As of the date of approval of this Report, the strategically important subsidiaries for Eni are: Saipem SpA, Versalis SpA and Eni International BV.

On March 17, 2014, the head of Eni's Internal Audit unit issued his Annual Report (covering the period from January 1 to December 31, 2013, updated as of the date of the Report) in which he reported, as provided for by the ICRMS MSG and based upon what was discovered with regard to each component of the ICRMS, that no situations or significant problems were found that called into question the adequacy of the Eni Internal Control and Risk Management System as a whole.

Officer in charge of preparing financial reports (Financial Reporting Officer)

Pursuant to Article 24 of the By-laws, in compliance with the provisions of Article 154-bis of the Consolidated Law on Financial Intermediation, the officer responsible for preparing financial reports ("Financial Reporting Officer" or "FRO") is appointed by the Board of Directors, acting upon a proposal by the Chief Executive Officer, in agreement with the Chairman and subject to a favourable opinion of the Board of Statutory Auditors. The proposal is also examined by the Nomination Committee.

In accordance with the By-laws, the FRO must be selected from among candidates who have performed the following activities for at least three years:

- i. administration, control or senior management activities in companies listed on regulated stock exchanges in Italy or other European Union Countries or other OECD Countries with a share capital of no less than €2 million; or
- ii. statutory audit activities in companies indicated in letter i) above; or
- iii. professional activities or university lecturing activities in the financial or accounting sectors; or
- iv. senior management positions in public or private entities with financial, accounting or control expertise.

Duties, powers and resources of the Financial Reporting Officer

In accordance with the law, the FRO is responsible for the internal control system as in relates to financial reporting and, for this purpose, establishes the necessary administrative and accounting procedures for drafting the periodic accounting documentation and any other financial notification; moreover he certifies – together with the CEO – their adequacy and actual implementation during the period to which the aforementioned accounting documents refer through an appropriate report on the annual, semi-annual and consolidated financial statements. Pursuant to the aforementioned Article 154-bis of the Consolidate Law on Financial Intermediation, the Board of Directors monitors the adequacy of the powers and resources available to the FRO, as well as the observance of these procedures.

The Board of Directors, upon the proposal of the CEO in agreement with the Chairman, and having received the favourable opinion of the Board of Statutory Auditors and upon the prior review of the Nomination Committee, appointed Eni's

Chief Financial Officer (CFO), Massimo Mondazzi¹¹⁷, as the FRO on December 5, 2012; he replaced Alessandro Bernini, who held both positions from July 30, 2008¹¹⁸ to December 5, 2012. On March 17, 2014, the Board of Directors confirmed, having received the prior favourable opinion of the Control and Risk Committees, the adequacy of the "powers and resources" available to the CFO in his capacity as FRO and verified, after prior examination by the Control and Risk Committee, observance of the procedures he had put in place by law.

Eni Watch Structure

In its meetings of December 15, 2003 and January 28, 2004, the Board of Directors of Eni SpA approved an organisational, managerial and control model pursuant to Legislative Decree No. 231 of 2001 (henceforth "Model 231") and created the associated Watch Structure, ascribing to it the functions of a specially-formed body that, since 2007, is composed of three internal and two external members. The internal members are represented by the heads of the Legal Affairs, Human Resources and Organisation and Internal Audit units of the Company¹¹⁹.

The two external members, one of whom was appointed the Chairman of the Watch Structure itself, are selected from among academics and professionals with proven experience in economic and company organisation matters.

The members of the Eni Watch Structure were most recently appointed by the Board of Directors, with the favourable opinion of the Board of Statutory Auditors, on May 19, 2011.

At present, the Company has not elected to attribute the Watch Structure functions to its Board of Statutory Auditors, pursuant to Article 6, paragraph 4-bis, of Legislative Decree No. 231 of June 8, 2001 (hereinafter "Legislative Decree No. 231/2001"), as amended by Article 14, paragraph 12, of Law No. 183 of November 12, 2011.

The synergies between the Code of Ethics (an integral part and essential general principle of Model 231) and Model 231 are highlighted by the assignment of the functions of Guarantor of the Code of Ethics to the Eni Watch Structure. Similarly, each subsidiary assigns Guarantor functions with respect to the Code of Ethics to its own Watch Structure.

The Eni Watch Structure carries out the following main functions:

- i. monitoring the effectiveness of Eni's Model 231, as well as its implementation and updating;
- ii. assessing the adequacy of Model 231 and guaranteeing its sound and efficient functioning over time by proposing any necessary updates;
- iii. monitoring the progress of its implementation by the subsidiaries and promoting the circulation and understanding of the procedures and tools for implementing the Model within such subsidiaries;
- iv. approving the annual programme of supervisory activities for Eni, coordinating its implementation and analysing the results;

[117] Massimo Mondazzi was appointed CFO by the CEO of Eni SpA on December 5, 2012.

[118] Alessandro Bernini was confirmed as FRO by the Board on May 19, 2011.

[119] For more information on the composition of the Watch Structure, refer to the chart in the Chapter "Corporate Governance Model".

- v. managing the flow of relevant information with the Company units and with the Watch Structures of the subsidiaries.

The Eni Watch Structure periodically reports on its activities to the Control and Risk Committee and the Board of Statutory Auditors, as well as the Chairman and the CEO, who then informs the Board of Directors when reporting on the exercise of his delegated powers.

In the second half of 2013, the Watch Structure, after modifications were made to the “Sensitive activities and special control standards” document to bring it in line with changes in the anti-corruption laws, supported the idea of launching a project to update the General Part of Model 231.

In furtherance of this, with the support of the Legal Affairs Department and the specialised units affected, the Watch Structure was instructed on the proposed changes to Model 231, currently under discussion. The Watch Structure is also periodically informed about the progress made.

The Internal Audit unit is also responsible for conducting audits on behalf of the Eni Watch Structure, following a schedule set annually by the Watch Structure, which is an integral part of the Audit Plan. Moreover, the audits performed on subsidiaries’ processes and/or subprocesses are deemed supplementary to, but not a replacement for, the supervisory activities that the subsidiaries’ watch structures are required to perform under their respective Models.

Risk Committee

The Risk Committee of Eni SpA, presided over by the CEO of Eni SpA and comprised of Eni’s top management and the head of the Internal Audit unit, provides advice to the CEO on the major risks facing the Company and, specifically, reviews and offers its opinion, at the CEO’s request, on the primary results of the Integrated Risk Management process.

Compliance Committee

The Compliance Committee of Eni SpA, comprised of the heads of Legal Affairs, Corporate Affairs and Governance, Internal Audit, Administration and Finance, Human Resources and Organisation and Government Affairs, has been assigned a variety of duties, including reporting to the CEO of SpA on the need to develop a new approach to compliance and/or governance matters, recommending the person to oversee the creation of the relative model.

Head of Integrated Risk Management

The head of Integrated Risk Management (“IRM”) of Eni SpA, who reports directly to the CEO of Eni SpA, ensures, with the support of the responsible planning and control units, the conduct of IRM processes and the presentation of the findings on the main risks and the associated risk treatment plans to the Risk Committee and, at least once every six months, to the Control and Risk Committee of Eni SpA, as well as, where requested, to other control and supervisory bodies. He promotes the spread of a Risk Management culture within Eni,

which involves identifying initiatives for updating the current system for managing major risks.

Eni’s Personnel - Management

As set forth in the Code of Ethics, the responsibility for implementing an effective internal control system is shared by all levels of Eni’s organisational structure; consequently, all of Eni’s personnel, consistent with their positions and duties, are called upon to define and actively participate in the proper implementation of the internal control system.

More specifically:

- the CEO and/or Chief Operating Officers of the Divisions, in their capacity as the appointed officers, are responsible for ensuring the development, implementation and maintenance of an effective and efficient internal control system and assign to the management for the operational areas the duties, responsibilities and powers for pursuing this aim in the performance of their respective activities and in achieving the related objectives;
- in addition to the management committees described above and the head of Integrated Risk Management¹²⁰, other units actively contribute to the ICRMS within the scope of their responsibilities. These include, for example, the Risk Owners who identify, assess, manage and monitor risks under their sphere of competence, as well as the adequacy and function of the controls put in place to oversee them. Furthermore, the ICRMS, with particular regard to the role of the Board of Directors, was one of the issues addressed in further depth during the training provided in 2013 to the Eni SpA Boards (ongoing induction) and to the Directors of Eni’s subsidiaries and investees (Welcome Board).

Eni Regulatory System

To ensure the integrity, transparency, propriety and efficiency of its processes, Eni adopts rules for the performance of business activities and the exercise of powers, guaranteeing observance of the general principles of traceability and segregation.

Each component of that system is supplemented by the Company’s Code of Ethics, which identifies the fundamental values, among others, of the formal and substantive legitimacy of the conduct of the members of corporate bodies and all employees, accounting transparency and the dissemination of a mentality directed at the exercise of control.

Eni is fully aware that investors rely on the full compliance of our corporate bodies, management and employees with the set of rules making up the corporate internal control system.

The key features of the Eni Regulatory System

On July 28, 2010, Eni’s Board of Directors approved the basic guidelines for the New Eni Regulatory System, with the goal of rationalising, supplementing, and simplifying Eni’s regulatory system. The New Regulatory System is characterised by four main elements:

- i. the shift from a traditional approach organised by corporate function to one based on business processes, with the establishment of a new role, the “Process Owner”¹²¹, who is

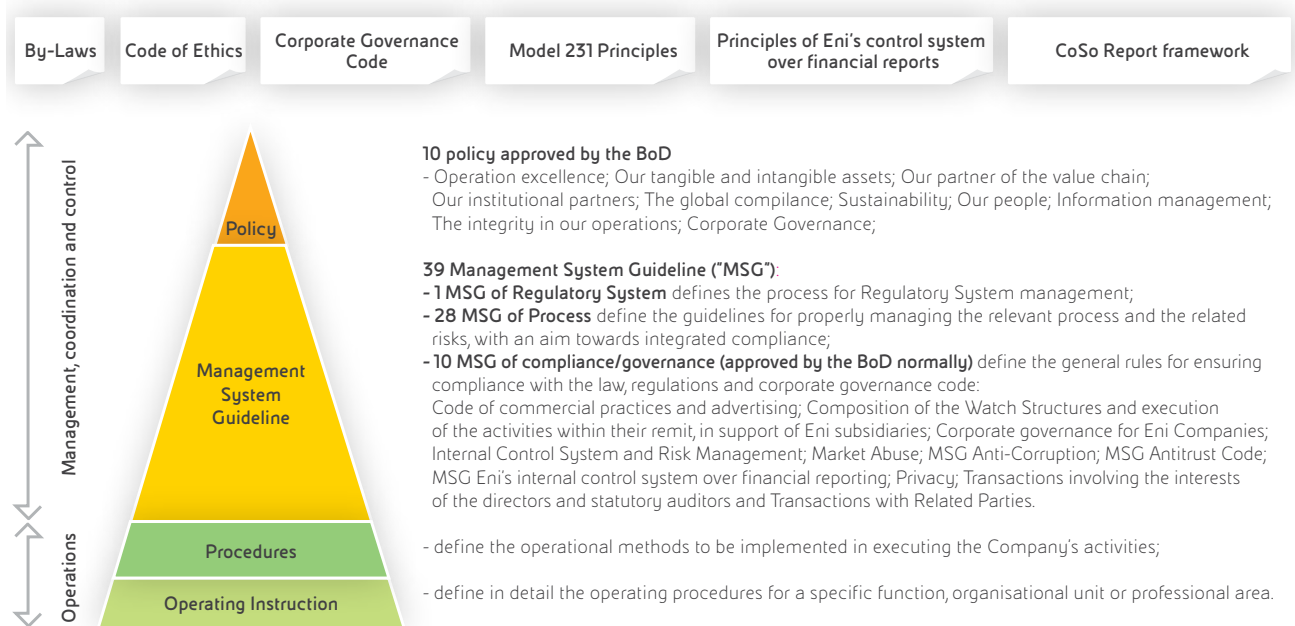
[120] For more information, please refer to the “Management System Guideline for Integrated Risk Management” section.

[121] The role of Process Owner may be held by a single person, if the process is centralised, or by a committee, in the case of processes shared among several business areas.

- responsible for the process under their responsibility and for assessing the adequacy of the latter's design, monitoring its effective implementation;
- ii. the placement of a greater emphasis on the management and coordination role that Eni SpA plays for its subsidiaries, while ensuring the latter's operational independence;
- iii. the integration of compliance principles with Company processes (Integrated Compliance), with the aim of transposing and disseminating control rules and standards specified under the various compliance models within the

- operational context of corporate processes;
 - iv. the simplicity of the system architecture, reducing the various types of documents and improving their usability, with simplified terminology and search methods.
- To this end, all of Eni's activities have been grouped into a map of processes cutting across the organisational and corporate structure, instrumental to Company activities and integrated with control requirements and principles, based upon the By-laws, the Code of Ethics, the Corporate Governance Code, Model 231 Principles, SOA Principles and the CoSO Report.

General overview of the Regulatory System



More specifically:

- i. **Policies**, approved by the Board of Directors, are mandatory documents that define the general principles and rules of conduct that must inspire all of Eni's activities, taking into due account of risks and opportunities. Policies cut across processes and each focuses on a key element of Company management. Eni Policies apply to Eni SpA and, subject to transposition, all Eni subsidiaries;
- ii. **Management System Guideline (MSG)** define the rules common to all Eni units and may regard either processes or compliance/governance (the latter usually approved by the Board of Directors). The individual MSGs issued by Eni SpA apply to subsidiaries, which take steps to ensure their transposition to their organisation, except in cases where there is a need for an exemption^[122]. Listed subsidiaries are guaranteed operational independence, which has already been granted by the Board of Directors: where necessary, they adjust the MSG to the specific characteristics of their business, in line with their management independence and taking due account of the interests of non-controlling shareholders;

- iii. **Procedures** define the operational methods to be implemented in executing the Company's activities;
 - iv. **Operating Instructions** are an additional level of detail for representing the operating procedures for a specific function, organisational unit or professional area.
- Starting in October 2010, Eni undertook the development of the New Regulatory System, a process completed in late 2013, which involved replacing the previous regulatory system with 10 policies, 28 process MSGs and 10 compliance and governance MSGs.
- All of the regulatory instruments have been published on the corporate intranet and, in some cases, on the Company's website. The Policies and MSGs have been disseminated to the subsidiaries, including listed subsidiaries, for the subsequent phases for which they are responsible, such as formal transposition and amendment of their existing regulatory systems.
- Since 2011 Eni has pursued a systematic roll-out of the Regulatory System at both foreign and Italian subsidiaries. The roll-out project, using specific support instruments (Gap Analysis tools and Action Plans), essentially consists in

[122] Exemptions are allowed only in exceptional circumstances. MSGs in compliance and governance areas govern the scope of application and the scope for exemptions.

helping subsidiaries with the transposition of the system and adjustment. In 2013, new instruments were developed to made the regulatory documents easier to use (e.g. using diagrams or providing a help desk). Finally, the transposition of the regulatory instruments issued by the subsidiaries and the certification of the appropriateness of the design of the MSGs by the associated Process Owners were monitored at the end of the year.

Management System Guideline for the “Corporate Governance of the Eni companies”

On May 30, 2013, the Board of Directors of Eni SpA, at the proposal of the CEO, having first been examined by the Nomination Committee with regard to those matters in which it has expertise, and having received the opinion of the Control and Risk Committee, updated the guidelines on the Corporate Governance of the Eni companies previously issued by the Board on April 24, 2009.

Using this regulatory instrument, the Board of Directors of Eni, consistent with its duties, established the Corporate Governance system and rules for Eni’s subsidiaries and investees, adapting it to incorporate the best practices in the field and to corporate and legislative changes that had occurred. More specifically, the MSG for the “Corporate Governance of the Eni companies”:

- i. governs the legal form and management and control system of Eni subsidiaries, indicating the size, composition and operating principles for the relative bodies. In particular, specific assessments relating to the risk profile of the company are used in identifying and composing the control body;
- ii. defines the requirements that the members of the management and control bodies of Eni investees that Eni appoints must meet;
- iii. confirms the roles and responsibilities involved in the process of designating members of the management and control bodies, with the CEO of Eni SpA retaining the power to authorise the appointment of the members of such bodies in all the companies directly held by Eni SpA;
- iv. makes any exceptions subject to the authorisation of the top management of Eni SpA, which relies on the opinion of the units involved, and in any case ensures a flow of information with regard to the general reasons for exemption from the application of the principles of MSG should any impediments arise due to the presence of third-party shareholders, local regulations and operational reasons related to the system of delegated powers.

The MSG places special emphasis on the requirements that all the members of the management and control bodies of investee companies and consortia that Eni appoints must meet in order to be given and retain such position. All the members of the bodies must be qualified and must meet specific requirements that will be verified or evaluated and monitored, including through the submission of statements by the candidates, in order to ensure that the choices made are traceable and transparent. With regard to the members of the Boards of Directors, in addition to the requirements provided for by the law and the By-laws, the MSG also imposes new requirements concerning integrity and independence or the absence of any conflict of interest, thereby altering and expanding the provisions and

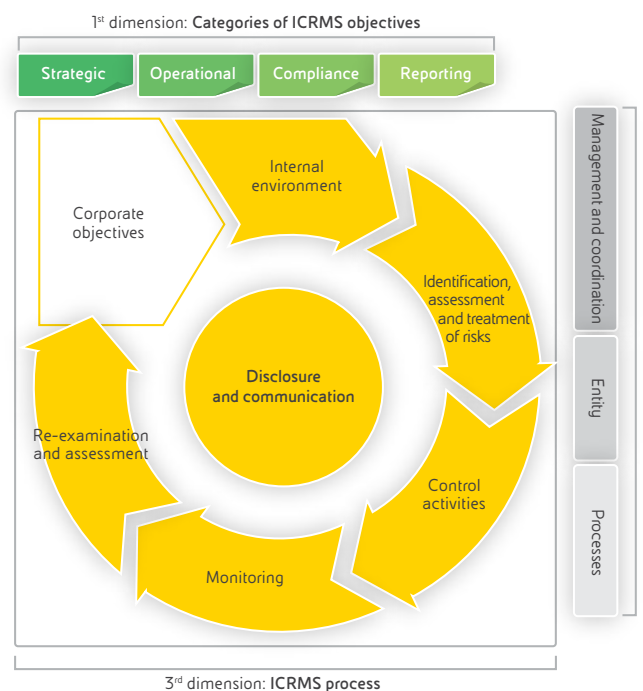
recommendations of the Corporate Governance Code applicable to the statutory auditors of listed companies. With regard to the appointment of members of the control bodies, the MSG calls for the creation of a database containing the names of potential candidates who meet the requirements, which are verified by the competent units.

Management System Guideline for the “Internal Control and Risk Management System”

As stated previously, with a resolution of March 14, 2013, the Board of Directors of Eni SpA, at the proposal of the Control and Risk Committee, approved the “Guidelines for the Internal Control and Risk Management System” (ICRMS), entrusting the CEO with their implementation.

These Guidelines, which are mandatory for the subsidiaries, including listed subsidiaries, are designed to ensure that the main risks to which Eni is exposed are correctly identified, measured, managed and monitored and set out reference principles, roles and responsibilities for the key players in the system, as well as the criteria that the CEO must follow in implementing those guidelines.

The Management System Guideline for the internal control and risk management system (ICRMS MSG), issued by Eni SpA on April 11, 2013, represent a regulatory instrument to be used by the CEO to implement the Guidelines and, in incorporating the principles delineated by the Board, it i) consolidates and structures within a single document the various elements of the Eni ICRMS; ii) defines the model of relations between Eni SpA and the subsidiaries in this area; iii) at the same time exploits the opportunities for the rationalisation of reporting flows and the integration of controls and monitoring activities. The ICRMS MSG is used alongside the previous instrument issued on December 18, 2012, with which Eni developed and implemented a model for the integrated management of corporate risks.



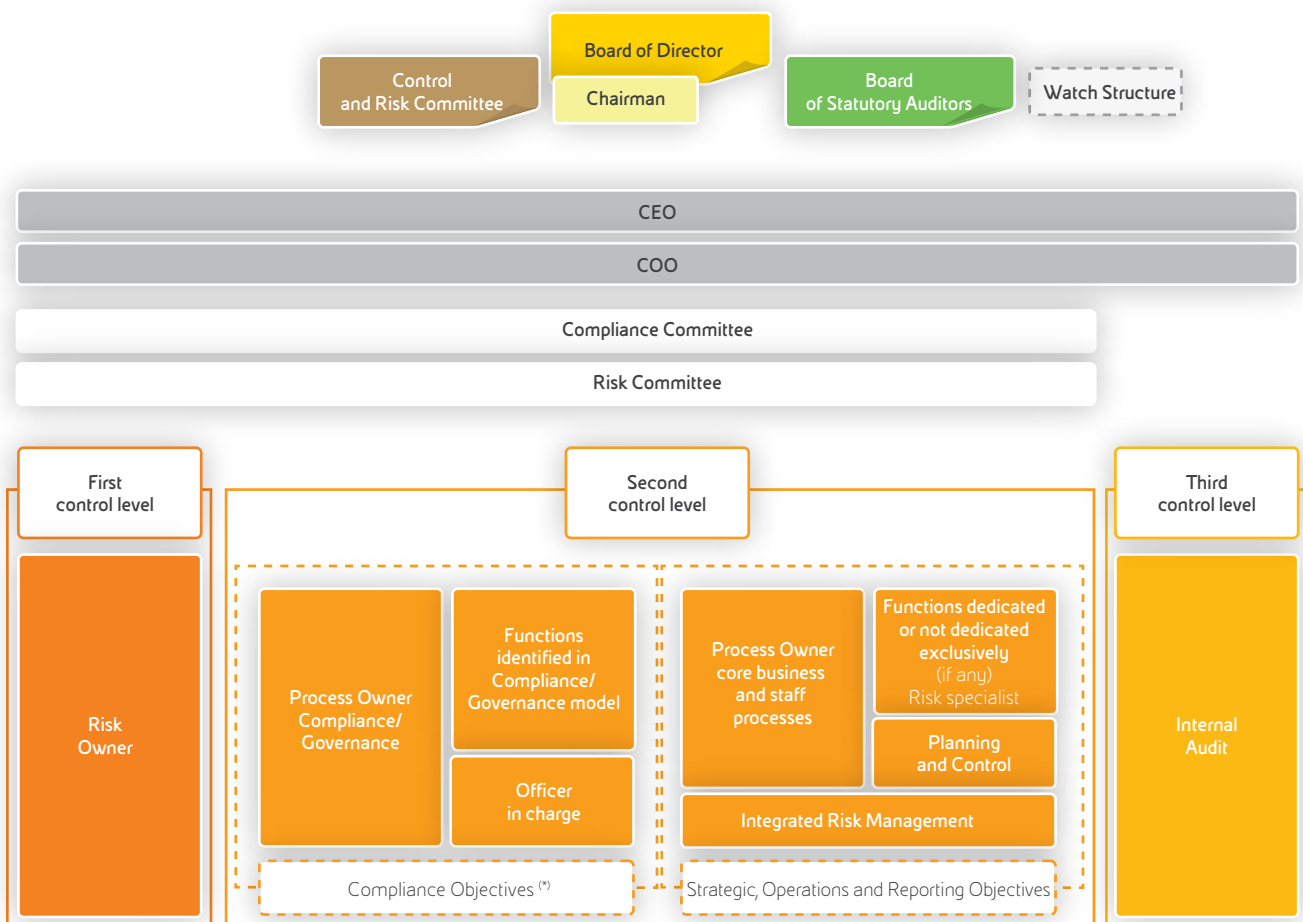
Eni's reference framework for implementation and maintenance of an adequate and working ICRMS provides for a structure of three dimensions:

1. **Objectives and risks** - The first dimension represents the view of the ICRMS in relation to the objectives and associated risks that the ICRMS is intended to pursue and manage:
 - a. Strategic,
 - b. Operational,
 - c. Compliance,
 - d. Reporting;
2. **Scope of application** - The second dimension regards the scope of application on the basis of which the ICRMS is structured:
 - a. The management and coordination exercised by Eni SpA over the subsidiaries;
 - b. Entity: Eni SpA and the individual subsidiaries, on the basis of their legal and operational independence, establish an appropriate, functional ICRMS under their own responsibility;
 - c. Processes adopted by Eni, on the basis of which the ICRMS is structured;
1. **ICRMS Process** - The third dimension represents the ICRMS

- process and its individual phases:
- a. definition and implementation of the internal environment;
 - b. identification, assessment and treatment of risks;
 - c. definition and implementation of control activities;
 - d. monitoring;
 - e. re-examination and assessment of the entire system;
 - f. disclosure and communication.

This process is: (i) continuous, focusing on improving the overall ICRMS, influencing the definition and achievement of corporate objectives; (ii) integrated into corporate operations, as well as organisational and governance arrangements; (iii) interactive, as the individual phases, while organised into a logical sequence, can receive feedback from the development of each of the other phases so that the value generated by the process is not merely the sum of the value generated by the individual phases; (iv) performed by people, through the activities (and the associated reporting) carried out in pursuing corporate objectives; (v) evaluated every six months, unless unforeseen events occur that may require that a special investigation be performed, to ensure that it is adequate and functions overall.

The Eni ICRMS is structured along the following three levels of internal control.



(*) include objectives of financial disclosure reliability.

1. First level of control: identifies, assesses, manages and monitors the risks for which it is responsible, for which it identifies and implements specific management actions.
2. Second level of control: monitors the main risks in order to ensure the effectiveness and efficiency of their management; also responsible for monitoring the appropriateness and operation of controls implemented for the main risks. It also provides support to the first level in defining and implementing adequate systems for managing the main risks and the associated controls.
3. Third level of control: provides independent, objective assurance on the appropriateness and effective operation of the first and second control levels and, more generally, on the Eni ICRMS as a whole.

The structure of the first and second control levels is consistent with the size, complexity, specific risk profile and regulatory environment in which each company operates. The third level of control is exercised by the Internal Audit department of Eni SpA, which on the basis of a centralised model¹²³ performs its controls using a risk-based approach to the overall Eni ICRMS, monitoring Eni SpA and the subsidiaries.

In order to enable management and the management and control bodies to perform their roles within the ICRMS, specific reporting flows have been established between the control levels and the management and control bodies. The flows are coordinated and appropriate in terms of content and timing. All flows supporting the assessment of the ICRMS by the Board of Directors are channelled through the Control and Risk Committee of Eni SpA, whose analysis is reported directly to the Board of Directors in its periodic reports or through the release of specific opinions. These flows are also transmitted to the Board of Statutory Auditors of Eni SpA to enable it to perform its statutory duties in the field of ICRMS.

Implementation at subsidiaries

It is the responsibility of the Board of Directors or equivalent body of each Eni subsidiary to establish, manage and maintain its own ICRMS.

Eni SpA, as part of its management and coordination of the subsidiaries, issues and disseminates the guidelines and associated implementation model, which will be contained in the ICRMS MSG, with which the subsidiaries must comply, establishing an adequate process for monitoring its implementation in the manner envisaged in the Eni Regulatory System.

Without prejudice to the guidelines set out in the Eni ICRMS, the subsidiaries may adopt the most appropriate procedures for implementing the ICRMS in a manner consistent with their size, complexity, specific risk profile and the regulatory environment in which they operate, with the independence that characterises the operation of the subsidiary and its bodies and functions, including with regard to statutory requirements.

Management System Guideline for “Integrated Risk Management”

On December 13, 2012, the Board of Directors, after obtaining the opinion of the Control and Risk Committee, approved the “Integrated Risk Management Principles”, in implementation of which on December 18, 2012, the CEO issued the “Management System Guideline for Integrated Risk Management” (hereinafter, also “IRM MSG”).

The latter governs the various phases and activities of the integrated risk management (IRM) process, identifying the roles and responsibilities of the main actors involved. The IRM process, which is based on a structured, systematic approach, is designed to ensure that the main risks can be effectively identified, measured, managed, monitored, represented and, where possible, translated into opportunities and competitive advantage.

With this MSG, Eni has developed and implemented a model for the integrated management of corporate risks, forming an integral part of the ICRMS. The model, which was developed in accordance with international principles and best practices¹²⁴, is intended to provide both a comprehensive and summary vision of company risks, ensure greater consistency in the methods and instruments supporting risk management and strengthen awareness at all levels of the fact that adequate measurements and management of risks can influence the achievement of Company objectives and affects its value.

To this end, the model is composed of the following elements:

1. **Risk Governance:** this represents the basic system from the point of view of the roles, responsibilities, and information flows for the management of the Company's main risks; the model establishes roles and responsibilities for three distinct levels of control of these risks¹²⁵;
2. **Process:** this represents all the activities by which the various actors identify, measure, manage and monitor the main risks that could influence whether Eni achieves its objectives;
3. **Reporting:** this identifies and represents the results of risk assessment, highlighting the most important risks, evaluating them in terms of probability and potential impact and identifying the associated risk treatment plans.

More specifically:

2. The field of Risk Governance includes:
 - a. the **Risk Committee**, chaired by the CEO and composed of the top management of Eni SpA. It provides advice to the CEO on the main risks to which Eni is exposed;
 - b. the **Integrated Risk Management function**, which reports directly to the CEO. Among other duties, it:
 - develops tools/methods for the Integrated Risk Management process to identify, measure, represent and monitor the main risks and the associated plans for managing them;

[123] Listed companies with their own internal audit function are not subject to the checks performed by Eni SpA's Internal Audit department.

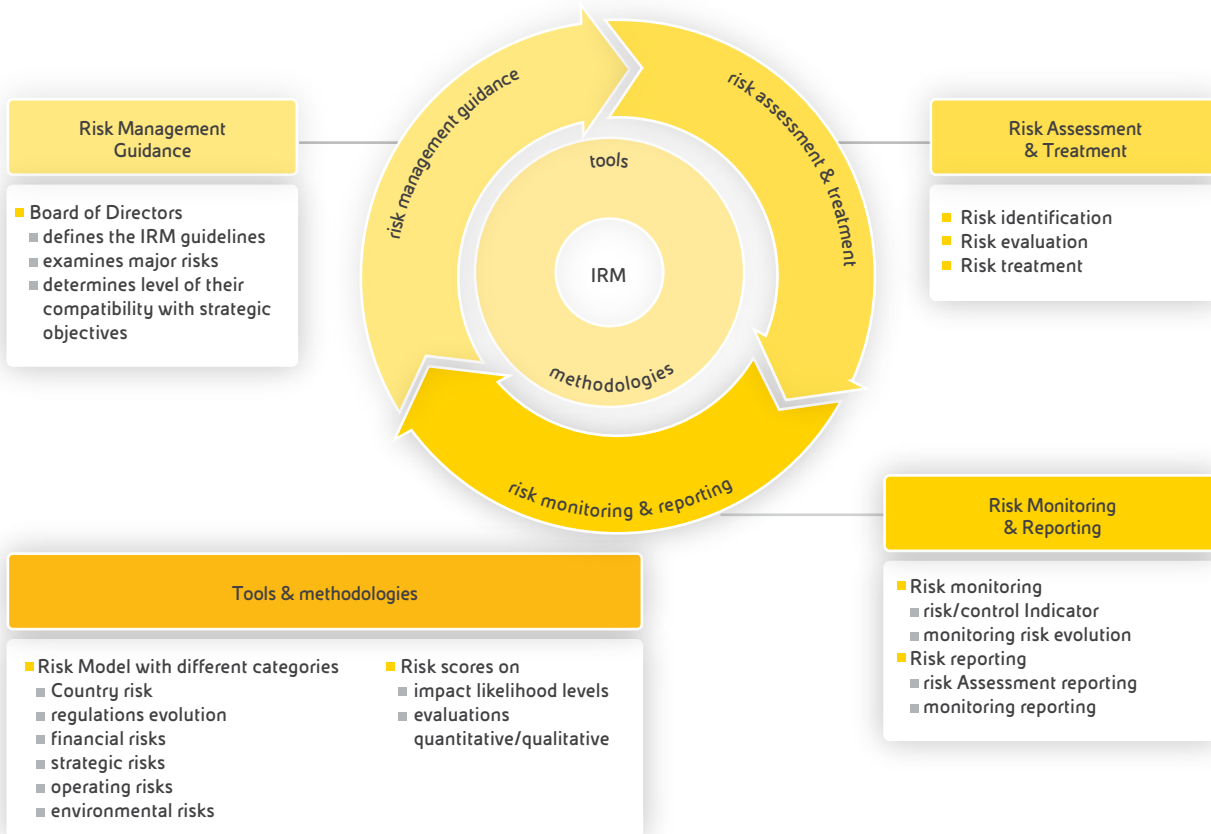
[124] CoSO – Committee of Sponsoring Organisations of the Treadway Commission (1992), Internal Control, Integrated Framework. ISO 31000:2009 - Principles and Guidelines on Implementation.

[125] The first level of control identifies, assesses, manages and monitors the risks for which it is responsible, for which it identifies and implements specific management actions; the second level monitors the main risks in order to ensure the effectiveness and efficiency of their management; also responsible for monitoring the appropriateness and operation of controls implemented for the main risks; the third level provides independent, objective assurance on the appropriateness and effective operation of the first and second control levels [also refer to the preceding section “Management System Guideline for the Internal Control and Risk Management System”].

- monitors the Integrated Risk Management function by establishing the context and the timetable for performing the activities and by analysing the results;
- presents findings on the main risks and the associated risk treatment plans to the Risk Committee and, at least semi-annually, to the Control and Risk Committee as well as, where requested, to other control and surveillance

bodies;
identifies, in cooperation with the business areas and functions of Eni, proposals for updating the risk management systems;

2. The IRM process is composed of three sub-processes: (i) risk management policy setting; (ii) risk assessment & treatment; (iii) monitoring & reporting.



Specifically, as regards:

1. the **“risk management policy setting”** sub-process, as noted the Board of Directors, subject to obtaining an opinion from the Control and Risk Committee, establishes the guidelines for the internal control and risks management system so that the main risks to which Eni is exposed are correctly identified and appropriately measured, managed and monitored. In addition, the Board of Directors determines, subject to obtaining an opinion of the Control and Risk Committee, the compatibility of those risks with operating the company in a manner consistent with our strategic objectives. To that end, the CEO reports on at least a semi-annual basis to the Board of Directors on the main risks of Eni, taking due consideration of the operations and specific risk profiles of each business area and the individual processes, so as to develop an integrated risk management policy;
2. the **“risk assessment & treatment”** sub-process, which is governed by a supplementary regulation annexed to

the process MSG, involves identifying and assessing the main risks and defining the associated treatment actions. Depending on the strategic objectives and sub-objectives of each business area, the functions, the units, and where necessary, the processes of Eni SpA and its subsidiaries that are expected to make a significant contribution to their achievement are identified. Then, using a top-down approach, the “Risk Owners”, i.e. the actors responsible at the various organisational levels for identifying, assessing, managing and monitoring the main risks under their sphere of competence, and the associated treatment actions, are identified. More specifically, the identification of risks is intended to identify and describe major events that could impact the achievement of corporate objectives. The assessment of risks is intended to measure the scale of the identified risks and generate information that can be used to establish whether, and with which strategies and approaches, it is necessary to initiate treatment actions. Finally, as regards the main risks identified and assessed

in the risk assessment activities, the most appropriate risk treatment strategies are defined, such as avoiding the risk, accepting it, reducing it or sharing it;

3. the **"monitoring & reporting"** sub-process, involves monitoring risks and the associated treatment plans and ensuring, at the various organisational levels, the availability and representation of information on the management and monitoring of the main risks.

Risk monitoring enables:

- a. the identification of areas for improvement and issues concerning the management of the main risks;
- b. the analysis of developments in those risks and the identification of possible additional treatment measures, including with regard to the updating and development of risk management models;
- c. identifying and promptly reporting the emergence of new risks. Risk monitoring activities are documented in order to ensure traceability and verification, as well as the replicability of risk identification and the accessibility of the information acquired.

In order to support corporate decision making, the findings of the periodic risk assessment and monitoring activities are presented to the Risk Committee, chaired by the CEO, who in turn reports on them to the Board of Directors, to enable it to assess, on at least an annual basis the adequacy and effectiveness of the internal control and risk management system in relation to the characteristics of Eni and the risk profile assumed, which must be compatible with corporate objectives.

During the first half of 2013, the identification, assessment and treatment of the top risks facing Eni as found in the 2012 risk assessment were updated and were the subject of further analysis. The results of this work were presented to the Board of Directors on June 27, 2013. The annual 2013 risk assessment cycle was subsequently performed. The strategic and treatment actions for mitigating/managing the main risks discovered during the assessment were identified and shared based upon the primary characteristics of developments in the internal/external context and strategies of Eni. The results of this annual risk assessment cycle were presented to the Board of Directors on December 12, 2013.

Main features of the risk management and internal control systems applied to the financial reporting process (MSG for "Eni Control System over Financial Reporting")

The internal control system applied to financial reporting aims to provide reasonable certainty about the reliability¹²⁶ of financial reporting, and of the capacity of the financial report drafting process to yield financial reporting that complies with the generally accepted international accounting principles. On May 30, 2012, the Board of Directors of Eni adopted the

Management System Guideline "Eni Control System over Financial Reporting"¹²⁷ (hereinafter also "MSG"), which sets out the rules and methods for the design, implementation and maintenance of Eni's internal control system applied to financial reporting for external purposes and the assessment of its effectiveness.

The contents of the MSG were defined in accordance with the provisions of Article 154-bis of the Consolidated Law on Financial Intermediation and with the US Sarbanes-Oxley Act of 2002 (SOA), to which Eni is subject as an issuer listed on the New York Stock Exchange (NYSE), and were based on the model adopted by the CoSO Report ("Internal Control - Integrated Framework" published by the Committee of Sponsoring Organizations of the Treadway Commission).

The MSG applies to Eni SpA and its direct or indirect subsidiaries, including listed companies, in compliance with international accounting standards, consistent with their materiality to Eni's financial reporting. All subsidiaries, regardless of their materiality for the purposes of the Eni control system over financial reporting, adopt the MSG as a reference framework for planning and implementing their own internal control system over financial reporting, tailoring it to their size and the complexity of the activities carried out.

The planning, implementation and maintenance of the internal control system applied to the financial reporting process are carried out through a structured process that includes risk assessment and the identification of controls and information flows (reporting).

The **risk assessment** process, which is conducted using a "top-down" approach, seeks to identify the organisational entities, processes and specific activities that may generate risk of unintentional errors or fraud that may have a significant impact on the financial statements. In particular:

- the **organisational entities** that fall within the scope of the control system applied to the financial reporting process are identified both on the basis of the contribution of the various entities to certain aggregates of the consolidated financial statements (total assets, total financial debt, net revenues, income before tax), and considering the existence of processes that contain specific risks that – if they were to materialise – could jeopardise the reliability and accuracy of financial reporting (such as fraud-related risks)¹²⁸;
- for companies falling within the scope of the control system applied to the **financial reporting process**, material processes are subsequently identified, analysing the quantitative factors (processes that contribute to items of the financial statements in amounts exceeding a given percentage of income before tax) and qualitative factors (e.g., the complexity of the accounting treatment of the account; measurement and estimation processes; new or significant changes in business conditions);
- the **risks** associated with material processes and activities,

[126] Reliability (of reporting): reporting that is accurate and complies with generally accepted accounting principles and meets the requirements of applicable law and regulations.

[127] The MSG updates and replaces the previous Company rules in this field adopted by the Board of Directors on December 15, 2010.

[128] Organisational entities considered within the scope of the internal control system include companies formed and governed by the laws of Countries that do not belong to the European Union, to which the regulatory provisions of Article 36 of the Consob Market Regulations apply.

i.e. potential events that – if they were to materialise – could jeopardise attainment of the control objectives with regard to financial reporting (e.g., financial statement assertions) are identified;

- the identified risks are assessed in terms of their **potential impact and probability of occurrence**, on the basis of quantitative and qualitative parameters and assuming the absence of a control system (inherent risk). In particular, with reference to fraud risks¹²⁹ at Eni, a dedicated risk assessment is conducted using a specific methodology for “anti-fraud programs and controls” referred to in the MSG.

A **control system** has defined for material companies, processes and the associated risks that is based on two fundamental principles, namely: (i) the application of controls at all levels of the organisational structure, in accordance with their operating responsibilities; (ii) the sustainability of controls over time, so as to ensure that their implementation is integrated and compatible with operational requirements. The structure of the control system applied to the financial reporting process includes controls implemented at entity level that operate across the reference entity (group/division/individual company), in addition to controls implemented at the process level:

- The **controls implemented at entity level** are organised into a checklist developed in accordance with the model adopted in the CoSO Report, which is based on five components (the control environment, risk assessment, control activities, information and communication, monitoring). Of particular importance are the controls relative to the specification of the timetable for preparing and disseminating financial results (“semi-annual and annual financial statements circular” and the associated calendars); the existence of appropriate organisational structures and a regulatory framework adequately designed to ensure the achievement of financial reporting objectives (these controls include, for example, the review and updating by specialised Company units of the Group’s regulations concerning financial reporting and the Group’s chart of accounts); training in accounting principles and the internal control system applied to financial reporting; and, finally, activities concerning the information system for managing the consolidation process (Mastro);
- The controls implemented at the process level are grouped as follows: specific controls intended as a set of manual or automated activities aimed at preventing, identifying or correcting errors or irregularities that occur during the course of operational activities; and pervasive controls intended as structural elements of the control system applied to financial reporting and aimed at defining a general context that promotes the correct execution and control of operational activities (such as, for example, the segregation of incompatible tasks and the general computer controls, which include all controls designed to ensure the correct operation of IT systems). In particular, among the specific controls, the Company procedures identify the so-called “key controls”,

the absence or non-functioning of which can give rise to the risk of errors/fraud that impact the financial statements and that cannot be identified by other controls.

Both the controls implemented at the entity level and controls implemented at the process level are subject to **evaluation** (monitoring) to verify the effectiveness of their design and actual functioning over time. For this purpose, the following activities have been defined: ongoing monitoring activities – carried out by the management responsible for the relevant processes/activities – and separate evaluations – performed by the Internal Audit Department, which follows a pre-defined plan, transmitted by the CFO/FRO – aimed at defining the scope and objectives of the interventions through agreed audit procedures. In addition to its independent monitoring activities, the Internal Audit Department, on the basis of the annual Audit Plan approved by the Board of Directors and prepared using a “top-down risk-based” approach, carries out compliance, financial and operational audits.

The findings of the independent monitoring conducted by Internal Audit and the periodic reports containing an assessment of the appropriateness of the ICRMS emerging from the audit activities performed are transmitted to the CFO/FRO as well as top management and the control and supervisory bodies for the purpose of conducting the evaluations for which they are responsible. The monitoring activities allow identification of any deficiencies in the control system applied to financial reporting that are subject to evaluation in terms of probability and impact on Eni’s financial reporting. On the basis of their importance, they are classified as “deficiencies”, “significant weaknesses”, or “serious deficiencies”.

The results of the monitoring activities are included in a **periodic report** on the state of the control system applied to financial reporting. This reporting is conducted using computerised tools that enable the traceability of information on the adequacy of the design and functioning of the controls. On the basis of this reporting activity, the CFO/FRO drafts a report on the adequacy and actual implementation of the control system applied to financial reporting. This report – following approval by the CEO – is submitted to the Board of Directors, after review by the Control and Risk Committee, during the approval of the draft annual and semi-annual financial statements, in order to ensure the execution of the aforementioned supervisory activities and evaluations regarding the internal control system applied to financial reporting. Furthermore, the above-mentioned report is also transmitted to the Board of Statutory Auditors, in its role as the audit committee pursuant to US law.

The activity of the CFO/FRO is supported within Eni by various people, whose roles and responsibilities are defined in the aforementioned MSG. In particular, the control activities involve all levels of Eni’s organisational structure, from the operational business managers and unit managers to the executives and CEO. In this organisational context, a particularly important role in the internal control system is carried out by the person who performs line monitoring (the so-called “tester”, assessing the

[129] Fraud: in the context of the control system, any act or intentional omission that gives rise to a deceptive statement in the reporting.

design and operation of the specific and pervasive controls, providing information for reports on monitoring activities and any deficiencies encountered, in order to ensure the timely identification of any necessary corrective actions.

Model 231

In accordance with the Italian regulations concerning the “administrative liability of legal entities deriving from criminal offences” contained in Legislative Decree 231 of June 8, 2001 [henceforth, “Legislative Decree 231/2001”]¹³⁰, legal entities, including corporations, may be held liable - and consequently fined or subject to prohibitions – in relation to certain crimes committed or attempted in Italy or abroad in the interest or for benefit of the Company. Companies may nonetheless adopt an appropriate organisational, management and control model (the compliance model or, hereinafter, Model 231) for preventing such offences.

Following the initial approval of Model 231 and subsequent updates arising from legislative changes affecting its application, at its meeting of March 14, 2008, the Board of Directors of Eni – after consulting the Board of Statutory Auditors – approved its overall updating in reflection of organisational changes within Eni, changes in the legislative framework and developments in case law and legal theory, as well as on the basis of other issues deriving from the application of the Model, including experience gained in litigation, the practices of Italian and foreign companies with regards to such models, the outcomes of monitoring activities, and the results of internal audit activities.

Eni’s Model 231 is a set of principles and a blueprint for subsidiaries. It is sent to each subsidiary as a basis for them to adopt and/or update their own models. Control arrangements (general transparency standards for activities and specific control standards) have been established for the purpose of preventing the offenses envisaged under Legislative Decree 231/2001 and have been incorporated into the relevant Company procedures. Any listed subsidiaries adopt their own models and adjust them as necessary, in accordance with their own company characteristics and with the principle of management independence. The representatives designated by Eni on the corporate bodies of subsidiaries and associates, consortia and joint ventures promote the principles and contents of Model 231 within their respective spheres of competence. The Board of Directors plays a fundamental role with regard to Model 231 issues since, as mentioned previously, it has reserved itself the power to approve Model 231 and establish and appoint the members of the Watch Structure, on whose activities it receives periodic reporting through the CEO. The CEO is responsible for implementing and updating Model 231, in compliance with the powers

conferred to him/her by the Model itself.

The Eni Watch Structure is responsible for identifying these controls – which are approved by the CEO during the updating activities – and transmitting them to the relevant Company units. Furthermore, in accordance with provisions of the law, a disciplinary system for punishing any violations of Model 231 and failure to comply with corporate procedures for implementing control system were incorporated into the Model. In 2013, Model 231 was updated and integrated to take account of: (i) legislative innovations in the area of corruption, including between private players, introduced by Law No. 190 of November 6, 2012; (ii) offenses covered by the Lanzarote Convention, and (iii) cases involving so-called “illegal employment”. With the completion of this final project, Model 231 has been updated to include all the relevant types of offense provided for by Legislative Decree No. 231/2001. In 2013, Model 231 training activities continued through multimedia web based training courses (WBT 231) aimed at executives, managers and key officers of Eni and subsidiaries in Italy and abroad (excluding listed companies), with the aim of imparting in-depth understanding of both the Code of Ethics and Model 231. Classroom training was also provided in 2013 by the Eni Legal Affairs department for young graduates managers and top managers with the degree of further training provided on aspects of the Code of Ethics on Model 231 issues based upon their role and position.

Model 231 and the Code of Ethics are published on Eni’s website www.eni.com¹³¹ and are accessible on the Company intranet.

Anti-corruption compliance programme

Eni’s efforts to make ethical conduct and the fight against corruption an integral part of all of its activities continued without pause in 2013.

After the entry into force on January 1, 2012 of the Eni regulations that, in line with the UK Bribery Act, extended the scope of prohibited conduct to relations between private individuals, the detailed anti-corruption rules governing individual at-risk operations were updated and re-issued as part of the New Regulatory System. There were 21 anti-corruption regulations issued in 2013.

All of the unlisted subsidiaries of Eni in Italy and abroad are required to adopt, with a resolution of the Board of Directors (or the corresponding body/function if the governance structure of the subsidiary does not provide for such a body), the anti-corruption programme adopted by Eni SpA. Listed subsidiaries adopt and implement the anti-corruption rules of Eni SpA, with a resolution of the Board of Directors (or the corresponding body/function/role if the governance structure of the subsidiary does not provide for such a body), taking due account of the specific circumstances of the company.

[130] The current scope of application of Legislative Decree 231/2001 comprises: (i) offenses against the public administration and the public faith; (ii) corporate offences; (iii) crimes associated with the subversion of the democratic order and terrorist financing; (iv) offenses against individual personhood; (v) market abuse (“abuse of inside information” and “market manipulation”); (vi) crimes against the person; (vii) transnational crimes; (viii) manslaughter and serious negligent personal injury in violation of workplace health and safety regulations; (ix) the handling of stolen goods, money laundering or the use of money, goods or benefits from of illegal origin; (x) computer crimes and the illegal processing of data; (xi) organised crime; (xii) crimes against industry and commerce; (xiii) copyright violation; (xiv) inducement to withhold statements or to make false statements to judicial authorities; (xv) environmental crimes; (xvi) bribery between private parties; and (xvii) undeclared labour.

[131] At the following address: http://www.eni.com/en_IT/governance/governance-controls/controls-model-231/model-231.shtml.

Eni also does what it can to ensure that the company and the entities in which Eni has a non-controlling interest comply with the standards set out in its internal anti-corruption rules, adopting and maintaining an adequate internal control system that complies with the requirements of anti-corruption legislation.

The representatives designated by Eni in such companies and entities are required by Eni to do everything in their power to ensure the adoption of the standards specified in Eni's anti-corruption regulations. In this context, the activity of Eni's representatives in joint ventures (contractual and corporate) that are not subsidiaries and are not controlled by Eni deserves special attention. In fact, Eni requires these representatives to carry out a series of activities whose primary purpose is to propose to the joint venture the adoption and implementation of an anti-corruption programme in line with Eni's own programme and to document any refusal by the joint venture¹³² to comply with the control standards contained in Eni's anti-corruption compliance programme.

If Eni does not serve as operator of the joint venture or the non-controlled joint venture does not adopt control procedures and/or standards that are consistent with the principles set out in Eni's anti-corruption compliance programme, the Eni representative must be prudent and report to the Anti-Corruption Legal Support Unit (hereinafter "ACLSU") any facts deemed significant to the fight against corruption and to follow, to the extent possible, the control standards set forth in the anti-corruption compliance programme. In addition, in order to ensure an adequate flow of information, at least once a year the Eni representative compiles a report at the request of the Anti-Corruption Legal Support Unit describing (a) the existing system of anti-corruption rules within the relevant joint ventures, (b) the actions undertaken, in his capacity as representative, to narrow any gaps with Eni's anti-corruption compliance system, and (c) the activities carried out by the relevant joint ventures in at-risk areas.

In 2013, the Anti-Corruption Legal Support Unit continued to provide specialist anti-corruption legal assistance in relation to the activities of Eni SpA and its unlisted subsidiaries, including, among other things, (i) reviewing and periodically updating Eni's anti-corruption regulations, (ii) supervising the mandatory anti-corruption training, (iii) maintaining an adequate flow of information to the Eni control bodies by drafting a special semi-annual report on activities to the Watch Structure, the Board of Statutory Auditors, the Control and Risk Committee and the Chief Financial Officer of Eni SpA.

The anti-corruption training programme for Eni staff (launched in late 2009) also continued in 2013, with both e-learning tools and classroom training events (workshops) for "employees at risk" as identified by the Human Resources department of each individual company based on the type of duties performed. The new e-learning course was launched in 2013 and updated in view of developments in international and national legislation and Eni's new internal anti-corruption regulations. In 2013, around 9,180 employees received e-training.

Eni's focus on spreading awareness of anti-corruption issues can also be seen in its periodic organisation and conduct of anti-corruption workshops in Italy and abroad. From December 2009 to the end of 2013, 3,835 employees received training through anti-corruption workshops.

In 2013, two other training initiatives were carried out:

- the Institutional Manager Training, in partnership with Eni Corporate University ("ECU"), covering the typical roles and responsibilities of Managers (in 2013, 15 training events were held for 145 Eni employees. Since the training programme began, 21 events for 209 Eni employees have been held);
- the "Roadshow on safety in Eni operating sites", organised by the Health, Safety, Environment & Quality (HSEQ) department, in which the ACLSU took part by conducting seminars on anti-corruption issues for contractors and, in certain cases, for the employees, of the operating sites (in 2013, 11 meetings were held, attended by 294 Eni employees and 608 employees of outside suppliers. In total, around 1,580 persons have received training since the programme began).

In 2013, a global assessment was performed by an independent external expert to assess the effectiveness of Eni's anti-corruption compliance programme, both in terms of the adequacy of its procedural design and the effective application of such design.

Eni is continuing to gain experience in the area of anti-corruption through its continued participation in international conferences and working groups that represent, for Eni, an instrument for growth and for promoting and spreading its values. These include the following:

- i. Eni, through the Senior Executive Vice President for Legal Affairs, actively contributed to the work of the B20 on the fight against corruption (and in drafting the recommendations on this issue for the heads of State of the G20). In 2013, the Chairman of Eni was appointed co-chair of the Anti-Corruption Task Force under the sponsorship of Russia and the Senior Executive Vice President for Legal Affairs of Eni was made leader of Work Stream 4 "Strengthening the role of private sector in improving the regulatory environment, including through dialogue with governments and reviews of multilateral conventions". Eni also played an active role in Work Stream 2, which is responsible for promoting collective action. The Recommendation of the B20 Anti-Corruption Task Force were officially presented to the G20 at its meeting in St. Petersburg on June 20, 2013. The Recommendations of Work Stream 4 rapidly produced results. The ACLSU is actively participating in the process of reviewing the implementation of the Organisation for Economic Co-operation and Development (OECD) convention and the United Nations Convention against Corruption (UNCAC) in Italy. More specifically, with regard to the UNCAC review process, the ACLSU took part in compiling the self-assessment questionnaire for Italy, contributing its

[132] For the purposes of Eni's anti-corruption regulations, joint ventures refer to contracts entered into for the formation of joint ventures, consortia, temporary association of companies, associations, partnership agreements or other entities with or without legal personhood, in which Eni holds an interest.

- comments and observations on the document prepared by the Ministry of Justice. The ACLSU also participated in the UNCAC "Italy Country Review" held at the Ministry of Justice in Rome on September 10, 2013; specifically, Eni was the only private company to sit on the panel for the session on the "civil society". The ACLSU attended the coordination meeting held by the Ministry of Justice to prepare the report on the status of the implementation of the OECD recommendations requested by the Working Group on Bribery. Eni has been active in organising and took part, represented by the Senior Executive Vice President for Legal Affairs, in the B20/G20 Round Table at the UNCAC Conference in Panama. As indicated in the recommendations of the B20/G20 held in Russia in June 2013 that were prepared by Work Stream 4 led by the Senior Executive Vice President for Legal Affairs, the round table seeks to provide a forum for representatives of the private sector and the authorities of certain Countries to foster an open discussion aimed at identifying concrete actions and solutions for encouraging the voluntary disclosure to and active cooperation with the authorities by companies, as well as reducing and removing obstacles to such cooperation;
- ii. Eni continued to cooperate with the International Bar Association (IBA) on the "Anti-Corruption Strategy for the Legal Profession" project launched jointly by the OECD and the United Nations Office on Drugs and Crime (UNODC). Eni has been the only private-sector company to be invited to participate, since September 2011, in a series of conferences on the fight against corruption organized by the IBA and various national legal councils, for legal professionals working at the leading law firms in these Countries;
 - iii. within the scope of the Global Compact of the United Nations, Eni is a member of the "Global Compact Working Group on the 10th Principle". In 2013 Eni participated in the Sub-Working Group on "Sport Sponsorship and Sport-Related Hospitality. A practical guide for companies", where it plays an active part in defining an international procedural standard to prevent corruption events associated with the sport sponsorships;
 - iv. within the scope of the Global Compact Network Italy, Eni has actively participated in the meetings of the Anti-Corruption Working Group since 2011 with the goal of promoting interaction and dialogue between private and public players in the area of compliance in order to strengthen the legality and transparency of business relationships;
 - v. Eni's collaboration with the International Scientific and Professional Advisory Council of the United Nations Crime Prevention and Criminal Justice Programme (ISPAC) continued in 2013, focusing on international research in the field of anti-corruption entitled "Anti-corruption and the private sector – The role of corporate anti-bribery programmes" under the aegis of the United Nations Office on Drugs and Crime (UNODC). Five leading international universities (Università Cattolica del Sacro Cuore in Milan, LUISS in Rome, Collège de France, Universidad de Castilla - La Mancha in Toledo and Northeastern University in Boston) provided scientific contributions to this research. The working group's activities were completed in the second half of 2013 and the final product is in the process of being published;
 - vi. in addition to being a contributor and active member of the Partnering Against Corruption Initiative (PACI) – in which, in 2012, the Chairman of Eni was named to the Board and the Senior Executive Vice President for Legal Affairs was made a managing member of the Board - in 2013 Eni participated, through the ACLSU, in the PACI Principles Review Working Group, a small working group formed to update the key anti-corruption principles of PACI and to develop related corrective actions;
 - vii. through Eni UK, in March 2013 the ACLSU joined the Energy Extractive Working Group for the U.K. in which major British companies take part. As part of that Group, the ACLSU provided its support and cooperation in drafting the second edition of the "Principles for an Anti-Corruption Programme under the U.K. Bribery Act 2013 in the Energy & Extractive sector";
 - viii. the International Chamber of Commerce of Paris published the "ICC Ethics and Compliance Training Handbook", a manual offering practical information on anti-corruption models. This manual will form an international best practice. In publishing the handbook, the ICC of Paris asked Eni to prepare the section on anti-corruption models for joint ventures;
 - ix. in December 2013 a new collective initiative by European companies to fight corruption was begun. Eni is taking part in this, as are other major European companies, with membership to be opened to others in the future. The purpose of the collective action, coordinated by representatives of the International Chamber of Commerce, is to share best practices, develop a dialogue between the private and public sectors, promote ethics in European business, coordinate the efforts of the private sector in addressing common anti-corruption problems;
 - x. in December 2013, Eni and Transparency International signed a partnership agreement for the joint development of an innovative "Country Assessment" method, which aims to highlight, within a set geographic context, the influences and impacts of corruption on corporate activities. The initiative will be developed by collaborating with the business community, the public sector and the general public. Once the methodology has been developed, Eni and Transparency International will identify two Countries of particular importance to the energy sector and apply the new measures to assess them. The Country Assessment methodology and corresponding Country-specific assessments will be made publically available to scientific and business audiences, in order to provide them with a deeper understanding of the local business context in which they operate. Through this project, Eni and Transparency International seek to further contribute towards the global fight against corruption, promoting greater transparency and moving towards a level playing field that promotes clean business. This agreement is a

major international initiative which once again confirms the importance given by Eni to business ethics.

Eni's commitment to fighting corruption received important external recognition in 2013. More specifically:

- i. on October 2, 2013 Eni ranked first in the survey conducted by Transparency International Italia on reporting by Italian companies in terms of transparency and on anti-corruption issues. The survey, using a sample of the largest Italian companies by capitalisation, analysed their corporate reporting, measuring transparency in three areas: (i) anti-corruption programmes, (ii) organisation (e.g., information on relationships with affiliated and associated companies) and (iii) the publication of the primary performance and financial data by Country. The results of the survey showed Eni's strong commitment to fighting corruption, an area in which the survey awarded Eni the highest score, as it also did in the area of organisational transparency.
- ii. Eni placed first in Europe in the "Most Innovative European In-house legal teams" ranking published on October 4, 2013 by The Financial Times in recognition of being one of the first companies to have a unit dedicated entirely to fighting corruption. Legal teams were ranked based on originality and support given to the business. The Financial Times wrote that Eni has created a world-class legal team to combat all activities related to corruption and illegal acts. Specifically, according to The Financial Times, Eni's legal team is one of the first to set up an anti-bribery unit and is focused on becoming one of the most influential in Italy.

Procedure for whistleblowing reports (including anonymous complaints) received by Eni SpA and subsidiaries in Italy and abroad

The Board of Statutory Auditors of Eni SpA, in its capacity as the "audit committee" provided for under US legislation in application of the Sarbanes-Oxley Act of 2002, approved internal rules governing the receipt (with the creation of easily accessible information channels publicised through the Company's website), analysis and processing of reports, including those transmitted in confidential or anonymous form, concerning internal control issues, financial reporting, the Company's administrative liability, fraud or other matters (so-called whistleblowing reports).

The reports governed by the rules may be submitted by anyone, including third parties (i.e. external persons with some relationship with Eni such as business partners, customers, suppliers, the Eni audit firm, consultants, associates and, in general, all other stakeholders) and employees.

The complaints may regard: i) non-compliance with external laws and regulations or internal Eni regulations, include allegations of fraud involving corporate assets or financial reporting, as well as events that could, in theory, give rise to administrative liability for the Company pursuant to Legislative

Decree 231/2001; ii) the violation of rules and principles set out in the Code of Ethics.

Eni carries out all appropriate checks of the facts reported, investigating the reports as quickly as possible while ensuring completeness and accuracy. The Internal Audit department manages the process for the Eni Group, while reports involving listed subsidiaries are managed independently by the Internal Audit unit and control and supervisory bodies of the subsidiary involved.

In addition, the Internal Audit department also reports on its investigations and provides periodic reporting to the Chairman of the Board of Directors, the CEO, the Board of Statutory Auditors, the audit firm and the Eni Anti-Corruption Legal Support Unit, as well as to the top management and control bodies of the Eni subsidiaries for reports involving them, with the exception of listed subsidiaries, in line with the Eni regulations governing this area. The Eni Board of Statutory Auditors also assesses whether to forward reported incidents that could have a more significant impact on the internal control and risk management system to the Control and Risk Committee. For listed subsidiaries, information flows and reporting are handled by their own Internal Audit units.

Litigation Management Regulations

The "Litigation Management" regulations were updated on November 18, 2013. This instrument governs the process of the communication and internal dissemination of news concerning developments in litigation affecting Eni SpA and/or its subsidiaries, as well as the appropriate responsive actions – while observing the legal and operational autonomy of the subsidiaries and their control and supervisory bodies – including for the purposes of a proper exercise of management and coordination functions by Eni SpA, where applicable. The regulations were revised with a view to ensuring the continuous improvement of the ICRMS in order to ensure consistency of the action of Eni SpA and its subsidiaries in response to significant legal events. The main changes involved expanding the category of significant legal events for which the internal flows of information must be initiated.

Management System Guideline for "Transactions involving the interests of Directors and Statutory Auditors and transactions with related parties"¹³³

In compliance with the Consob Regulation on related-party transactions, on November 18, 2010¹³⁴, the Board of Directors unanimously approved the Management System Guideline (MSG) for "Transactions involving the interests of Directors and Statutory Auditors and transactions with related parties"¹³⁵, which has been applied since January 1, 2011¹³⁶, to ensure transparency and substantive and procedural fairness in transactions with related parties. During its meeting of January 19, 2012, the Board of Directors conducted the first annual review of the MSG, as required by the latter, rather than the three-

[133] The MSG for "Transactions involving the interests of Directors and Statutory Auditors and transactions with related parties" is available in the Corporate Governance section of the Company's website at: http://www.eni.com/en_IT/attachments/governance/guidelines-related-parties/MSG_Part%20Correlate_ENG.pdf.

[134] The MSG updates and replaces the previous Company regulations in this area, which had been adopted by the Board of Directors on February 12, 2009.

[135] The procedures take account of the instructions and interpretive guidance set out in the Consob Communication of September 24, 2010.

[136] The disclosure requirements set out in the Consob Regulation entered force as from December 1, 2010.

year frequency required by Consob. The Board consequently modified the procedure, taking account of the operational issues that had arisen during the first year of application.

The MSG and the subsequent amendments received the unanimous, favourable opinion of the Eni Control and Risk Committee¹³⁷ then in office, entirely composed of independent Directors under the Corporate Governance Code and in accordance with the Consob Regulation.

At its meetings of January 17, 2013 and January 16, 2014, the Board of Directors, subject to obtaining a favourable opinion from the Control and Risk Committee, conducted an annual review of the MSG and, taking account of the information received, felt it was not necessary to amend the MSG further. The MSG, while largely being based on the definitions and provisions of the Consob Regulation, extends the rules for transactions carried out directly by Eni to all transactions undertaken by subsidiaries with related parties of Eni SpA, with a view to enhancing safeguards and improving functionality. In addition, the definition of “related party” has been extended and defined in greater detail.

Transactions with related parties are divided into transactions of lesser importance, of greater importance and exempt transactions, with procedural arrangements and transparency requirements that vary based on the type and importance of the transaction.

In general, the independent Directors on the Control and Risk Committee or Compensation Committee (in the case of remuneration issues) play a central role in all significant transactions with related parties. Specifically, for transactions of lesser importance, the procedures require that the relevant committee express a reasoned, non-binding opinion on the Company’s interest in completing the transaction and the economic benefits and substantive fairness of the underlying terms.

Exempt transactions comprise low-value transactions as well as ordinary transactions carried out under standard conditions, intercompany transactions and those regarding remuneration as specified in the MSG.

For transactions of greater importance, without prejudice to the decision-making powers reserved to the Board of Directors, the relevant committee is involved starting from the preparatory phase of the transaction and expresses a binding opinion on the Company’s interest in the completion of the transaction and the economic benefits and substantive fairness of the underlying terms.

With regard to the disclosures to be provided to the public, the relevant provisions of the Consob Regulation have been fully incorporated in the MSG.

The MSG also sets out the timing, responsibilities and verification tools to be used by Eni employees involved and the reporting requirements that must be complied with for the correct application of the rules.

Finally, consistent with the choice made with the previous system, specific rules have been adopted for transactions in which a Director or a Statutory Auditor holds an interest, whether directly or on behalf of third parties. More specifically,

the MSG contains specific monitoring, evaluation and motivation requirements related to the preliminary phase and to the completion of a transaction with a party of interest to a Director or a Statutory Auditor.

In this regard, both in the preliminary and approval phase, a detailed and documented examination of the reason for the transaction is required, showing the interest of the Company in its completion and the economic benefits and fairness of the underlying terms. In any case, if the transaction is under the responsibility of the Eni Board of Directors, a non-binding opinion from the Control and Risk Committee is required. To ensure an effective system of control over transactions, every two months the CEO must report to the Board of Directors and to the Board of Statutory Auditors on the execution of individual transactions with related parties and parties of interest to Directors and Statutory Auditors, and prepare a semi-annual aggregate report on all transactions with such parties of interest performed during the reporting period. In order to ensure prompt and effective verification of the implementation of the MSG, a database had been created listing related parties and Eni persons of interest, together with a search application that the agents of Eni and the subsidiaries responsible for preparing transactions can use to access the database in order to determine the nature of the transaction counterparty.

Management System Guideline for “Market Abuse”

Handling of corporate information

In compliance with the requirements contained in the Consolidated Law on Financial Intermediation and the Consob Issuers Regulations, on October 29, 2012, the Board of Directors, acting on a proposal from the CEO and after consultation with the Control and Risk Committee, approved the new Management System Guideline for Market Abuse (hereinafter also “Market Abuse MSG”), which consolidates the three previous sets of rules in this field (which were approved by the Board in 2006) into a single instrument with the aim of rationalising and improving the effectiveness of the Company’s arrangements to prevent market abuse.

The Market Abuse MSG seeks to raise the awareness of all of Eni’s employees of the value of information as a strategic business asset for the protection of the interests of the Company, its shareholders and the market, and the consequences that may result from mismanaging such information, including by highlighting the penalties that can be imposed for failure to comply with the relevant regulations. In 2013, training on market abuse issues was provided to around 2,500 Eni employees as of the date of approval of this Report, using a variety of methods, including e-learning. The topic was also addressed in other training programmes undertaken in 2013 for the Boards of Directors of Eni subsidiaries and investees (the so-called “Welcome Board”).

In particular, the MSG, in tracing the evolution that information may undergo within Eni, introduces principles of conduct for preserving the confidentiality of corporate information in

[137] Currently called the Control and Risk Committee.

general, as required by Article 1.C.1 letter j) of the Corporate Governance Code, ensuring that information is used by employees and members of the corporate bodies in accordance with the principles of sound management of information within the context of the duties assigned to them in the pursuit of the company business and in compliance with the principles set out in Eni's Code of Ethics and with corporate security measures. Directors and Statutory Auditors shall ensure the confidentiality of documents and information acquired in the performance of their duties and shall ensure compliance with the Market Abuse MSG.

Internal management of inside information and the register of persons with access to inside information

The MSG establishes the procedures to be adopted in determining whether information should be classified as inside information. Drafted in compliance with the provisions of Article 115-bis of the Consolidated Law on Financial Intermediation and the implementing provisions of the Consob Issuers' Regulation, it defines: (i) the procedures for creating, maintaining and updating the register of persons with access to Eni inside information, including for Eni's subsidiaries; (ii) the methods and deadlines for the entry in and any subsequent cancellation from the register of persons who, due to their work or professional activity or as a result of the functions carried out on behalf of Eni, have access on a regular or occasional basis to inside information; (iii) the procedures for notifying the person involved of their entry in and cancellation from the register, including the associated reasons for the action; and (iv) specific rules of conduct for persons entered in the register. The MSG also specifies the procedures to be used by the subsidiaries in delegating to Eni, pursuant to Article 152-bis, paragraph 4, of the Consob Issuers' Regulation, the establishment and updating of their registers, governing the associated communications for the full performance of the associated obligations.

In any case, the MSG provides for special confidentiality rules for inside information for which there are no public disclosure requirements, so that until it is made public (i) persons other than those who need the information for the performance of their duties within Eni do not have access to the information and (ii) that persons with access to such information understand their legal and regulatory duties with respect to such information and the possible penalties to which they could be subject in the event of the abuse or unauthorized dissemination of the inside information.

Market disclosure of documents and inside information

The Market Abuse MSG governs the public disclosure of inside information, specifying: (i) the evaluation criteria for determining which information is subject to disclosure; (ii) the process for issuing press releases with price sensitive information; and (iii) the publication of press releases with price sensitive information required by the regulations and, upon publication, their concomitant publication on the Eni

website. In compliance with Article 114 of the Consolidated Law on Financial Intermediation and the implementing provisions of the Issuers' Regulation, the procedure establishes the requirements for public disclosure of inside information (transparency, fairness and non-manipulative intent, materiality, clarity, completeness, traceability, consistency, equal access to information and informational symmetry and timeliness) and the rules for acquiring data and information from subsidiaries that is necessary to provide accurate and timely information to the Board of Directors and to the market on events and circumstances that may give rise to inside information.

In particular, the Market Abuse MSG establishes rules so that, in accordance with applicable regulations: (i) press releases with price sensitive information contain all the information necessary to enable a complete and accurate assessment of the events and circumstances represented, as well as references to and comparisons with the content of previous press releases; (ii) any significant change in inside information subject to disclosure that has already been made public is disseminated without delay in the manner specified by applicable regulations; (iii) the disclosure of inside information subject to disclosure and the marketing of the Company's activities are not combined in a way that could be misleading; and (iv) the disclosure is made in a manner that ensures the greatest possible synchronization of disclosure to all categories of investors in all countries in which the admission of its financial instruments to trading on a regulated market has been requested or approved.

Internal Dealing

The Market Abuse MSG streamlines and clarifies the provisions already contained in the previous procedure adopted by Eni governing internal dealing. The procedure, in incorporating the instructions contained in Article 152-sexies of the Consob Issuers' Regulation: (i) identifies relevant persons and persons closely associated with them; (ii) defines transactions involving shares issued by Eni SpA, shares of companies with listed shares and other financial instruments linked to those shares; (iii) specifies the obligations for disclosure to Consob and the public of transactions, carried out directly or through nominees, by relevant persons and persons closely associated with them; (iv) establishes rules of conduct for relevant persons (other than the shareholders of Eni) and persons closely associated with them, governing the procedures and deadlines for notifying Eni of transactions, as well as the deadlines for disclosure to the public of such filings, which are to be made directly or through the Corporate Secretariat of Eni SpA, which also provides for publication of the filing on the Internal Dealing section of the website¹³⁸.

As already provided for under the previous internal dealing procedure, the Market Abuse MSG institutes blocking periods for transactions carried out by relevant persons.

The procedure is published in the Corporate Governance section of the Eni website¹³⁹.

[138] At the address: http://www.eni.com/en_IT/governance/internal-dealing-and-shareholdings/relevant-persons-transactions.shtml.

[139] At the address: http://www.eni.com/en_IT/governance/governance-controls/market-abuse-procedures/market-abuse-procedures.shtml.

Audit firm¹⁴⁰

The statutory auditing of Eni's financial statements is entrusted, pursuant to law, to an audit firm entered in the Consob special register and appointed by the Shareholders' Meeting, acting on a reasoned proposal of the Board of Statutory Auditors.

In addition to the obligations set forth in national audit regulations, Eni's listing on the New York Stock Exchange requires that the audit firm issue a report on the Annual Report on Form 20-F, in compliance with the auditing principles generally accepted in the United States, as well as an assessment of the effectiveness of the internal control system applied to financial reporting, which governs the preparation of the consolidated financial statements.

For the most part, the financial statements of the subsidiaries are audited by Eni's audit firm. In addition, for the purpose of issuing an assessment on the consolidated financial statements, Eni's audit firm assumes responsibility for the auditing activities performed by other audit firms regarding the financial statements of subsidiaries that, taken together, account for an immaterial share of consolidated assets and revenues.

The current audit firm is Reconta Ernst & Young SpA, whose engagement was approved by the Shareholders' Meeting of April 29, 2010, for the financial years 2010-2018, pursuant to Legislative Decree No. 39/2010.

In carrying out its work, the audit firm shall have access to the information, data [both documentation and digital information], archives and property of the Company and its subsidiaries. The "Rules on the auditing of financial statements", approved by the Board of Statutory Auditors and the Board of Directors – following the issuance of a favourable opinion by the Control and Risk Committee – set out the general principles pertaining to: the granting and revocation of the engagement; relations between the primary auditor of the Group and secondary auditors; the independence of the audit firm and causes for incompatibility; reporting responsibilities and obligations of the audit firm; and the regulation of reporting to the Company, Consob and the SEC.

In order to preserve the independence of the audit firms, a monitoring system for "non-audit" work has been created where, in general, the audit firm and its network are not awarded engagements unrelated to the performance of statutory audit activities, except in rare circumstances pertaining to activities that are not prohibited by Italian legislation or the Sarbanes-Oxley Act. These engagements are approved by the Board of Directors of the company involved following consultation with the Board of statutory auditors of that company. They are then authorised by the Board of Statutory Auditors of Eni in cases where such engagements do not fall under those provided for by specific laws or regulations. The Board of Statutory Auditors of Eni is, in any case,

periodically informed of the engagements that are awarded to the audit firm by the Group companies.

Court of Auditors

The financial management of Eni is subject to the control of the Court of Auditors ("Corte dei Conti") in order to preserve the integrity of the public finances. This work is performed by the magistrate of the Court of Auditors, Raffaele Squitieri, on the basis of the resolution approved on October 28, 2009 by the Presidential Council of the Court of Auditors. The magistrate of the Court of Auditors attends the meetings of the Board of Directors, the Board of Statutory Auditors and the Control and Risk Committee.

Relations with shareholders and the market

From the very start of the privatisation process and in compliance with its Code of Ethics and Corporate Governance Code, Eni has maintained an open and ongoing dialogue with institutional investors, retail shareholders and the market, so as to ensure the dissemination of complete, accurate and timely information on its activities, with the sole exception of certain confidential information.

Disclosures concerning periodic reports, the four-year strategic plan, major events and transactions are disseminated through press releases, meetings and conference calls with institutional investors, financial analysts and the press, and are promptly made available to the general public, including by way of publication on the Company's website.

In particular, presentations by top management to the financial markets concerning the quarterly and annual results and the four-year strategic plan are transmitted live on the Company's website, informing retail shareholders, enabling them to participate in the most significant market events in real time. Recordings of these events, press releases and the associated presentations and transcripts are permanently available on the Company's website.

The "Eni in the Stock Markets" pages in the Investor Relations section of Eni's website¹⁴¹ are constantly updated with information on dividends, share price, share prices of peer companies and the major stock market indices.

The website also contains periodic reports, press releases, this Report, the Corporate Governance Code with the Corporate Governance solutions adopted by Eni and Corporate Governance procedures, the Company's By-laws, announcements to shareholders and bondholders, disclosures and documentation regarding the issues on the agenda of Shareholders' and Bondholders' Meetings, with the associated minutes. The documentation is provided free of charge to anyone who may request it, including through the Company's website¹⁴².

[140] The audit firm, having verified the preparation of this Report, has determined that it is consistent, as required by Article 14, paragraph 2, letter e), of Legislative Decree 39/2010 with the information provided pursuant to Article 123-bis, paragraph 1, letters c), d), f), l) and m), and paragraph 2, letter b) of the del Consolidated Law on Financial Intermediation. The Audit Report is published in full along with the Annual Financial Report.

[141] At the address: http://www.eni.com/en_IT/investor-relation/investor_relations.shtml?home_2010_it_tab=navigation_menu.

[142] At the address: http://www.eni.com/en_IT/documentation/documentation.page?type=bil-rap&home_2010_en_tab=header_tools.

A section of the website is dedicated to Eni's Corporate Governance arrangements, and the governance system is illustrated with a summary interactive graphic¹⁴³ as well as with additional detailed pages. The website also provides easy access to a considerable amount of other documentation, including this Report, previous reports and the documents referred to in the reports.

Once again in 2013, Eni was named the best listed company in the area of global digital corporate communications in recognition of its high degree of disclosure due to the clear, accessible and transparent style of its website. Eni placed first in the Global 100 and Europe 500 KWD Webrankings (previously called the "H&H Webranking"), the most influential ranking of the quality of digital corporate communications by the 100 most important Italian companies and the 500 major European companies listed on the FT Global 100 and FT Europe 500 indexes.

In particular, the section dedicated to Corporate Governance received the highest possible score from KWD Webranking for the transparency and completeness of the information concerning the Board of Directors, Board committees, the By-laws, the Corporate Governance Report, external controls, remuneration policies, and internal dealing.

These most recent two recognitions follow on the Company having recently been awarded first place in the FT Bowen & Craggs Index 2013 ranking evaluating the effectiveness of the online communications of major global companies selected from the FT Global 500 index. Specifically, the ranking measured the organisation and ease of use of the website and the effectiveness of investor and media communications. Moreover, the Company has agreed to respond to the desire

– expressed in recent Shareholders' Meetings - for greater involvement of our investors, including retail investors.

The commitment to presenting Eni in a straightforward and intuitive way to shareholders prompted the creation of a section on the Company's website¹⁴⁴ dedicated to direct communication that includes a Shareholders' Guide and an overview of dedicated initiatives. One of these initiatives is a presentation of the Shareholders' Meeting approving the financial statements with a short and simple interactive animated video.

Specific Eni units handle relations with institutional investors, shareholders and the media. As provided for in the Corporate Governance Code, relations with institutional investors and financial analysts are managed by the head of the Investor Relations unit; the relevant information is available on the Eni website and may also be requested by e-mail at investor.relations@eni.com.

Relations with other shareholders are managed by the Corporate Secretariat. The relevant information is available on the Eni website and may also be requested by e-mail at segreteria.societaria.azionisti@eni.com, or by calling the toll-free number 800940924 (from abroad: 80011223456).

Information about our Corporate Governance is available on the Eni website and may also be requested by dedicated e-mail from Eni's website at info.governance@eni.com.

Relations with the media are managed by the head of External Communication; the relevant information is available on the Eni website and may also be requested by e-mail at ufficio.stampa@eni.com.

The following tables show the structure of the Board of Directors, the committees and the Board of Statutory Auditors.

[143] At the address: http://www.eni.com/en_IT/governance/governance-model-policies/corporate-governance-overview/corporate-governance-overview.shtml.

[144] At the address: http://www.eni.com/en_IT/governance/shareholders/initiatives/initiatives.shtml.

Structure of the Board of Directors and its Committees

(in office since May 5, 2011)

Members	Board of Directors				Control and Risk Committee		Compensation Committee		Nomination Committee		Oil-Gas Energy Committee		
	non-executive	non-executive	independent ^(a)	% attendance	No. of other offices held ^(b)	member	% attendance	member	% attendance	member	% attendance	member	% attendance
Chairman													
Giuseppe Recchi		X		100	2		85 ^(c)		28 ^(c)	X	100		71 ^(c)
Chief Executive Officer													
Paolo Scaroni	X			100	3						80 ^(c)		
Directors													
Carlo Cesare Gatto		X	X	92	1	X	100	X	100				71 ^(c)
Alessandro Lorenzi ^(*)		X	X	100	1	X	100			X	100	X	100
Paolo Marchioni		X	X	100	0	X	95					X	71
Roberto Petri		X	X	100	0			X	100			X	86
Alessandro Profumo ^(*)		X	X	92	2			X	71	X	100	X	100
Mario Resca		X	X	92	1			X	100	X	80	X	71
Francesco Taranto ^(*)		X	X	100	1	X	100					X	100
Number of meetings 2013				13			20		7		5		7
Average duration of meetings				3h 18m			4h 46m		1h 49m		40m		1h 45m
Average participation rate of members				97			99		93		95		88
Quorum for submission of slates for appointments: 0.5% of share capital													

(a) Pursuant to the Consolidated Law on Financial Intermediation and the Corporate Governance Code, which Eni has adopted.

(b) Appointment as a director or statutory auditor in other companies listed on a regulated market, also outside Italy, or in financial companies, banks, insurance companies or large companies.

(c) Not a member of the Committee.

(*) Appointed from slate submitted by non-controlling shareholders.

Board of Statutory Auditors

(in office since May 5, 2011)

Members	independent ^(a)	% attendance of meetings of Board of Statutory Auditors	% attendance of meetings of Board of Directors	No. of appointments in listed companies ^(b)	Total No. of appointments ^(c)
Chairman					
Ugo Marinelli ^(*)	X	100	100	1	1
Standing Auditors					
Francesco Bilotti ^(d)	X	78	50	1	2
Roberto Ferranti ^(d)	X	78	78	-	-
Paolo Fumagalli	X	97	100	1	9
Renato Righetti	X	100	100	2	2
Giorgio Silva ^(*)	X	100	100	1	8
Number of meetings in 2013		32	13		
Average duration of meetings		4h 20 min	3h 18 min		
Average participation rate of members		95	94		

(a) Pursuant to the Corporate Governance Code, which Eni has adopted.

(b) Including Eni SpA.

(c) Appointments as director or statutory auditor considered relevant pursuant to Article 148 bis of the Consolidated Law on Financial Intermediation. Includes listed companies.

(d) The standing Statutory Auditor Francesco Bilotti replaced the standing Statutory Auditor Roberto Ferranti on September 5, 2013. The participation rate has been calculated on the basis of the number of meetings held during the period in which the Auditors held the position.

(*) Appointed from slate submitted by non-controlling shareholders.

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eni spa

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Tax identification number: 00484960588
Branches:
San Donato Milanese (Milan) - Via Emilia, 1
San Donato Milanese (Milan) - Piazza Ezio Vanoni, 1

Publications

Financial Statement pursuant to rule 154-ter paragraph 1
of Legislative Decree No. 58/1998
Annual Report
Annual Report on Form 20-F
for the Securities and Exchange Commission
Fact Book (in Italian and English)
Eni in 2013 (in English)
Interim Consolidated Report as of June 30 pursuant
to rule 154-ter paragraph 2 of Legislative Decree No. 58/1998
Corporate Governance Report pursuant to rule 123-bis
of Legislative Decree No. 58/1998 (in Italian and English)
Remuneration Report pursuant to rule 123-ter
of Legislative Decree No. 58/1998 (in Italian and English)

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