



Corporate Governance Report 2011

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, Croatia, Cyprus, Czech Republic, Denmark, Finland, 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, Congo, Côte d'Ivoire, Democratic Republic of Congo, Egypt, Equatorial Guinea, Gabon, Ghana, Libya, Mali, Mauritania, Morocco, Mozambique, Nigeria, Togo, Tunisia

ASIA AND OCEANIA

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

AMERICAS

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



Corporate Governance and Shareholding Structure Report
2011¹

Approved by the Board of Directors on March 15, 2012

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

4. Eni: profile, structure and values

- 4. Profile
- 4. Corporate Governance structure
- 6. Code of Ethics
- 6. Corporate Governance policy
- 7. Eni proposals on Corporate Governance
- 7. Sustainability

8. Information on the ownership structures

- 8. Share capital structure, significant shareholdings and shareholders' agreements
- 9. Shareholding limits and restrictions on voting rights
- 9. Special powers of the State (Golden Share)
- 10. Shares and participating financial instruments referred to in Italian Law No. 266 of December 23, 2005
- 10. Significant agreements that would become effective, be modified or extinguished in the event of a change of control of Eni
- 10. 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
- 10. Proxies for capital increases, power of Directors to issue participating financial instruments and authorisation to purchase treasury shares

11. Corporate Governance information

11. Adoption of the Corporate Governance Code of Borsa Italiana and Eni Code

13. Shareholders' Meeting and rights

15. Board of Directors

- 15. Composition
- 18. Appointment
- 18. Succession plan for the Executive Director
- 19. Independence requirements
- 19. Integrity requirements, reasons for ineligibility and incompatibility
- 20. Guidelines of the Board of Directors on the maximum number of offices held by Directors in other companies
- 20. Powers

- 22. Meetings and running of meetings
- 23. Board Review and peer review
- 24. Induction program of the Board of Directors

24. Remuneration report

24. Board Committees

- 25. Internal Control Committee
- 26. Compensation Committee
- 27. Nomination Committee
- 28. Oil-Gas Energy Committee

28. Chief Operating Officers of the Divisions

29. Board of Statutory Auditors

- 29. Responsibilities
- 29. Composition and appointment
- 31. Independence, integrity and professional requirements, causes for ineligibility, incompatibility and dismissal
- 32. Meetings and running of meetings

32. Internal control and risk management system

- 34. New Eni Regulatory System
- 34. Board of Directors
- 35. Board of Statutory Auditors
- 35. Internal Control Committee
- 36. Chief Executive Officer
- 36. Eni's People - Management
- 36. Officer in charge of internal control and Internal Audit
- 38. Officer in charge of preparing financial reports and the internal control system applied to financial reporting
- 40. Eni Watch Structure and Model 231
- 41. Anti-Corruption Policy

42. Audit Firm

43. Court of Auditors

43. Interests of the Directors and Statutory Auditors and Transactions with Related Parties

44. Relations with shareholders and the market

45. Corporate information processing

- 45. Communication to the market of documents and inside information
- 45. Register of persons having access to inside information
- 45. Internal Dealing

46. Tables

Corporate Governance and Shareholding Structure Report

This Report aims at providing a broad and comprehensive outline of the Corporate Governance system adopted by Eni SpA (hereinafter referred to as “Eni” or the “Company”). In fulfilling the applicable legal and regulatory requirements², in accordance with the indications and recommendations of Borsa Italiana SpA (hereinafter “Borsa Italiana”, the Italian regulated market management company) and of the most representative sector associations, this Report provides information on Eni’s ownership structure and on the compliance with the Corporate Governance Code for listed companies promoted by Borsa Italiana (hereinafter “Borsa Italiana Code”)³, giving reasons for the choices made in implementing the self-regulatory principles, and on the Corporate Governance practices actually implemented. The Borsa Italiana Code is available to the public on the internet website www.borsaitaliana.it⁴.

The text of this Report – approved by the Board of Directors on March 15, 2012 – is published in the “Corporate Governance” section of the Company’s website⁵. In addition, a summary of the main details regarding Eni’s internal control system is included in the Director’s Report, which is part of the Annual Report for the 2011 financial year⁶. The same Report also includes the chapter “Governance”, which describes Eni’s Corporate Governance in terms of business support with an integrated view to creating sustainable value. Finally, regarding the issue of remuneration, please refer to the Remuneration Report for more details, pursuant to Article 123-ter of Legislative Decree No. 58/98 (Consolidated Law on Finance), approved by the Board on March 15, 2012 and published together with this Report in accordance with the methods in Article 84-quater of Consob Regulations on Issuers.

The information included in this Report refers to the 2011 financial year and has been updated, with regards to specific issues, to the date of the Board of Directors’ meeting that approved it.

Eni: profile, structure and values

Profile

Eni is an issuing company with shares listed on the Electronic Stock Exchange managed by Borsa Italiana SpA and on the New York Stock Exchange (NYSE) of the United States.

Eni is an integrated energy company located in 85 countries, with a workforce of 78,754 (33,238 in Italy - 45,516 Abroad).

The Company operates in oil, natural gas, and energy in general, including the generation and commercialisation of electrical energy, petrochemical, engineering and construction sectors, all areas in which the Company has excellent expertise and established global market positions.

Each action Eni undertakes is characterised by a strong commitment towards sustainable development: valuing people, contributing to the development and wellness of the communities in which it operates, respecting the environment, investing in technical innovation, pursuing energy efficiency and mitigating the risks of climate change are the targets shared by the Company bodies, the management and employees alike. All the men and women working at Eni share the same passion for challenges, constant improvement and excellence and give great importance to people, environment, fairness and values set forth in the Code of Ethics⁷.

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

Corporate Governance structure

Eni’s Corporate Governance structure is based on the Italian traditional model that – respecting the tasks of the Shareholders’ Meeting – assigns the management of the Company to the Board of Directors, the heart of the organisational system, supervisory functions to the Board of Statutory Auditors and auditing to the Audit Firm appointed to this role by the Shareholders’ Meeting. In accordance with the By-laws’ provisions, the Board of Directors appoints a Chief Executive Officer (CEO) for managing the Company while decisions on certain issues are reserved for its own exclusive competence, and assigns proxies to the Chairman in order to identify and promote integrated projects and strategically relevant international agreements.

The chosen model, therefore, establishes a clear distinction between the functions of the Chairman and those of the CEO; in accordance with Article 25 of the By-laws, both subjects are entitled to represent the Company.

(2) Art. 123-bis of Italian Legislative Decree No. 58/1998 (Consolidated Law on Finance).

(3) Reference to the Borsa Italiana Code of 2006, as amended in March 2010. On December 5, 2011 a new edition of the Code was introduced. Its recommendations in regards to remuneration were transposed by Eni on December 15, 2011.

(4) At the following address: <http://www.borsaitaliana.it/borsaitaliana/ufficio-stampa/comunicati-stampa/2006/codiceautodisciplina.en.pdf.htm>. The changes made in March 2010 to the recommendations regarding remuneration (Art. 7) can be found at the following address: <http://www.borsaitaliana.it/borsaitaliana/regolamenti/corporategovernance/corpgovart7eng.en.pdf.htm>. New edition of the Code, as of December 2011, can be found at the following address: <http://www.borsaitaliana.it/borsaitaliana/regolamenti/corporategovernance/corporategovdec2011.en.pdf.htm>.

(5) At the following address: http://www.eni.com/en_IT/governance/report-on-corporate-governance/report-on-corporate-governance.shtml.

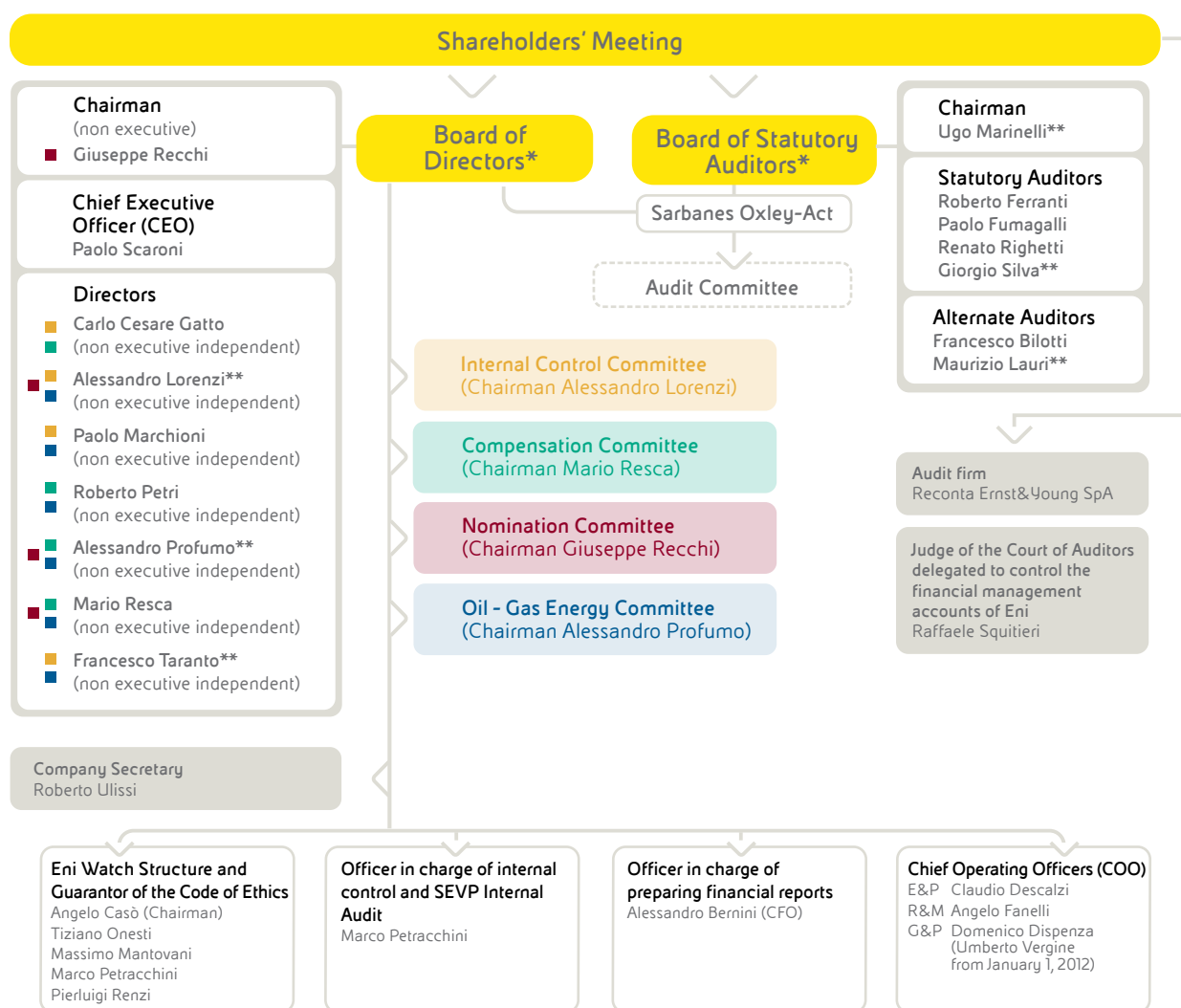
(6) At the following address: http://www.eni.com/en_IT/investor-relation/reports/reports.page?type=bil-rap. The Director’s Report also makes reference to the section of the Company’s Internet site where it is possible to access the full text of this Report.

(7) For further details, please consult the paragraph “Code of Ethics”.

The Board of Directors has created four internal committees having consulting and advisory functions: the Internal Control Committee, the Compensation Committee, the Nomination Committee⁸ and the Oil-Gas Energy Committee. Moreover, on a proposal of the CEO and in agreement with the Chairman, it has appointed three Chief Operating Officers to head Eni's three operational Divisions⁹. The Board of Directors, upon a proposal of the CEO, in agreement with the Chairman and with the favourable opinion of the Board of Statutory Auditors, has appointed the Chief Financial Officer as the Officer in charge of preparing financial reports. The Chief Operating Officers and the Chief Financial Officer,

together with the Chief Corporate Operations Officer, the Executive Assistant to the CEO, and the Executives that report directly to the CEO (Senior Executive Vice President of the Company), and the CEO of Polimeri Europa SpA¹⁰ are permanent¹¹ members of the Management Committee, which has consulting functions and supports the activities of the CEO. Some organisational and managerial decisions, highlighted in the Report, were effected in compliance with US regulations, to which the Company is subject as a NYSE-listed company.

Below is a graphic representation of the Company's Governance structure, referred to December 31, 2011:



* Until May 5, 2011 has been members of (i) the Board of Directors: Roberto Poli, Paolo Scaroni, Paolo Andrea Colombo, Alberto Clò, Paolo Marchioni, Marco Reboa, Mario Resca, Pierluigi Scibetta and Francesco Taranto; (ii) the Board of Statutory Auditors: Ugo Marinelli, Roberto Ferranti, Luigi Mandolesi, Tiziano Onesti and Giorgio Silva.

** Appointed by the minority list.

[8] Created by the Board of Directors on July 28, 2011.

[9] Exploration & Production, Gas & Power and Refining & Marketing Divisions.

[10] As of January 2012.

[11] The officer in charge of Internal Audit does not participate at meetings of the Management Committee on a permanent basis.

Code of Ethics

The Board of Directors believes in the importance of clearly defining the values and principles that inspire Eni's activities – both within and outside the Company structure – so as to ensure that all Company activities are carried out in compliance with the applicable regulations, in the context of fair competition, honesty, integrity, fairness and good faith, and in conformity with the legitimate interests of all stakeholders with whom Eni entertains relations on a daily basis: shareholders, employees, suppliers, customers, commercial and financial partners, local communities and institutions of the Countries in which Eni operates. These values are set forth in the new Eni Code of Ethics, approved by the Board of Directors in the meeting held on March 14, 2008, which replaces the previous Code of Conduct dating back to 1998. The Code of Ethics transposes the evolution in the regulatory framework, includes issues relevant to human rights and sustainability, guarantees compliance with international best practices and updates the references in relation to changes in Eni's organisational structure. Everyone working for Eni – from the Company bodies and management downwards – is called upon to observe these principles, and to ensure that they are observed, in the context of their own functions and responsibilities. In no way whatsoever may the belief in acting to the advantage of Eni justify any behaviour that opposes these principles. The Guarantor of the Code of Ethics safeguards and promotes these principles and, every six months, issues a report on the implementation of the Code to the Internal Control Committee, the Board of Statutory Auditors, and to the Chairman and CEO, who then report to the Board of Directors. With specific reference to Corporate Governance issues, the Code includes references to the main Corporate Governance rules contained in the Corporate Governance Code of Eni¹², highlighting relations with shareholders and the market, and defining the main principles to be observed in disclosing Company information and in relations with the media.

The Code represents an inalienable 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 – instituted with Model 231 – of the function of the Guarantor of the Code of Ethics, with the task of promoting and verifying its implementation. The Code of Ethics applies to all direct or indirect subsidiaries, both in Italy and abroad. Listed subsidiaries and subsidiaries operating in the gas sector that are subject to the so-called Unbundling regulation adopt the Code of Ethics and adjust it - where necessary - to their specific characteristics, in accordance with their own managerial independence. Each subsidiary assigns the function of Guarantor of the Code of Ethics to its own Watch Structure. The representatives indicated by Eni in the company bodies of other affiliates, consortia and joint ventures promote the principles and contents of the Code within their respective areas of responsibility. Eni's commitment to spread the principles of the Code is further underlined by the creation of a relevant "Code of Ethics Promotion Team" that reports to the Guarantor of the Code of Ethics. The Team's

task is to promote the knowledge of and facilitate implementation of the Code, by providing the necessary means for understanding, interpreting and implementing the Code of Ethics; to this aim, it promotes various initiatives depending on the stakeholders involved: these initiatives aim to stimulate feedback on the Code, so that the latter may be constantly updated to the actual social context in which Eni operates. The Code of Ethics has been translated into 21 languages to date, including Italian, in order to ensure its maximum diffusion in the international scenario in which Eni operates. The widespread diffusion of the Code of Ethics has been continued from the Board of Directors down to newly-employed personnel, through different initiatives based on interactive tools, dedicated presentations and integration into the Company's institutional training course. For further details on the diffusion and communication activities relative to the Code, please refer to the "Sustainability" section on the Eni website¹⁵.

Corporate Governance policy

In the context of the New 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 the latter, the Board of Directors identified integrity and transparency to be the founding principles of its Corporate Governance system and stated its commitment to:

- adopt measures that ensure correct handling of any situation that may include 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, also 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 stimulating observations and introducing new ideas, in particular through participation in institutional and sector work groups and by promoting relevant initiatives;
- promote and maintain an adequate, effective and efficient internal control system.

Moreover, the Board established that the model adopted by Eni in performing its management and coordination activities to its subsidiaries corresponds to that of an integrated company, where the latter denotes the accomplishment of a shared strategic vision and value maximisation for all company components. In pursuing this target, Eni acts in accordance with the managerial independence of the single companies, in particular of listed companies and those subject to special regulations, and respects the interests of other shareholders, the confidentiality obligations that safeguard commercial interests of the companies involved and, regarding foreign companies, the provisions specified in local regulations. Among the other aims pursued, the actions aimed at ensuring an adequate, effective and efficient internal control system of the integrated company are of fundamental importance – both overall and in its main components – besides compliance with the rules the Company is subject to in its rule of parent company¹⁷.

[12] For further information, please refer to the paragraph, "Adoption of the Corporate Governance Code of Borsa Italiana and Eni Code".

[13] For further details, please consult the paragraph, "Eni Watch Structure and Model 231".

[14] For further details, please consult the specific paragraph.

[15] http://www.eni.com/en/IT/sustainability/sustainability.shtml?home_2010_it_tab=navigation_menu.

[16] For further details, please consult the specific paragraph "Internal control system".

[17] All Eni's 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.

Eni proposals on Corporate Governance

In line with the principles of the Corporate Governance Policy, Eni has acted to participate in the debate on 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 presence of its business. The results of the analysis, filtered through the Company's experience, led to the drafting of some proposals for legal provisions or self-regulatory provisions that may contribute to considerations on the measures to increase the efficiency of the Italian system. The study is the result of the work carried out by the Company, with the support of a Commission both of external¹⁸ and of the Company experts, established by Eni in November 2010. The Proposals were prepared with reference to the so-called traditional model of corporate governance. Most of the proposals were designed to be adopted by companies in their self-regulation process. Other proposals, however, could be introduced only through legal provision, in order to overcome certain conflicts with other provisions or to ensure greater enforcement. These proposals, which were presented to the press on July 13, 2011, were also subject to public debate¹⁹, open to economic, financial, academic, and institutional fields. Some of the Eni Proposals have been transposed in the new edition of the Corporate Governance Code for listed companies, of December 2011.

Sustainability

Sustainability is an integral part of the Eni Governance model and constitutes a leading force behind an improvement process involving the issues that emerge from the interaction with stakeholders and from the analysis of scenarios, including future, of energy, and multi-dimensional analysis of the contexts in which Eni operates. Sustainability is part of Eni's business model, integrated into the company's methods of operating, directing its strategies, and contributing to achieving medium and long-term objectives: Eni understands that a well-managed company must take a long-term view that takes into account social and environmental responsibilities in risk analysis and when exploring opportunities. For this and other reasons, 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 outside parties. 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 business following strict financial rules, the highest ethical principles, and synergies deriving from integration throughout the entire energy chain. In order to maintain high Sustainability standards in operating methods, specific objectives are established to be met on annual basis and in the context of the Strategic Plan, which are 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. Moreover, the Board of Directors has been acknowledged a key role in defining the Sustainability policies 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.

Since 2010, in order to make clear the contribution in creating value for the company and stakeholders that derives from working sustainably, the Sustainability results, as well as all the elements that determine the same, are communicated together with the financial economic results and included in the Annual Report. Eni's Audit Firm (Reconta Ernst & Young) verifies the correctness of the planning and management process of the overall activity, 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. In 2011, the Sustainability Policy was established, which references the main fundamentals on which the company's sustainable operations are based and which are part of the highest-level objectives of Eni's new regulatory system.

The most significant initiatives undertaken in recent years by Eni in terms of governance system sustainability include, in particular, promoting shareholder participation in the Company life, raising awareness among shareholders and the Board on issues relevant to the model of business and on diversity in particular, diffusing good governance practices – in compliance with the principles outlined in the Code of Ethics – and promoting best practices in terms of Corporate Governance.

As additional evidence of Eni's commitment to promoting good governance practices in Italy, there are the 35 Proposals on Corporate Governance, described in the paragraph above. Eni's commitment towards sustainable development is also underlined by the main financial Sustainability indexes. In 2011, the Company was reconfirmed in the Dow Jones Sustainability Index and STOXX, where it has been present since 2007, and in the FTSE4G000 index.

Also in 2011, Eni took part in the United Nations LEAD program – for companies demonstrating excellence in the context of Sustainability in accordance with the Global Compact – and announced its willingness to promote Collective Action against energy poverty.

For more information, please refer to the section on the Eni website dedicated to Sustainability²⁰.

[18] Lamberto Cardia [former Consob Chairman] and Massimo Capuano [former Chief Executive Officer of Borsa Italiana].

[19] The proposals can be found on Eni's website, at the address: http://www.eni.com/en_IT/governance/proposals/eni-proposal.shtml. It is possible to send a comment, by filling out the appropriate form at the following address: http://www.eni.com/portal/proposte/processGovernance.do?locale=en_IT.

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

Information on the ownership structures²¹

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 assigned to them by the legislation in force, subject to the limits specified by the latter and by the Company's By-laws. At December 31, 2011, the Company's share capital amounts to €4,005,358,876 – fully paid-up – and comprises 4,005,358,876 ordinary shares each having a nominal value of €1.

The Company's shares are listed on the Borsa Italiana Stock Exchange. In 1995, Eni issued an ADR (American Depositary Receipts) program for the US market. An ADR consists of a share certificate representing a 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 Exchange²². On the basis of the information available and notifications received in accordance with Art. 120 of the Italian Consolidated Law on Finance and Consob Resolution No. 11971/1999 (Consob Regulations on Issuers), the following subjects each held more than 2% of Eni's share capital as at December 31, 2011:

Main Shareholders

Shareholders	Shares held	% of capital
Ministry of Economy and Finance	157,552,137	3.93
Cassa Depositi e Prestiti SpA	1,056,179,478	26.37
BNP Paribas Group	91,529,423	2.29
Eni SpA (treasury shares)	382,654,833	9.55

In addition, on the basis of available information, Blackrock Investment Inc., an asset management company, holds a number of shares equal to 2.68% of Eni SpA's total ordinary shares. As provided in Ministry of Economy and Finance decree of November 30, 2010 published in the Gazzetta Ufficiale No. 293 of December 16, 2010, a stock swap took place, regarding among others, the transfer to Cassa Depositi e Prestiti SpA (CDP SpA) of No. 655,891,140 of Eni ordinary shares, previously owned by the Ministry of Economy and Finance. According to the aforesaid decree, the transfer was completed on December 21, 2010. The Ministry of Economy and Finance still controls Eni, because of the share indirectly owned through CDP SpA that is under the

control of the Ministry, which possesses 70% of the shares.

Eni is therefore subject to the control by the Ministry of Economy and Finance, that has enough votes to exercise a dominant influence in the ordinary Shareholders' Meeting of the Company. But Eni is not subject to any management and coordination activities by the same Ministry of Economy and Finance²³, nor is the Company aware of any agreements stipulated between shareholders, pursuant to Article 122 of the Consolidated Law on Finance.

Below there is a graphical representation of the distribution of shares by geographical area and amount, based on the most recent information available to the Company:

Shareholders' distribution by area ^(a)

Shareholders	Number of shareholders	Number of shares	% of capital
Italy	340,808	1,972,853,828	49.26
UK and Ireland	848	226,326,097	5.65
Other EU	4,385	740,176,934	18.48
USA and Canada	1,542	410,831,160	10.26
Rest of world	1,085	264,893,837	6.61
Treasury shares at the dividend date		382,654,833	9.55
Other		7,622,187	0.19
Total		4,005,358,876	100

(a) Shareholders resulting by the updating of Shareholders Register pursuant the payment of 2011 interim dividend (payment date: on September 22, 2011 - detachment date: on September 19, 2011).

(21) Information on the shareholding structure is provided in accordance with the provisions of Article 123-bis, paragraph one, of the Consolidated Law on Finance. Regarding information 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 refer to the paragraph, "Shareholders' Meeting and rights"; - 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 chapter "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".

(22) For further information on the ADR program, please consult the relevant section in the Eni website dedicated to "FAQ": http://www.eni.com/en_IT/faq/faq.shtml?header=faq&home_2010_en_tab=header_tools.

(23) Article 19, paragraph 6, of Italian Law Decree No. 78/2009, converted into Law No. 102/2009, specified that the reference regarding management and coordination activity contained in Article 2497, first paragraph, of Italian Civil Code, must be interpreted in the sense that "entities" refer 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".

Shareholders's distribution by amount of shares held ^(a)

Shareholders	Number of shareholders	Number of shares	% of capital
>10%	1	1,056,179,478	26.37
3%-10%	1	157,552,137	3.93
2%-3% ^(b)	2	231,250,491	5.77
1%-2%	6	269,043,353	6.72
0.5%-1%	9	244,698,551	6.11
0.3%-0.5%	10	148,426,610	3.71
0.1%-0.3%	40	256,636,615	6.41
≤ 0.1%	348,599	1,251,294,621	31.24
Treasury shares at the dividend date		382,654,833	9.55
Other		7,622,187	0.19
Total		4,005,358,876	100

[a] Shareholders resulting by the updating of Shareholders Register pursuant the payment of 2011 interim dividend (payment date: on September 22, 2011 - detachment date: on September 19, 2011).

[b] Afterwards, Intesa Sanpaolo Group communicated the shareholding reduction of IMI Bank from 2.90% to 1.65%.

Shareholding limits and restrictions on voting rights

Pursuant to Article 6 of the By-laws, in accordance with the special provisions specified in Article 3 of Italian Law Decree No. 332 of 1994, converted into Law No. 474 of 1994 (Law No. 474/1994), under no circumstances whatsoever may any party hold shares in the Company that determine a direct or indirect shareholding exceeding 3% of the share capital; exceeding these limits shall determine the prohibition to exercise voting rights or any other rights – except property rights – relative to the portion exceeding the aforementioned limit. 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 Economy and Finance, public 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 Directors²⁴.

Special powers of the State (Golden Share)²⁵

Pursuant to Article 6.2 of the By-laws and in accordance with the special provisions set forth in Italian Law No. 474/1994, the Minister of Economy and Finance, in agreement with the Minister of Economic Development, holds special powers to be exercised in compliance with the criteria outlined in the Italian Prime Ministerial Decree of June 10, 2004²⁶. The special powers briefly include the following:

a) opposition with respect to the acquisition by entities affected by the shareholding limit²⁷ of material shareholdings, meaning

those representing at least 3% of share capital with the right to vote at the ordinary Shareholders' Meeting. The opposition is 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-asset linked rights connected with the shares representing a material shareholding may not be exercised. If the opposition power is exercised, through a duly motivated act in connection with the prejudice that may be caused by the operation to the vital interests of the Italian State, the transferee may not exercise the voting rights and the other non-asset linked rights connected with the shares representing a material shareholding and must sell said shares within one year. In case of failure to comply, the court, upon request of the Minister of Economy and Finance, will order the sale of the shares representing a material shareholding according to the procedures set forth in Article 2359-ter of the Civil Code;

b) opposition to the subscription of shareholders' pacts or agreements pursuant to Article 122 of the Consolidated Law on Finance, involving at least 3% of the share capital with the right to vote at ordinary Shareholders' Meetings. In order to allow the exercise of the above mentioned opposition power, Consob notifies the Minister of Economy and Finance of the relevant pacts or agreements notified to it pursuant to the aforementioned Article 122 of the Consolidated Law on Finance. The opposition power must be exercised within ten days from the date of the notice by Consob. Until the ten-day term has lapsed, the voting rights and the non-asset linked rights connected with the shares held by the shareholders who have subscribed the above mentioned

[24] Pursuant to Italian Law No. 266 of 2005 (2006 Budget Law), 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.

[25] On March 15, 2012, the Italian Law Decree No. 21 of March 15, 2012 on "Provisions regarding special powers on companies in defence and national security areas, and for activities of strategic importance in energy, transport and communications areas", was published in the Italian Official Gazette. The Law Decree is in force, but subject to conversion into Law. The Law Decree, without prejudice to that established regarding limits on shareholding possession and restrictions on voting rights pursuant to Article 3 of Italian Law No. 474/1994, amended the provisions relative to special powers described in this Report.

[26] 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, relative to the special circumstances in which the special powers may be exercised, was repealed with the Italian Prime Ministerial Decree of May 20, 2010.

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

pacts or agreements may not be exercised. If the opposition power is exercised through the issue of an act that shall be duly motivated in consideration of the prejudice that may be caused by these pacts or agreements 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 should behave as if those pacts or agreements disciplined by Article 122 of the Consolidated Law on Finance were still in effect, the resolutions approved with their vote, if determining for the approval, may be challenged;

c) veto power, duly motivated in relation to 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 cancelling or modifying the powers indicated in letters a), b), c) and the subsequent letter d);

d) appointment of a Director with no voting rights in Board meetings.

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.

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

Italian Law No. 266 of 2005 (2006 Budget Law), in Article 1, paragraphs 381-384, with the aim of "favouring privatisation processes and the diffusion of investment in shares" of companies in which the State detains a significant shareholding, introduced the possibility of inserting provisions in the By-laws of privatised companies primarily controlled by the State, such as Eni, whereby shares or participating financial instruments can be issued that grant the special Meeting of their holders the right to request new shares – even at par value – or new financial instruments to be issued to them with voting rights in the ordinary and extraordinary Shareholders' Meeting. The introduction of this amendment into the By-laws would imply the elimination of the shareholding limit indicated in the aforementioned Article 6.1 of the By-laws. At present, however, Eni's By-laws do not include this provision.

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

Except for that mentioned further on, Eni and its subsidiaries are not parties to any significant 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 currently control Eni change.

Significant agreements are considered to be agreements that have been examined and approved by the Board of Directors, as

matters falling within its exclusive responsibility, as stated below. Specifically, the agreements falling within this category concern the following:

- (i) the provisions of the Shareholders' Agreement between Eni, Amorim Energia and Caixa Geral de Depósitos for the joint management of Galp Energia SGPS SA, that allow – in the event of a change of control of the companies adhering to the agreement – other partners to purchase shares held by the contractual parties that have been subject to the change of control;
- (ii) the possible expiry of the natural gas distribution license of the subsidiary Distribuidora de Gas Cuyana SA following the provisions of Article 34, Title VIII, of Law 24,076 if the company were to be controlled by a shareholder engaged, either directly or through subsidiaries, in the production, storage or distribution of natural gas in Argentina.

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 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 are provided – in accordance with the recommendations of Borsa Italiana for the preparation of this Report – in the Remuneration Report.

Proxies for capital increases, power of Directors to issue participating financial instruments and authorisation to purchase treasury shares

There are no proxies whereby the Board of Directors can increase the share capital pursuant to Article 2443 of the Civil Code. The Directors have no powers to issue participating financial instruments.

Following the resolution approved on April 29, 2008, the Shareholders' Meeting, pursuant to Article 2357 of the Civil Code and subject to prior revocation of the non-implemented part of the former authorisation, had authorised the Board of Directors to purchase treasury shares on the Electronic Stock Exchange, within 18 months from the date of the resolution, up to a maximum of 400 million shares – each with a nominal value of €1 – and up to a total amount of €7.4 billion (including shares held in portfolio at the date of the Shareholders' Meeting), at a price not lower than the nominal value and not higher than the reference price recorded on the market on the day before each individual purchase increased by 5%. The authorisation expired on October 29, 2009, and the Shareholders' Meeting hasn't afterwards approved a new authorisation. At December 31, 2011, the treasury shares in Eni's portfolio amounted to 382,654,833, equivalent to 9.55% of the share capital.

Corporate Governance information²⁸

Adoption of the Corporate Governance Code of Borsa Italiana and Eni Code

Eni adhered to the Borsa Italiana Code, according to the version of March 14, 2006, by a resolution of the Board of Directors on December 13, 2006, which conformed to a similar decision dating back to January 20, 2000, in relation to a previous version of the Code. In addition at the December 15, 2011 meeting, the Board transposed the recommendations regarding remuneration which were introduced to the Corporate Governance Code in March 2010 and also approved transposing the amendments to said recommendations, as contained in the new December 2011 edition of the Code, thereby adapting the Compensation Committee Regulations. Information regarding adhesion of the recommendations regarding remuneration, in accordance with that suggested by Borsa Italiana for preparation of this Report, is provided in the Remuneration Report, pursuant to Article 123-ter of the Consolidated Law on Finance. Adoption by Eni of the December 5, 2011 edition of the Corporate Governance Code for listed companies is planned to occur by the end of the first half of 2012. On the basis of the 2006 Borsa Italiana Code, Eni adopted its own Corporate Governance Code (hereinafter “the Code” or “Eni Code”), aimed at transposing its provisions, adapting them to Eni’s specific situation and emphasizing certain of its principles. As of December 13, 2006, the Board of Statutory Auditors expressly adheres to the provisions of the Code that refer to it. The provisions of the Borsa Italiana Code that refer to the responsibilities of the Shareholders’ Meeting have been included as mere desire or recommendation, as the Board cannot guarantee their observance.

The Eni Code²⁹, therefore, represents a clear and comprehensive representation of the Company’s Governance system, in accordance with the provisions of the Borsa Italiana Code and with the Company’s main documents. In particular, the Code takes into account the fact that Eni is a parent company that is not controlled by any other company, nor subject to management or coordination by any other organisation. Similarly, the Code also considers the current By-laws provisions that establish a traditional administration and control system (thereby eliminating the provisions regarding the single and dual models contained in the Borsa Italiana Code), separating the positions of Chairman and CEO, and defining specific provisions regarding the appointment and composition of the Board of Directors and the Board of Statutory Auditors.

For better transparency and understanding, the Eni Code explicitly deals with the various options mentioned in the Borsa Italiana Code, i.e. without referring to subsequent documents (for example, regarding the choice to determine a single Officer in charge of internal control and establishing that this Officer report to the CEO as well, and not to assign Internal Audit functions to

external subjects). Certain general recommendations of the Borsa Italiana Code have been specified, particularly those regarding the independence of the Directors, as mentioned in greater detail further on.

Certain provisions of the Eni Code are aimed at raising the governance standards proposed by the Borsa Italiana Code.

In particular:

- the interest of all the stakeholders has been established as the benchmark for the Directors, who act and decide autonomously and in an informed matter, in striving to achieve the primary objective of generating value for shareholders, without neglecting the interests of other stakeholders (Article 1.P.2);
- the minimum frequency for reporting to the Board of Directors with proxies has been reduced from three to two months (Article 1.C.1 letter c);
- regarding the Board review, a specialised external consultant may be engaged in order to ensure greater objectivity of the carried out activities (Article 1.C.1 letter g);
- the commitment of Directors and Statutory Auditors to accept and stay in office until they are able to guarantee sufficient time for carrying out the task has been duly emphasized (Articles 1.C.2 and 10.C.3);
- the recommendations outlined in Article 3 of the Borsa Italiana Code regarding the independence criteria of the Directors have been specified, by introducing specific definitions for identifying “significant additional remuneration” that could jeopardise their independence and for defining the “close relatives” (Article 3.C.1, letters d) and h);
- the Board’s committees, as specified in the Eni Code (the Internal Control Committee, Nomination Committee, and the 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 5.C.1 letter a);
- the Internal Control Committee expresses its opinion in relation to the rules for guaranteeing transparency other than substantial and procedural fairness of related parties transactions, and transactions in which a Director has an interest on his/her own behalf or on behalf of third parties, (Article 8.C.3 letter f);
- at least two members of the Internal Control Committee possess adequate experience in accounting and financial matters (the Borsa Italiana Code requires only one) (Article 8.P.4);
- regarding the appointment of the Officer in charge of internal control, it is established that the proposal to the Board be formulated by the CEO in agreement with the Chairman. To that end, The Board of Directors, with the resolution of October 30, 2008, established that the Internal Control Committee be heard and that the same appointment criteria also be applied to the Internal Audit Senior Executive Vice President: the latter was

[28] 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 Finance.

[29] The Eni Code is published on the Eni website, under the Governance section, at the address: http://www.eni.com/en_IT/governance/governance-model-policies/eni-corporate-governance-code/eni-corporate-governance-code.shtml. The “Comment” contained in the Borsa Italiana Code is not included for space-related reasons, but is taken into account by Eni in implementing the Principles and Criteria.

appointed – with the favourable opinion of the Committee – as the Eni Officer in charge of internal control (Article 8.C.5 letter c). The Eni Code does not, however, include the provisions mentioned in Article 2.C.3 of the Borsa Italiana Code regarding the Lead Independent Director, as the separation of the positions of Chairman and CEO set forth in the By-laws makes the relevant appointment unnecessary. At the meeting on July 28, 2011, the Board of Directors created an internal Nomination Committee, making use of the right established in the Eni Code (Article 6.C.2)³⁰. In accordance with the adoption of the Eni Code, the Board of Directors also approved several resolutions to implement and specify the provisions contained therein.

In particular:

- the functions of the Board of Directors have been redefined, thereby confirming the latter's strategic role and central position within the Company's Corporate Governance system and its wide ranging responsibilities, also in terms of Company and Group organisation and internal control system;
- the most significant operations of the Company and its subsidiaries have been defined and submitted to the approval of the Board, while behavioural and procedural controls have been adopted regarding those cases in which the Directors have personal or third party interests;
- in accordance with the provisions of the Consob Regulation regarding transactions with related parties, the responsibility regarding the transactions of greater importance with related parties has been assigned to the Board, while a fundamental role has been reserved to independent Directors regarding internal control³¹; moreover, it has been established that the Board and Board of Statutory Auditors must be informed on a bi-monthly basis³², on the execution of any transactions – even of lesser importance – with related parties, and regarding transactions with subjects of interest indicated by Directors and Statutory Auditors³³;
- 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' Meeting³⁴;
- subsidiaries that are of strategic importance (Snam SpA³⁵, Saipem SpA, Polimeri Europa SpA and Eni International BV) have been specified;
- a provision specifying the maximum number of offices that can be held by Directors in other companies has been set forth, so as to ensure that Directors dedicate sufficient time to executing their duties effectively; the relevant provision concerning the Executive

Director has been extended to the General Managers as well;

- the principle safeguarding the managerial independence of listed companies (currently, in Italy Saipem SpA and Snam 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 issuers;
- taking into account the evolution of the relevant legislative and regulatory framework, the principle safeguarding managerial independence has been extended to companies subject to separate administration and accounting systems (i.e. "unbundling") set forth in the regulations for the sector³⁶. Furthermore, Eni – in its role as shareholder – has defined the General Governance principles applied to its Italian and foreign investees for identifying the administration and control systems, and for defining the composition of company bodies and the relevant designation criteria. According to the relevant guidelines, approved by the Board of Directors on April 23, 2009, the chosen governance model for Italian companies is that of a public company based on a traditional administration and control system, while for foreign companies, the corporate designations to be adopted resemble the public or limited liability company model as defined in the Italian legislation. In any case, the auditing of Italian and foreign investee companies must be entrusted to an Audit Firm. In the light of recent changes to the legal framework and the recommendations contained in the Corporate Governance Code, round tables have been established aimed at rationalising the company control system with a view to improving efficiency and reducing duplication of activities.

Finally, in reference to the composition of the company bodies of Eni's subsidiaries and the definition of criteria to appoint the components of these company bodies, initiatives were started aimed at promoting the principles that inspired the provisions of Law No. 120 of 2011, regarding equal access to administration and control bodies of non-listed subsidiaries. Alongside these initiatives, the first training plan aimed at members of the company bodies of Eni subsidiaries has been scheduled for 2012, with a particular focus on the contributions gained by diversity in the company bodies.

The Eni Corporate Governance system thus complies with the provisions of the Borsa Italiana Code and even contains provisions that raise the Corporate Governance standards outlined by this Code. Further details on the implementation of the provisions will be provided later on in this Report.

[30] For more information about the composition and function of the Committee, please refer to the paragraph "Nomination Committee" in the chapter "Committees" in this Report.

[31] For remuneration, this role has been assigned to the Compensation Committee.

[32] The provisions establish more frequent reporting to the Board compared to the provisions of the Consob Regulation, whereby reporting must occur at least on a quarterly basis.

[33] At the January 19, 2012 meeting, the Board of Directors, changing internal procedures regarding transactions with related parties and subjects of interest to the Directors and Statutory Auditors, established a half-yearly aggregate report on transactions carried out during the period in question. For more information, please refer to the paragraph "Interests of the Directors and Statutory Auditors and Transactions with Related Parties" in this Report.

[34] In 2012, Eni presented an integrated report to the market (2011 Annual Report) to allow stakeholders, investors and others to completely understand the interconnections existing between the economic-financial results and the achievements in the environmental and social fields, outlining the dimensions of Eni's sustainable development model.

[35] As of January 1, 2012, the listed company Snam Rete Gas SpA is now known as Snam SpA.

[36] On July 2, 2010, additional special "guidelines" were issued aimed at guaranteeing respect for the goals of functional separation within the group, in particular in regards to the activities performed by companies in the gas sector (for Italy, Snam SpA and its subsidiaries). On June 29, 2011, Italian Legislative Decree No. 93 of June 1, 2011 (Decree No. 93/2011) took effect, by which the Italian legislature transposed Directive 2009/73/EC, which introduced new provisions regarding the separation of natural gas transmission system operators from the other activities of the gas chain. Pursuant to Decree No. 93/2011, the largest transportation company (Snam SpA) must conform to the regulations for "Independent Transmissions Operators". Snam SpA, in order to conform to the provisions of Decree No. 93/2011, transferred, effective as of January 1, 2012, the business unit responsible for transmission, dispatch, remote control and gas measurement activities to the subsidiary controlled at 100%, Snam Rete Gas SpA, a company with a governance structure, with skills and an autonomous organisational structure, conforming with the specific requirements established by Decree No. 93/2011.

Shareholders' Meeting and rights³⁷

The Shareholders' Meeting is the organ through which shareholders may actively participate in Company life by expressing their will, with the means and on the issues specified by the law and the Company's 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 acknowledged to shareholders by the law and By-laws have been modified following the introduction of Italian Legislative Decree No. 27 of January 27, 2010 (hereinafter "Decree No. 27/2010") that transposed the so-called Shareholders' Rights Directive³⁸ regarding the rights of shareholders in listed companies. The By-laws provisions – introduced by the Shareholders' Meeting on April 29, 2010 exercising its right as established by the above mentioned legislative decree, and by the Board of Directors, to ensure full compliance of the By-laws to the changes in the legal framework – were applied for the first time at the Shareholders' Meeting of May 5, 2011, which approved the 2010 financial statements and appointed the members of Eni's Board of Directors and Board of Statutory Auditors.

Responsibilities of the Shareholders' Meeting

The ordinary Shareholders' Meeting (i) approves the annual report (which, for Eni, is at December 31); (ii) appoints and dismisses the Directors, 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 responsibility of the Directors and Statutory Auditors; (vii) deliberates on any other issues ascribed to it by law, as well as the authorisations requested by the By-laws³⁹; (viii) approves the Shareholders' Meeting regulations.

The extraordinary Shareholders' Meeting deliberates on the By-laws amendments and on extraordinary operations such as, for example, capital increases, mergers and demergers, excluding the matters for which the Board of Directors is responsible in accordance with Article 23.2 of the By-laws, pursuant to Article 2365, paragraph 2 of the Italian Civil Code: (i) merger through acquisition and proportional demerger of companies in which the Company holds shares or shareholdings equivalent to 90% or more of their share capital; (ii) institution or suppression of secondary offices and (iii) updating of the By-laws provisions to the regulatory provisions. With particular regard to the regulations that apply to By-laws amendments, Eni is subject to the ordinary legislative framework, excluding the cases mentioned in the paragraph relative to the special powers assigned to the State by this Report, 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 it deems opportune. In any case, the constitutive and deliberative majority specified by the law shall apply. The Shareholders' Meeting is called by a notice published within the thirtieth day prior to the date of the first or only Shareholders' Meeting calls⁴⁰, on the Company's website and with the other means set forth in the Consob regulation. The notice calling the meeting, the content of which is defined by the law and the By-laws, contains all the necessary indications for participating in the Shareholders' Meeting including, in particular, information on how to obtain – also via the Company's website – proxy forms and Vote by Mail forms. In the same manner and within the same deadline for publishing the notice calling the meeting, unless otherwise specified by the regulations, the Board of Directors issues a report to the public containing the Shareholders' Meeting's agenda.

Moreover, Article 12.2 of the By-laws states 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 annual report draft approved by the Board of Directors within 120 days from the close of the financial year. In order to ensure greater clarity for shareholders, Article 12.3 of the By-laws determines the new 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 limits and methods specified by the law for exercising said option⁴¹.

Right and means to attend and vote

Regarding the Shareholders' Meeting attendance, the so-called "record date" mechanism applies: introduced with Decree No. 27/2010, and transposed with the By-laws in Article 13.2, it establishes that right to attend and exercise of voting rights must be certified by a statement submitted to the Company, at the request of the legitimate subject – in accordance with the law – by an authorised intermediary, in conformity to the latter's accounting records. 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 call at first or single call. 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 first or single Shareholders' Meeting call, or by the date established by Consob with regulations, in agreement with the Bank of Italy, without prejudice to legitimate attendance and the right to vote in the event that the statements reach the Company after the deadline, provided that the latter falls within the starting date of the

[37] 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 Finance.

[38] Directive 2007/36/EC of the European Parliament and Council dated July 11, 2007, relative to the exercise of certain rights of shareholders of listed companies.

[39] In particular, pursuant to Article 16.1 of the Eni By-laws, the ordinary Shareholders' Meeting authorises the transfer of the Company.

[40] This term, in accordance with the Consolidated Law on Finance, is predated to the fortieth day for Shareholders' Meetings called to appoint administration and control bodies and is moved postponed to the twenty-first day for Shareholders' Meetings specified in Articles 2446 (reduction of share capital due to financial losses), 2447 (reduction of share capital to below the legal limit), and 2487 (appointment and dismissal of the liquidators; criteria for the liquidation procedure) of the Italian Civil Code.

[41] Pursuant to Article 2367 of the Italian Civil Code, the shareholders may not request a call of the Shareholders' Meeting for issues on which the Shareholders' Meeting deliberates – in conformity with the law – following a proposal by the Directors, or on the basis of a draft or report drafted by the latter; outside of these cases, the shareholders requesting a call of the Shareholders' Meeting must draft a report on the proposals concerning the issues to be discussed and make it available to the public – together with any remarks expressed 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 on Finance.

Shareholders' Meeting of each single call.

With the By-laws amendments introduced following Decree No. 27/2010, the Company aims to provide shareholders with additional elements 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 means, in relation to which the By-laws defines the methods that, pursuant to law, must be available in accordance with the regulation issued by the Ministry of Justice⁴²;
- electronic notification of the proxies, for which it has been established that the shareholder may use the appropriate section of the Company's website, in the manner set forth in the notice calling the meeting;
- attending the Shareholders' Meeting via telecommunications – means or vote casting – either by mail or electronically. The By-laws defers to the notice calling the meeting regarding the indication to use these telecommunications means.

Furthermore, it has been established that the Company may choose to designate a shareholders' representative (hereafter "Designated representative") with a proxy including voting instructions for all or part of the issues in the agenda, until the end of the second trading day prior to the date of the first or single Shareholders' Meeting call. Lastly, in order to facilitate collection of proxies from employee shareholders' associations complying with the requirements of the current legislation, the By-laws confirms that these associations – according to the terms and methods agreed upon with their legal representatives – shall be provided with appropriate spaces for communication purposes and for collection of proxies.

To ensure that shareholders can exercise the rights established in Eni's By-laws, a special section has been created on the Company's website dedicated to the Shareholders' Meeting through which it is possible, among other things, to make a request before the Shareholders' Meeting and provide electronic notification of proxies. At the 2011 Shareholders' Meeting, a video connection with Eni's offices in San Donato Milanese was organised. Through this, after communication with the Company, shareholders could be connected with the Eni Shareholders' Meeting Room in Rome.

In accordance with the provisions of Article 83-sexies of the Consolidated Law on Finance, the exercise of the above indicated rights is subordinated to the receipt on the part of the Company of the statement sent by an authorised intermediary, which shareholders can send directly through the Eni website. In addition, to make it easier for shareholders to exercise their rights, the simple proxy form, used to assign proxy to a designated representative and the voting by mail form are made available in the special dedicated section on the Eni website, together with the relevant documentation. At the Shareholders' Meeting to approve the 2010 Financial Statements (May 5, 2011), Eni made use of its right to appoint a designated Representative to whom shareholders could freely assign proxies⁴³.

Shareholders' rights and Shareholders' Meeting rules

Pursuant to the law and the By-laws, any shareholders who – even jointly – detain at least one fortieth of the share capital may submit a request for a list of additional matters to be discussed, within ten days from the publication of the notice calling the meeting. The request, which cannot include issues on which the Shareholders' Meeting deliberates upon a proposal of the Directors or on plans or reports drafted by the latter, must indicate the proposed issues and must be accompanied by a report on the relevant matters to be submitted to the Board of Directors. This report must be made available to the public at the Company's registered office, on the Company's website or with the other means indicated in the current regulations, together with any assessments expressed by the Board of Directors, at the time of publication of the integration notice and within the fifteen days preceding the start of the Shareholders' Meeting. The efficient and orderly running of the Shareholders' Meetings and the right of each shareholder to intervene on single issues on the agenda are guaranteed by the Shareholders' Meeting Regulations, which was approved by the ordinary Shareholders' Meeting on December 4, 1998 and is available on the Eni website⁴⁴.

Pursuant to the Eni Code, the Board of Directors strives to ensure timely and easy access to any company information regarded as important for shareholders, so as to enable the latter to exercise their rights in an informed manner⁴⁵. Moreover, in accordance with the amendments introduced with Decree No. 27/2010, the shareholders 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 latest during the meeting itself.

In order to facilitate the reply process, the Company may provide a single answer to questions with similar content, and is not required to reply when the requested information is already available in "question and answer" format in the appropriate section of the Company's website. In any case, the answers are supplied in compliance with the regulations about communication of inside information. Shareholders' Meetings are chaired by the Chairman of the Board of Directors, or in the event of the latter's absence or impediment, by the CEO, or in their absence, by a person named by the Shareholders' Meeting. The Chairman of the Shareholders' Meeting illustrates the issues to be discussed and directs the operations by ensuring a fair discussion and the right to intervene and receive answers on each of the topics mentioned in the agenda. In order to stimulate the interest of shareholders and promote a greater degree of involvement in the Company life, the Company has created an interactive cartoon and a Shareholders' Guide available on its website⁴⁶, with the aim of providing clear and immediate information on the attendance procedures and on the rights that can be exercised at this event, which is of primary importance for the life of the Company and its shareholders. Indeed, Eni desires that shareholders are enabled to participate in decisions pertaining to their competence and make informed choices.

(42) As of today, said Regulation has not yet been issued.

(43) The Representative designated by the Company at the Shareholders' Meeting of May 5, 2011, was Studio Legale Trevisan & Associati.

(44) At the address: <http://www.eni.com/en/IT/governance/shareholder-meeting/meeting-regulation/meeting-regulation.shtml>.

(45) For further details, please refer to the chapter "Relations with shareholders and the market".

(46) At the address: <http://www.eni.com/en/IT/governance/shareholder-meeting/governance-shareholders/shareholders-initiatives/initiatives.shtml>.

Board of Directors⁴⁷



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 members of the Board of Directors vary between a minimum of three and a maximum of nine. The Ordinary Shareholders' Meeting determines the number within these limits. A Director without voting rights appointed by the State pursuant to Italian Law No. 474/1994, as transposed by Article 6.2, letter d) of the Company By-laws, may be added to the above number.

The By-laws state that the minority shareholders may appoint a number of their own representatives on the Board that corresponds to three tenths of the total⁴⁸.

The Shareholders' Meeting held on May 5, 2011 set the number of Directors at nine, and appointed the Board of Directors and Chairman of the Board for three financial years and, in any case, until the date of the Shareholders' Meeting called for the approval of the 2013 annual financial statements. On May 6, 2011, the Board appointed Paolo Scaroni Chief Executive Officer of the Company.

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

Giuseppe Recchi, Paolo Scaroni, Carlo Cesare Gatto, Paolo Marchioni, Mario Resca and Roberto Petri were appointed on the basis of the list submitted by the Ministry of Economy and Finance, which at the time owned 3.93% of the share capital, and voted by the majority of the shareholders that participated in the Shareholders' Meeting (that is about 60% of voting capital), equal to 33.12% of share capital. Alessandro Profumo, Francesco Taranto, and Alessandro Lorenzi were appointed on the basis of the list submitted by institutional investors, holding a total of 0.9% of the share capital, and voted by the minority of the shareholders that participated in the Shareholders' Meeting (that is about 38% of voting capital), equal to 20.89% of share capital. On May 6, 2011, Roberto Ulissi, the Corporate Affairs and Governance

Senior Executive Vice President of the Company, was confirmed as Company Secretary on the Board of Directors upon a proposal of the Chairman.

Below are some details on the personal and professional profiles of the elected Board members.



Giuseppe Recchi

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

He is Vice Chairman of GE Capital SpA; member of the board of directors and the compensation and audit committees

of Exor Spa (listed at Milan Stock Exchange); member of the European Advisory Board of Blackstone and member of the Massachusetts Institute of Technology E.I. External Advisory Board.

He is also member of the executive committees of Confindustria (the Confederation of Italian Industries, where he is Chairman of the Foreign Investment Committee), Assonime (Association of Italian Joint Stock Companies), and Aspen Institute Italia; member of the Trilateral Commission; member of the board of directors of FEEM - Eni Enrico Mattei Foundation and of the Italian Institute of Technology.

He graduated in Engineering at Polytechnic of Turin. In 1989 he started his career as an entrepreneur at Recchi SpA, a general contractor active in 25 countries in the construction of high-tech public infrastructures. From 1994 he has served as Executive Chairman of Recchi America Inc., the US branch of the Group and as Managing Director for the overseas activities of Ferrocemento - Recchi Group (now Condotte SpA).

In 1999 he joined General Electric, where he held several managerial positions in Europe and in the USA. He served as Director of GE Capital Structure Finance Group; Managing director

[47] Information provided in accordance with Article 123-bis, second paragraph, letter d) of the Consolidated Law on Finance.

[48] Article 4, paragraph 1-bis, of Italian Law No. 474/1994 (as amended by Decree No. 27/2010), in stating that privatised listed companies are subject to the general regulations specified in the Consolidated Law on Finance, nonetheless confirmed that at least 1/5 of the Directors must be appointed by the minority shareholders.

for Industrial M&A and Business Development for GE EMEA and as President & CEO of GE Italy. Until May 2011 he was President & CEO of GE South Europe.

Mr. Recchi was a member of the Honorary Committee for the Rome Candidacy to the 2020 Olympic Games, member of the board of Permasteelisa SpA (listed at Milan stock exchange), Advisory Board member of Invest Industrial (private equity) and visiting professor in Structured Finance to Turin University.

Mr. Recchi is an occasional editorial commentator for financial papers (Il Sole 24 Ore, Corriere della Sera, MF and Harvard Business Review).



Paolo Scaroni

He has been Chief Executive Officer of Eni since June 2005.

He is currently non-executive Director of Assicurazioni Generali, non-executive Deputy Chairman of London Stock Exchange Group, and non-executive

Director of Veolia Environnement. He is also on the Board of Overseers of Columbia Business School and Fondazione Teatro alla Scala.

After graduating in economics at the Università Luigi Bocconi, 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 managerial 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 Chief Executive Officer of Techint. In 1996 he moved to the UK and was Chief Executive Officer of Pilkington until May 2002.

From May 2002 to May 2005 he was Chief Executive Officer and Chief Operating Officer of Enel.

From 2005 to July 2006 he was Chairman of Alliance Unichem.

In May 2004 he was appointed Cavaliere del Lavoro of the Italian Republic.

In November 2007 he was decorated as an Officier of the Légion d'honneur.



Carlo Cesare Gatto

He has been a Director of Eni since May 2011.

Born in Murazzano (Cuneo) in 1941.

He graduated in Economics and Business at the Università degli Studi di Turin.

He is a registered public auditor.

He is currently Chairman of the Board of Statutory Auditors of RAI SpA, Natuzzi SpA and Difesa Servizi SpA, Chairman of the Board of Directors of DeaPrinting Officine Grafiche Novara 1901 SpA, and Chairman of Flenco Fluid System Srl and Director of Arcese Trasporti SpA.

He was teacher of Finance, Administration and Control at the Isvor Fiat SpA training institute.

In 1968 he was hired by Impresit as Chief Accountant, and managed, in Jordan, the finance department of the local branch.

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 Head of Financial Reporting at Fiat Group and also had responsibility for the control of the transport companies (Sapav, Sadem, Sita), run under concession by the Fiat Group and for which he subsequently oversaw the sale. In 1990 he was appointed Joint Manager of Finance and Control of the Fiat Group, before becoming, in 1998, Chief Administration Officer (CAO) of the Fiat Group. From 2000 to 2004, he was Chief Executive Officer and Deputy Chairman of Business Solution, a new sector created by Fiat for the supply of business services. In 1993 he was the Italian Representative at the European Commission for the fiscal harmonisation of member States. In 1992 he was decorated as Cavaliere Ordine al Merito della Repubblica Italiana and, in 1995, as Ufficiale Ordine al Merito della Repubblica Italiana.



Alessandro Lorenzi

He has been a Director of Eni since May 2011.

Born in Turin in 1948.

He graduated in Political Science at the Università degli Studi di Turin.

He is currently a founding partner

of Tokos Srl, a consulting firm for securities investment, and Chairman of Società Metropolitana Acque Torino SpA.

He began his career at SAIAG SpA, involved in the implementation of industrial accounting and reporting. In 1975 he joined Fiat Iveco SpA where he held a series of positions: Head of Administration, Finance and Control and Head of Personnel of Orlandi SpA in Modena (1977-1980) and Head of the project pertaining to the administration and control system for the production areas (1981-1982). In 1983 he joined GFT Group where he was: Head of Administration, Finance and Control of Cidat SpA, a GFT SpA subsidiary (1983-1984), Central Controller of 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 Chief Executive Officer of SCI SpA, where he oversaw the restructuring process. In 1998 he was appointed Central Manager, and subsequently Director of Ersel SIM SpA. 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 Coin Group. In 2006 he became Central Corporate Manager at Lavazza SpA, becoming member of the Board of Directors from 2008 to June 2011. Until this date, he was also Director of LCS Srl as well as Chairman of COFINCAF SpA until May 2011.



Paolo Marchioni

He has been a Director of Eni since June 2008.

Born in Verbania in 1969.

He is a qualified lawyer specializing in penal and administrative law, counselor in Supreme Court and superior jurisdictions.

He is currently Director of the Provincial Board of the Province

of Verbano-Cusio-Ossola. He has been Chairman of the Board of Directors of Finpiemonte partecipazioni SpA since August 2010. He acts as a consultant to government agencies and business organizations 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, and 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 Director of CIM SpA of Novara (merchandise interport center) and from December 2002 to December 2005 Director and member of the executive committee of Finpiemonte SpA.

From June 2005 to June 2008 he was Director of Consip. He was Provincial Councillor in charge of balance sheet, property, legal affairs and production activities and Vice President of the Province of Verbano-Cusio-Ossola from June 2009 to October 2011.



Roberto Petri

He has been a Director of Eni since May 2011. Born in 1949. He has a degree in Law from the Università degli Studi Gabriele D'Annunzio, of Chieti and Pescara. Since 2007, he has been part of the Board of Directors of the Ravenna

Festival and since 2011, Chairman of the Board of Directors for the company Italimmobili Srl. In 1976, he was hired by Banca Nazionale del Lavoro (BNL) and filled a number of roles therein: Head of the "Overdrafts 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 of Banca Popolare and in 1994 moved to the Cassa di Risparmio di Ravenna Group (Carisp Ravenna and Banca di Imola), where he held the same role. From 2001 and 2006, he was Chief Secretary to the Under-Secretary of Defence, where he was mainly involved with the Department's contacts with the defence industry and international relations. From 2008 to 2011, he was Chief Secretary at the Ministry of Defence. From 2003 to 2006, he was Director of Fintecna SpA and from 2005 to 2008 Director of Finmeccanica SpA.



Alessandro Profumo

He has been a Director of Eni since May 2011. Born in Genoa in 1957. He graduated in Business Administration at the Università Luigi Bocconi of Milan. He is currently Chairman of Appeal

Strategy & Finance Srl and member of the Supervisory Board of Sberbank. He is also a member of the Board of Directors

of Bocconi University in Milan and of the Fondazione Arnaldo Pomodoro.

He began his career in 1977 at the Banco Lariano, becoming Branch Manager in Milan. In 1987 he joined McKinsey where he was Project Manager in the strategy area for the finance sector. In 1989 he was appointed Head of relations with financial institutions and integrated development projects at Bain, Cuneo e Associati (now Bain & Company). In 1991 he left the field of company consultancy to join RAS, Riunione Adriatica di Sicurtà, where he was in charge of as General Manager, for the banking and parabanking sectors. He was also in charge of the yield increase of that company's bank and of the other group companies operating in the field of asset management.

In 1994 he joined Credito Italiano as Joint Central Manager, responsible for Programming and Control, becoming General Manager in 1995. In 1997 he was appointed Chief Executive Officer of Credito Italiano and subsequently of Unicredit, a position he held until September 2010.

On an international level he was Chairman of the European Banking Federation and Chairman of the IMC Washington. In May 2004 he was decorated as Cavaliere del Lavoro.



Mario Resca

He has been a Director of Eni since May 2002.

Born in Ferrara in 1945.

He graduated in Economics and Business at the Università Luigi Bocconi of Milan.

He is currently General Director of Italian Heritage and Antiquities in the Ministry of Cultural Heritage and Activities. He is also Chairman of Confimprese, Chairman of Convention Bureau Italia SpA, Deputy Chairman of Sesto Immobiliare SpA and Director of Mondadori SpA.

After graduating 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 of Egon Zehnder.

In this period he was appointed Director of Lancôme Italia and of companies belonging to the RCS Corriere della Sera Group and the Versace Group. From 1995 to 2007 he was Chairman and Chief Executive Officer of McDonald's Italia.

He was also Chairman of Sambonet SpA and Kenwood Italia SpA, a founding partner of Eric Salmon & Partners and Chairman of the American Chamber of Commerce.

He was decorated as a Cavaliere del Lavoro in June 2002.



Francesco Taranto

He has been Director of Eni since June 2008.

Born in Genoa in 1940.

He is currently Director of Cassa di Risparmio di Firenze SpA and ERSEL S.I.M.

He started working in 1959, in a stock brokerage in Milan; 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 managerial positions in the asset management field. Notably he was 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 was Chief Executive Officer of the parent company for a long period. He was also a member of the steering council of Assogestioni and of the Corporate Governance committee for listed companies formed by Borsa Italiana.

He was Director of Enel from October 2000 to June 2008.

Appointment⁴⁹

In order to ensure that the Board includes representatives of minority shareholders, the Directors are appointed by list voting. This system has been regulated by the Company By-laws since 1994, in compliance with the special rules that apply to the Company itself. In particular, Article 4 of Italian Law No. 474/1994 specifies the appointment procedure of members on the administration and control bodies, by list voting procedure, as well as the procedure for calling the Shareholders' Meeting and publishing the lists, the percentage of share capital required for submitting lists and the number of members allotted to the minority shareholders.

The rule, however, which was amended by Decree No. 27/2010, with the introduction of paragraph 1-bis in 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 minority shareholders⁵⁰.

Therefore, pursuant to Article 17 of the By-laws, which was appropriately amended to align its provisions with those of the above-mentioned decree⁵¹, lists may be submitted by shareholders⁵² who – either individually or solely – represent at least 1% of the share capital, or the different amount specified by the Consob regulations. With its resolution dated January 26, 2011, confirmed by resolution of January 25, 2012, Consob established, with regard to Eni, the percentage of 0.5% of the share capital.

Ownership of the minimum share required to submit lists is determined by taking into account the shares that are registered to the shareholder on the day the lists are filed with the Company, without considering any subsequent transferral of the shares. Every shareholder may vote and submit, or contribute to submitting, a single list only. The subjects that control it, the companies controlled by them, and those that are jointly controlled cannot submit, nor contribute to submitting, other lists or vote for them, not even through a third party or trust company. The lists, which must order the candidates in numerical order and expressly indicate who fulfil the independence requirements specified by the law and By-laws, are deposited at the Company's registered office at least twenty-five days prior to the date of the first or single Shareholders' Meeting call, and are made available

to the public on the Company's website, or through the other means specified by the law and Consob regulations, at least twenty-one days before the same date. In addition, the lists are transmitted to Borsa Italiana SpA.

All candidates must possess the integrity requirements set forth in the applicable legislation. At the time of depositing each list, on pain of the latter being considered inadmissible, the professional curriculum of each candidate must be presented together with statements in which they accept their candidacy and certify that there are no reasons for their ineligibility or incompatibility, and that they fulfil the integrity requirements and, if necessary, independence requirements set forth in the law and By-laws. Moreover, the lists must specify the identify of the shareholders who submit them, in addition to their overall shareholding percentage. Following the voting formalities, the appointment procedure is completed by drawing seven-tenths of the Directors (rounded off to the next lowest whole number in the case of a fraction), in the progressive order in which they were listed, from the list that won the majority of votes; the remaining ones are drawn from other lists that are not directly or indirectly associated with the shareholders who presented or voted for the list that ranked first in terms of number of votes⁵³. The list voting procedure shall only apply when the entire Board of Directors has to be renewed.

Regarding the appointment of Directors who were not elected – for any reason – with the above-mentioned procedure, the Shareholders' Meeting shall pass a resolution with the majority required by the law in order to ensure that the composition of the Board complies with the laws and the By-laws. On March 15, 2012, the Eni SpA Board of Directors resolved to call an extraordinary Shareholders' Meeting along with the ordinary annual one in order to enact the amendments to the By-laws following the provisions of Law No. 120/2011 regarding the balance between the various types in the composition of administration and control bodies of listed companies.

Pursuant to Article 6, paragraph 2, letter d) of the By-laws, in addition to the Directors appointed by the Shareholders' Meeting, the Minister of Economy and Finance is entitled to appoint a Director without voting rights, in agreement with the Minister of Economic Development. This power has not been exercised.

Succession plan for the Executive Director

Regarding succession plans for the executive directors, the Board of Directors has assigned the Nominations Committee the responsibility of formulating a proposed succession plan for the Chief Executive Officer to be submitted to the Board, when possible and appropriate in relation to the Company's shareholding structure. As of the approval date of this Report, the Committee has not proposed a succession plan for Eni's Chief Executive Officer. Information about succession plans for important strategic roles at Eni is provided in the paragraph "Nominations Committee" in this Report, to which the reader may refer.

(49) Information provided in accordance with Article 123-bis, first paragraph, letter l) of the Consolidated Law on Finance.

(50) Article 4, paragraph 1-bis, of Italian Law No. 474/1994 confirms that at least one-fifth of the Directors with voting rights must be reserved to the minority lists, rounded-up to the nearest whole number in case of a fraction.

(51) The Shareholders' Meeting of April 29, 2010, and the Board of Directors Meeting of June 3, 2010 updated the By-laws to the new regulation.

(52) Pursuant to Article 12.3 of the By-laws, the Board of Directors can present a list of candidates.

(53) The association criteria are defined by Article 144-quinquies of the Consob Regulation on Issuers.

Independence requirements

The Consolidated Law on Finance establishes that at least one of the Directors, or two if the Board consists of more than seven members, must fulfil the independence requirements established for the Statutory Auditors of listed companies pursuant to Article 148, paragraph 3, of the same act and, if required by the By-laws, any additional requirements set forth in the codes of conduct. Article 17.3 of the Eni By-laws improves on these legal requirements by establishing that at least one Director, if the Board consists of no more than five members, or at least three Directors, if the Board consists of more than five members, must fulfil the aforementioned independence requirements. The same By-laws provision establishes an additional mechanism to the ordinary election system that in any case ensures the existence on the Board of the minimum number of independent Directors. In this way, Eni aims to strengthen the presence of independent Directors on the Board.

Alongside the requirements of the Consolidated Law on Finance, Article 3 of the Eni Code identifies additional independence requirements, in accordance with that specified in the Borsa Italiana Code. These criteria correspond to those set forth in the Borsa Italiana Code, specified in three separate points:

- “subsidiaries of strategic importance” in which the Director may have been a leading figure are identified on the basis of an assessment by the Board of Directors⁵⁴;
- the “additional remuneration” that impairs the independence⁵⁵ status is identified as being 30% of the “fixed” remuneration payable to the Company’s non-executive Directors;
- the “close relatives” have been defined as family members or in-laws up to the second degree of kinship⁵⁶. Following their appointment, the non-executive Directors shall make periodic statements regarding fulfilment of the independence requirements, the actual existence of which shall be verified by the Board by taking into account all of the above-mentioned criteria and – as specified in the Eni Code – prioritising substance over form. The Nominations Committee sees to the investigations relative to the periodic verifications of the Board on the independence requirements for Directors.

At the May 6, 2011 meeting and, lastly, after investigations by the Nominations Committee, at the February 14, 2012 meeting, 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 are independent pursuant to the law and the By-laws, and in accordance with the Eni Code⁵⁷.

Director Resca was confirmed as independent, also pursuant to the Eni Code, even though he has held the position for more than nine out of the last twelve years⁵⁸, on account of his proven independence of judgement. With regards to the marital relationship that Director Profumo has with an employee of the Company, the Board held that this absolutely did not prejudice

the independence requirements established in the Corporate Governance Code, in consideration of the Director’s ethical and professional rigour and his international reputation.

The Board of Statutory Auditors has verified the correct application of the criteria and procedures adopted by the Board to assess the independence of its members.

After appointment, the results of the assessments of the Board are communicated to the market. The assessments of the Board carried out February 14, 2012 are provided in tables enclosed with this Report.

As clarified above, no Lead Independent Director was appointed given the presence of a Chief Executive Officer and Chairman having different roles.

Integrity requirements, reasons for ineligibility and incompatibility

The Consolidated Law on Finance specifies that individuals who perform management and administration functions in listed companies must fulfil the integrity requirements established for members of control bodies by the Regulation of the Minister of Justice issued pursuant to Article 148 of the same act⁵⁹.

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 the 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 assess the fulfilment of both the independence and integrity requirements of Directors, and to verify that no reasons for ineligibility or incompatibility subsist.

Also pursuant to Article 17.3 of the By-laws, if a Director does not fulfil – or no longer fulfils – the declared independence and integrity requirements required by the law, or if there are reasons for ineligibility or incompatibility, the Board shall declare the dismissal of the Director and replace the latter, or invite him/her to remove the cause of ineligibility or incompatibility within a pre-defined deadline, on pain of forfeiture of the post. Appointed Directors must communicate any loss of the requirements of independence or integrity to the Company, as well as the contingency of reasons for ineligibility or incompatibility. Following appointment and on a regular basis, the Directors issue statements regarding fulfilment of the integrity requirements required by law and applicable to them, and the Board verifies whether these exist, in accordance with the current regulations and the Eni Code. The Nominations Committee then sees to the investigation for the periodic verification of the Board regarding the requirements of integrity for the Directors and the lack of reasons for ineligibility or incompatibility of the same.

The Board of Directors, at the May 6, 2011 meeting and, lastly, after an investigation by the Nominations Committee, at its

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

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

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

[57] Although the Chairman of the Board of Directors is a non-executive Director, he cannot be declared independent as he constitutes a leading figure of the Company (Application Criterion 3.C.2 of the Code of Borsa Italiana).

[58] Director Resca was appointed for the first time in 2002.

[59] Italian Ministerial Decree No. 162 of March 30, 2000.

meeting on February 14, 2012 – on the basis of the statements made and the information available to the Company – verified that the integrity requirements were fulfilled and that there were no reasons for ineligibility or incompatibility affecting any of the Directors, also with reference to any Eni shareholdings in financial, banking, and/or insurance companies.

Guidelines of the Board of Directors on the maximum number of offices held by Directors in other companies

On May 6, 2011, (confirming the guidelines defined by the previous Board), as required by the Eni Code, the Board of Directors defined the general criteria regarding the maximum number of management and control offices that can be held in other companies in order to ensure the effective performance of the role of Director of Eni, by establishing that:

- an executive Director should not hold: (i) the office of executive Director in another Italian or foreign listed company, or in a financial⁽⁶⁰⁾, banking or insurance company or in a company with net equity over €10 billion; and (ii) the office of non-executive Director or Statutory Auditor (or member of other control bodies) in more than three of the above-mentioned companies;
- a non-executive Director, in addition to the office held in the Company, should not hold: (i) the office of executive Director in more than one of the above-mentioned companies and the office of non-executive Director or Statutory Auditor (or member of any other control body) in more than three of the above-mentioned companies, or (ii) the office of non-executive Director or Statutory Auditor in more than six of the above-mentioned companies.

Offices held in Eni Group companies are excluded from these limits. Should the above-mentioned limits be exceeded, the Directors shall promptly inform the Board, which will then assess the situation in the interest of the Company and will call upon the Director to take the necessary decisions. At all events, prior to taking up the office of Director or Statutory Auditor (or member of any other control body) in a company that is not an investee, or direct or indirect subsidiary of Eni, the executive Director shall inform the Board of Directors to that the latter can assess the compatibility of the office with the functions assigned to the executive Director and with the interest of Eni. The rules applicable to the executive Director also apply to Chief Operating Officers.

The Nominations Committee then sees to the investigations for the periodic verifications and evaluations of the Board regarding the maximum number of director or statutory auditor offices that a Director may hold.

After the appointments, the Board of Directors, periodically, and most recently, after the investigation by the Nominations Committee – on the basis of the information provided – verified that the Directors respect the limits cited on number of offices, at the meeting on February 14, 2012. Detailed information on the number of offices held by members of the Board with reference to the resolution on the number of office that may be held is available in the table enclosed with this Report.

Powers

The Board of Directors has the widest powers for the ordinary and extraordinary administration of the Company in relation to its purpose.

In a resolution dated May 6, 2011, the Board appointed Paolo Scaroni⁽⁶¹⁾ as Chief Executive Officer and General Manager, entrusting him with the widest powers for the ordinary and extraordinary administration of the Company, while exclusively reserving the most important strategic, operational and organizational powers in addition to those that cannot be delegated by law. These powers specify the role established for the management body in the Eni Code.

In a more detailed way, the Board:

1. Defines the systems and rules of Corporate Governance of the Company and the Group. In particular, and after consulting the Internal Control Committee, it adopts rules which ensure transparency as well as substantive and procedural correctness in transactions in which a Director retains a personal interest or an interest on behalf of third parties; in addition, it adopts a procedure for the handling and disclosure of corporate information, with specific reference to inside information.
2. Establishes the internal committees of the Board with advisory and consulting functions and appoints their members, while establishing and approving their regulations.
3. Assigns and revokes proxies to the CEO and to the Chairman, defining the limits and modalities for exercising these proxies in addition to determining – after examining the proposals of the relative Committee and consulting with the Board of Statutory Auditors – the remuneration associated with these proxies. May impart directives to the delegated bodies and implement itself any operations falling under the proxy.
4. Defines the fundamental guidelines pertaining to the organizational, administrative and accounting structure of the Company, including the internal control system, of the primary subsidiaries and of the Group. Assesses the adequacy of the organisational, administrative and accounting structure formulated by the CEO, particularly in reference to modalities for managing conflicts of interest.
5. Defines, in particular, after having examined the proposals of the Internal Control Committee, the guidelines of the internal control system in order to ensure the identification, measurement, management and monitoring of the primary risks of the Company and its subsidiaries. Assesses, on an annual basis, the adequacy, efficacy and effective functioning of the internal control system that is supervised by the CEO.
6. Defines – on a proposal from the CEO – the strategic guidelines and objectives of the Company and the Group, including sustainability policies. Examines and approves the strategic, industrial and financial plans of the Company and the Group as well as agreements of strategic nature for the Company. Examines and approves the plan for the non-profit operations of the Company and approves operations not

(60) For the purposes of assessing the maximum number of offices, financial companies include the financial intermediaries specified in Article 106 of Italian Legislative Decree No. 385/1993 (Banking Consolidated Act) and the companies that perform investment or collective savings activities and services pursuant to the Consolidated Law on Finance.

(61) Paolo Scaroni was appointed CEO of the Company for the first time on June 1, 2005.

- included within the plan whose cost exceeds €500,000.
7. Examines and approves the annual budgets of the divisions, as well as those of the Company and the consolidated Group budget.
 8. Examines and approves the half-year financial report and the interim reports of the Company and the Group, in accordance with currently effective regulations. Examines and approves the Sustainability Report which must be presented to the Shareholders' Meeting.
 9. Receives information from Directors with proxies – at the time of Board meetings and in any case at least on a bi-monthly basis – relative to activities implemented during the exercising of proxies as well as on activities of the Group and atypical or unusual operations or with related parties of the Company which have not been presented for examination and approval to the Board. In particular, it periodically receives information on a half-year basis along with any justification for any modifications applied to investment operations which were previously approved by the Board, in accordance with point 12, letter b) and c) and on the basis of criteria established by the Board itself.
 10. Receives periodical half-year information from the internal committees of the Board.
 11. Assesses the general management trends of the Company and the Group, on the basis of information received from Directors with proxies while paying attention to conflicts of interest and comparing attained results – as reported in the financial statements and periodical accounting statements – with budget estimates.
 12. Examines and approves the operations of the Company and its subsidiaries which are significant from a strategic, economic and financial perspective, particularly with regards to situations in which one or more Directors retain personal or third party interests as well as transactions with related parties⁶². In the case of listed companies, as well as companies subject to unbundling regulations, the Board must guarantee the principle of managerial autonomy. These provisions are applicable without prejudice to compliance with confidentiality obligations pertaining to commercial relations between the subsidiary and Eni or third parties, thereby protecting the interests of the subsidiary.
The following operations are considered significant in nature:
 - a) acquisitions or sales of shareholdings, companies, or company branches, mineral rights and real estate, company mergers, spin-offs and liquidations, whose value exceeds €100 million and without prejudice to Article 23.2 of the By-laws;
 - b) investments in fixed assets whose value exceeds €300 million or even a smaller amount if of particular strategic value or in the case of specific risks;
 - c) exploration initiatives and portfolio operations in the E&P sector in new Countries;
 - d) purchase and sale of goods and services other than those allocated for investments and gas supplies, for an overall price exceeding €1 billion – excluding transactions included in ordinary administration – or whose duration exceeds 20 years; gas supply contracts, or amendments to such contracts, for a minimum of three billion cubic meters for year and a ten-year duration;
 - e) financing to parties other than subsidiaries: (i) for amounts exceeding €200 million if in proportion to the shareholding quota or (ii) in the case of any amount if provided in favour of non-subsidiaries or for amounts that are not proportional to the shareholding quota;
 - f) the issue of personal or real securities to parties other than subsidiaries: (i) for amounts exceeding €200 million, if in the interest of the Company or of subsidiaries, or in the interest of non-subsidiary companies, so long as the security is proportional to the shareholding quota, or (ii) in the case of any amount if provided in the interest of non-controlled subsidiaries or if the security is not proportional to the shareholding quota. For the issue of the securities pursuant to point (i) whose amount ranges between €100 and €200 million, the Board grants a joint proxy to the CEO and the Chairman;
 - g) Eni SpA intermediary agreements.
 13. Appoints and dismisses – upon a CEO's proposal and in agreement with the Chairman – the Chief Operating Officers and grants their powers. If the CEO is appointed as the Chief Executive Officer, the proposal is made by the Chairman.
 14. Appoints and dismisses – upon a CEO's proposal, in agreement with the Chairman and following approval from the Board of Statutory Auditors – the Officer in charge of preparing financial reports and ensures that the Officer is equipped with adequate powers and means in order to exercise his/her legally ascribed tasks in addition to monitoring the effective compliance with the administrative and accounting procedures formulated by said Officer.
 15. Appoints and dismisses – upon a CEO's proposal, in agreement with the Chairman and following a consultation from the Internal Control Committee – an Officer in charge of internal control and an Executive Vice President of Internal Audit in addition to defining their remuneration in accordance with the compensation policies of the Company as well as approving the guidelines for the activities of these two managers.
 16. Ensures that a manager is appointed for the body which manages shareholder relations.
 17. Defines – after having examined the proposals of the relative Committee – the criteria for remunerating the top management of the Company and of the Group in addition to implementing the compensation plans on the basis of stocks or financial instruments deliberated by the Shareholders' Meeting.
 18. Resolves – upon a CEO's proposal – on the exercise of voting rights and on the appointment of members of corporate bodies of the primary subsidiaries. In the case of listed

[62] In relation to transactions in which Directors and Statutory Auditors hold interest and transactions with related parties, the responsibilities of the Board of Directors have been defined in the procedures adopted by the Board on November 18, 2010 and then amended on January 19, 2012 (please refer to the paragraph of the Report specifically dedicated to this issue).

companies, the Board must guarantee compliance with the provisions of the Corporate Governance Code falling under the competence of the Shareholders' Meeting.

19. Formulates the proposals to present to the Shareholders' Meeting.
20. Examines and resolves on other issues which Directors with proxies believe it is appropriate to present to the Board due to their particular relevance or sensitivity.

Pursuant to Article 23.2 of the By-laws, the Board also resolves: on merger by incorporation operations and proportional demergers of at least 90% directly owned subsidiaries; on the creation and closing of secondary offices; and on adjustments of the By-laws to regulatory requirements.

During the financial year, the Board may also resolve on the distribution to shareholders of advance interim dividends, as allowed by Article 29.3 of the By-laws.

In the meeting held on May 6, 2011, the Board granted proxies to the Chairman, Giuseppe Recchi, 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 chairs the Shareholders' Meeting, convenes and chairs meetings of the Board of Directors and verifies implementation of the resolutions passed by the Board. At its meeting held on May 6, 2011, the Board identified Saipem SpA, Snam Rete Gas SpA⁶³, Eni International BV and Polimeri Europa Spa as subsidiaries of strategic importance for the purposes of the approval of transactions pursuant to point 12 of the aforementioned powers. At its meeting held on January 19, 2012, the Board of Directors confirmed the appropriateness of the organisational, administrative and accounting structure of the Company, the main subsidiaries and the Group.

At its meeting of March 15, 2012, the Board of Directors confirmed the appropriateness, effectiveness and efficient operation of Eni's internal control system as a whole. At the same meeting, the Board of Directors also verified compliance, also pursuant to Article 154-bis of the Consolidated Law on Finance, with the administrative and accounting procedures established by the Officer in charge of preparing financial reports and also confirmed the appropriateness of the powers and resources assigned to him for the performance of his duties.

In the meeting held on November 18, 2010, the Board – with the favourable and unanimous opinion of the Internal Control Committee – approved the procedure (Management System Guideline - MSG) regarding "Transactions involving the interests of Directors and Statutory Auditors and transactions with related parties". As established by said MSG, in accordance with the measures of the Consob Regulation, at the January 19, 2012 meeting, the Board carried out the first annual verification of the MSG, making certain changes, after receiving a favourable opinion from the Internal Control Committee⁶⁴. At the meeting on February 14, 2012, the Board carried out the review regarding its own composition and function⁶⁵.

Meetings and running of meetings

At the meeting held on May 6, 2011, the Board of Directors approved the regulations that define the procedures for calling and running its meetings, confirming those established previously. In particular, the Board is called by the Chairman who, in agreement with the Chief Executive Officer, defines the agenda and sends it to the Directors, effective Statutory Auditors, and Judge of the Court of Auditors delegated to control the financial management accounts of Eni, at least five days prior to the scheduled date of the meeting. By urgent need and whenever necessary, the calls notification is sent at least 12 hours before the scheduled meeting time. The By-laws allow Board meetings to be held via videoconferencing or teleconferencing, and these methods are specifically provided for in the regulations. Normally, simultaneously to the meeting calls and, at all events, no less than three days prior to the date of the meeting, the Directors, effective Statutory Auditors and Judge of the Court of Auditors are provided with documentation on the matters included in the agenda, with the exception of price-sensitive information, which is not subject to preventive notification. The Managers of the Company and of its subsidiaries are normally invited to attend Board meetings to provide information on matters pertaining to the agenda. Specific information is also provided on single sectors in which the Company and the Group operate. In accordance with the provisions of Article 2391 of the Italian Civil Code, of Eni Code, and of the MSG regarding "Transactions involving the interests of Directors and Statutory Auditors with related parties"⁶⁶, before each item on the Board meeting's agenda is discussed, every Director is called upon to notify whether s/he holds any personal or third-party interests in relation to the matters or issues to be discussed, by clarifying their nature, terms, origin and extent. During the course of 2011, the Board of Directors met 18 times: 7 times before the expiry of the Board previously in office (May 5, 2011), with an average duration of 2 hours and 36 minutes and an average participation of 95% of the Directors and, in particular, 94% of the independent Directors; 11 times after May 5, 2011, with an average duration of 3 hours and 13 minutes and average participation of 98% of the Directors and, in particular roughly 99% of the independent Directors. For the year in course, as of March 15, 2012, 3 meetings had been held, including that on the same day. A further 10 meetings are scheduled before the end of the year. The tables enclosed to this Report demonstrate the participation percentage for each Director for the meetings of the Board of Directors and the committees that each one belongs to. Pursuant to the Code of Borsa Italiana, the public is notified in advance – 30 days before the end of the previous financial year – on the date of the Board of Directors meetings that examine the pre-final results, financial statements and infra-year accounting reports required as per the regulations in force. These meetings also serve to determine the interim dividend payable for the year and to submit a proposal to the Shareholders' Meeting for the remaining dividend, alongside the relative dates for dividend payment and detachment of coupon. The financial calendar is available on the Eni website⁶⁷.

(63) As of January 1, 2012, the company is known as Snam SpA.

(64) For further details, please refer to the paragraph of this Report specifically dedicated to this issue.

(65) For further details, please refer to the paragraph of this Report specifically dedicated to this issue.

(66) For further details, please refer to the paragraph of this Report specifically dedicated to this issue.

(67) At the address: <http://www.eni.com/en/IT/investor-relation/financial-calendar/financial-calendar.shtml>.

The Eni Code allows independent Directors to decide whether to meet in the absence of other Directors for discussing issues deemed relevant to the operation of the Board of Directors. This express provision allowing such meetings to take place was requested by the independent Directors to ensure greater flexibility in relation to the actual requirements. During 2011, the independent Directors – in consideration of the frequency of the Board meetings – had several occasions to meet, even informally, for exchanging views and holding discussions.

Board Review and peer review

According to international best practices and the provisions of the Eni Code, the Board of Directors has launched, for the sixth consecutive year^[68], a self-assessment program (board review) on the Board of Directors and its Committees, referring to financial year 2011. As usual, the Board review was carried out with the support of a specialized and independent external consultant, to ensure objectivity in the process. In line with the responsibilities assigned to it by the Board and in line with that indicated in the corporate governance recommendations, the Nominations Committee served a supervisory role during the Board Review process. In particular, the Committee evaluated the offers from external consultants, proposing the consultant to be hired to the Board, after verification that the independence requirements were met. The board review was carried out with the support of Spencer Stuart and was based on individual interviews conducted by the consultant with the individual Directors, on the basis of an interview guide provided to the Directors beforehand by the consultant, involving also the Chairman of Statutory Auditors and the Company Secretary on specific aspects of the functioning of the Board. The subjects dealt with in the interviews took into account the renewal of the Board which took place on May 5, 2011, and also evaluated the results of previous board reviews and, in particular, areas which presented opportunities for improvement, in order to verify progress over the previous year.

As established in the Corporate Governance Code, the board review examined the size, composition, level of functioning, and the efficiency of the Board and the Committees.

At the same time, and with the support of the same external consultant, a peer review process for the Directors was also begun, in line with the evaluation of each Director regarding the contribution made by the other Directors in terms of the Board's work, to identify possible areas for improvement for the benefit of the functioning of the body. This peer review is a completely new innovation for Italian listed companies and, in transposing international best practices, implements one of the Eni Corporate Governance Proposals, which were presented to the market on July 13, 2011.

The results of the interviews done by the consultant for the board review were presented to the Board at the February 14, 2012 meeting, where they were discussed^[69].

In general, it was found that the opinions expressed by the

Directors matched overall, indicating satisfaction and appreciation of the composition and functioning of the Board. In particular, the following strengths were noted:

- excellent atmosphere for Board work, in part thanks to the methods the Chairman uses to manage the meetings;
- unanimous appreciation for the professionalism and skills of the Chief Executive Officer;
- high level of quality in the Board's composition;
- timely involvement of the Board for strategic decisions;
- appreciation for the company's governance and organisational structure, as well as for the attention paid to Corporate Social Responsibility and Environmental Sustainability;
- effective and efficient communications within the Board and satisfaction with the quality and timeliness of the information provided, even between meetings, and in part due to the participation of key managers at Board meetings;
- effective scheduling of Board meetings, in terms of appropriate frequency and duration, timely transmission of Board documents, proper preparation of the minutes for Board discussions and the attention to confidentiality of all the participants;
- appreciation for the induction program for new Directors and Statutory Auditors, well-designed and effective;
- satisfaction regarding the number, composition, structure, mission, and activities of the Committees;
- appreciation for the independence of the Internal Audit.

The Directors also identified the following areas for improvement:

- the need to dedicate less time to operational issues of minor importance, in order to dedicate more time to issues of a strategic nature;
- the opportunity for the Committees to highlight the most important issues examined in order to concentrate Board discussions on these when presenting and illustrating the periodic Committee reports.

The Directors have very high hopes for the recently established Nominations Committee.

In addition, the vast majority of the Directors do not feel it is necessary to introduce a Lead Independent Director, due to the reduced size of the Board and the role played by the Chairman, nor do they see any particular need to hold meetings of just the independent Directors, although they do not exclude the possibility of organizing such meetings.

The consultant Spencer Stuart, on the basis of the Board best practices, identified the key elements for an efficient and effective Board of Directors and identified some issues for reflection on the part of the Eni Board of Directors.

Specifically: (i) clear definition of the reciprocal expectations of the Chairman, CEO, and the Board; (ii) understanding of the expectations of management in regards to the Board, taking into account the interests of management and understanding the Board's orientation towards future business opportunities; (iii) the definition, as permitted by the shareholding structure,

[68] For the first time with reference to the Board in office.

[69] The results of the peer review will be shared with the individual Directors by the Chairman.

of a succession plan for the Chief Executive Officer, with the help of the Nominations Committee; (iv) the organization of regular meetings of just the independent Directors (executive sessions).

The Chairman reserved the right to propose some actions to implement in relation to the areas for improvement which emerged and in order to adapt the Board to the best practices identified by the consultant. To that end, the Board has already agreed to hold a one-day off site meeting in order to further examine the company's long-term strategies. Finally, the Chairman has scheduled individual meetings with the individual Directors to discuss the results of the peer review.

Induction program of the Board of Directors

In conformity to the provisions of the Eni Code regarding the effective and conscious implementation of each Director's role, Eni prepared a training plan (board induction) for the Board in office, immediately after their appointment, which occurred on May 5, 2011. This plan, now in its second edition, is intended to enable new Directors to acquire in-depth knowledge of the Company's activities and organisation, its relevant sector and the role to be performed in relation to Eni's specific characteristics. The program, which also involved new members of the Eni Board of Statutory Auditors, and in which other members of the two bodies were also invited to attend, 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 company areas and the main subsidiaries, going further in-depth on issues of greater interest for the Company bodies, with an eye to clear communication and overall understanding of the system. The meetings were scheduled using the Company's Corporate Departments and Divisions as a reference point, as well as the main subsidiaries and focussed on: Eni Corporate Governance; the responsibilities, obligations, powers, composition and functioning of the Board of Directors; the reference market and sector; 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.

In addition, in 2011 a series of meetings dedicated to the in-depth analysis of certain business issues in course were held. In this context, for example, it is established that the meetings may be held in venues other than the company offices – even abroad – so as to enhance knowledge of the Company's operations. In conformity to this provision, the Board of Directors meeting of September 29, 2011 was held in Congo. Inspired by the Eni Board of Directors Induction, the first training plan aimed at members of the Board of Directors of Eni subsidiaries has been scheduled for 2012, with a particular focus on the contributions gained by diversity in the Company bodies.

Remuneration report

Information about the remuneration of Directors, Statutory Auditors, Chief Operating Officers of Divisions and other managers with strategic responsibilities, in accordance with that suggested by Borsa Italiana for the preparation of this Report, is provided in the Remuneration Report, pursuant to Article 123-ter of the Consolidated Law on Finance.

Board Committees⁷⁰

The Board has set up four internal committees (three of which are required by the Corporate Governance Code) having consulting and advisory functions: a) the Internal Control Committee; b) the Compensation Committee; c) the Nominations Committee and d) the Oil-Gas Energy Committee. The composition, tasks and operation of the committees are governed by the Board through appropriate regulations⁷¹, in compliance with the criteria set forth in the Eni Code. The committees required by the Code (Internal Control Committee, Compensation Committee and Nominations Committee) consist of no fewer than three Directors and, as recommended by the Eni Code to avoid altering the Board's decision making process, the number of members must not exceed the majority of members of the Board. All the committees must be composed of non-executive Directors, the majority of whom must be independent. The Nominations Committee is composed of non-executive Directors and, in line with that recommended by the Borsa Corporate Governance Code, the majority are independent. Transposing the recommendations of Article 6 of the Corporate Governance Code for listed companies of December 2011 regarding remuneration, to which Eni adhered on December 15, 2011, the Compensation Committee regulations establish that the Committee is composed of four non-executive Directors, all of whom are independent, or alternatively, the majority of whom are independent; in the latter case, the Chairman of the Committee is chosen from among the independent Directors. In carrying out their relative functions, the Committees are entitled to access any information and company units required for performing their duties. In addition, they are provided with adequate financial resources and may avail themselves of external consultants, in compliance with the terms defined by the Board of Directors. The Committee meetings may be attended by the Chairman of the Board of Statutory Auditors or any other effective Statutory Auditor designated by the latter and, on invitation and with reference to single issues on the agenda, by any non-members. At meetings of the Nominations Committee, the Chairman of the Board of Statutory Auditors may participate, or any other effective Statutory Auditor designated by the latter for matters under the purview of the Board of Statutory Auditors. Committee meetings are minuted by the respective Secretaries. At the meeting of May 6, 2011, the following non-executive Directors, all of them independent, were appointed as members of the committees:

[70] Information provided in accordance with Article 123-bis, second paragraph, letter d) of the Consolidated Law on Finance.

[71] The regulations of the four Committees are available on Eni's website, at the following address: http://www.eni.com/en_IT/governance/board-of-directors/bod-committees/committees.shtml.

- Internal Control 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.

On July 28, 2011, the Eni Board of Directors, in accordance with the recommendations of their Corporate Governance Code, resolved to establish a Nominations Committee, chaired by the Chairman of the Board of Directors, Giuseppe Recchi, and composed of the Chairmen of the other Board committees: Alessandro Lorenzi (Chairman of the Internal Control Committee), Alessandro Profumo (Chairman of the Oil-Gas Energy Committee) and Mario Resca (Chairman of the Compensation Committee).

Internal Control Committee

During the course of 2011, the Committee met 18 times, with average participation: i) of 100% of its members, with reference to the 7 meetings held before the expiry of the previous Board in office (May 5, 2011) and ii) of about 95% of its members, with reference to the 11 meetings held after the appointment of the new Board. Total average participation of the 18 meetings of the Committee in 2011 was about 98% of its members. For the year in course, as of March 15, 2012, 5 meetings had been held. A further 11 meetings are scheduled before the end of the 2012.

The composition, appointment and operating procedures, tasks, powers and resources of the Committee are governed by an appropriate regulation, the current version of which was approved by the new Board of Directors on June 1, 2011, mainly confirming the previous version of 2009. Below is a summary of the main issues tackled during the course of the year:

- (i) the final statement for 2010 on the activities of Eni's Internal Audit activities, the Integrated Audit Plan and the Budget of Internal Audit for 2011, and the periodic states of progress of the same;
- (ii) the final data for operations relating to 2010 and the plan for 2011 of the Internal Audit Departments of the subsidiaries Saipem and Snam Rete Gas SpA⁷²;
- (iii) the results of the planned and non-planned audits released by Eni's Internal Audit department, in addition to the monitoring results regarding the state of execution of the corrective actions planned by the operational divisions for tackling the issues emerging during the course of the audit, including an in-depth analysis of certain specific issues; the results of audits carried out by Eni's Internal Audit Department in relation to specific requests coming from the Control and Supervisory bodies;
- (iv) the periodic statistical reports on the reports – even anonymous ones – received by Eni and subsidiaries, carrying out further research for said specific cases regarding the results obtained by the Internal Audit Department;
- (v) the proposal of a new organisation structure for the

Internal Audit Department, the performance objectives and positive results of the External Quality Review conducted by PriceWaterhouseCoopers regarding the activities of the department;

- (vi) on the occasion of the renewal of the corporate bodies, it expressed its favourable opinion in regards to the confirmation of the nomination of Marco Petracchini as the Officer in charge of internal control and Internal Audit Senior Executive Vice President, positively evaluating his profile and his characteristics of integrity, professionalism, skill, and necessary experience, as well as verifying the requirements for independence and the lack of incompatibility, including in terms of conflicts of interest, with previous activities or areas supervised in the Company;
- (vii) the Reports of the Officer in charge of internal control i) on Eni's internal control system for the year ending at December 31, 2010; ii) the main results of the activities of the Internal Audit Department at June 30, 2010;
- (viii) in regards to the "New Eni Regulatory System" project, it examined, prior to approval by the Board of Directors, and expressing its favourable opinion, the 3 Policies ("Sustainability", "Our tangible and intangible assets", "The integrity of our transactions") and the 2 MSGs "Anti-Corruption" and "Antitrust Code";
- (ix) in line with the role assigned to it by "Transactions involving the interests of Directors and Statutory Auditors and transactions with related parties", it expressed its favourable opinion regarding two operations of minor relevance, having identified the interest of the company in completing the transactions, as well as the suitability and overall correctness of the relative conditions;
- (x) the half-yearly report on the activities carried out by the Eni Watch Structure, including in relation to the functions of the Guarantor of the Code of Ethics, meeting with the members of said Body, as envisaged in Eni Model 231, twice, together with Eni's Board of Statutory Auditors;
- (xi) the statements relative to news/notifications of investigations or, more in general, of pending criminal proceedings on the part of bodies/authorities of the Italian or foreign governments with criminal jurisdiction or, in any case, having powers of judicial investigation with reference to any crimes perpetrated by Eni SpA or its direct or indirect subsidiaries, in Italy or abroad, or by its Directors, members of supervisory bodies, employees and/or collaborators; in this context, it also examined the periodic Report on the activities carried out by the Eni Control Team for Judicial Events in relation to the various communications received;
- (xii) the statements on the development of the main pending legal proceedings, particularly with regard to possible accounting implications affecting compliance with the relevant obligations for the annual and half-yearly financial report drafting process;
- (xiii) the Annual Report prepared by the Anti-Corruption Legal

[72] As of January 1, 2012, the company is known as Snam SpA.

- Support Unit regarding the various support activities provided to Eni and subsidiary company structures regarding anti-corruption issues;
- (xiv) the Reports of the Officer in charge of preparing financial reports, relating to the administrative and accounting structure of Eni as at December 31, 2010 and June 30, 2011, in addition to the verification in this context of the adequacy of the powers and means at his disposal;
 - (xv) the Reports of the Officer in charge of preparing financial reports, relating to the internal control system applied to financial reporting as at December 31, 2010 and June 30, 2011;
 - (xvi) the essential aspects of the Financial Statements and Consolidated Financial Statements as at December 31, 2010 of Eni and some subsidiaries consider of great interest (Saipem SpA, Snam Rete Gas SpA⁷³, Polimeri Europa SpA and Syndial SpA) meeting with the CFO and most senior members of the administrative functions to that end, as well as with the Chairmen or other members of the Boards of Statutory Auditors of each company and the partners of the Audit Firm responsible for expressing opinions on the single financial statements; in reference to Eni's 2010 Annual Report specific operations and/or shareholdings were further researched and the methodology and results of impairment tests carried out for each business sector were examined;
 - (xvii) the draft of the consolidated half-yearly financial report as at June 30, 2011, meeting with the CFO and most senior members of the administrative functions to that end, as well as the Audit Firm and dedicating extra attention to the profiles connected to application of accounting principles;
 - (xviii) the main aspects of the Annual Report on Form 20-F 2010; the statement of the Audit Firm on the status of implementation of audit activities pursuant to SOA 404 and the updating of the 2011 Anti-Fraud Programs and Controls;
 - (xix) the draft of the Report of the Directors pursuant to Article 2433-bis of the Italian Civil Code, relative to the interim dividends for the 2011 financial year;
 - (xx) the Reports of the Audit Firms on the 2010 Financial Statements and the audit limited to the Financial Report as at June 30, 2011; the content of the Group Management Letter;
 - (xxi) preliminary examination of the main issues regarding the application of accounting principles in terms of preparing the 2011 Annual Report;
 - (xxii) the initiatives begun in reference to the new "Asset Backed Trading e Commodity Risk Management" model and, in particular: i) the development program for Asset Backed Trading and the proposal to centralise said activities at Eni ii) the operational/organisation structure of Eni Trading&Shipping and the relative development forecasts, as well as the evolution of the initiatives begun for organisational risk management and reinforcement of the related internal control system at the Company;
 - (xxiii) the 2010 Report on the activities carried out to monitor and control respect for the defined financial risk limits, as well as the proposals to revise the guidelines regarding managing financial risk control, including in line with the evolution of the model connected to management of commodities risk and the activation of Asset Backed Trading operations;
 - (xxiv) updates on the evolution of Eni's Organisational Model, with a specific focus on Integrated Risk Management Activities, as well as the overall framework for the various subjects involved in the process and their relative responsibilities;
 - (xxv) the proposal to update the Consumer Prices Control Model in accordance with the recent changes to the relevant regulatory framework;
 - (xxvi) the periodic reports on the disciplinary actions taken against illegal conduct by employees;
 - (xxvii) the updates on the initiatives being carried out by the various Company structures to reinforce the relative internal control system, with particular reference to certain business support activities (ICT and Procurement) and of Syndial SpA;
 - (xxviii) the updates regarding Health Safety Environment & Quality on the implementation status of the program for the HSE management systems and the relative external certifications, as well as the control activities for Eni sites in Italy and abroad;
 - (xxix) updates regarding the process of managing investments regarding the Company's image and publicity.

Compensation Committee

Established by the Board of Directors for the first time in 1996, the Committee advises the Board regarding the remuneration of the Board of Directors, and in particular:

- submits the Remuneration Report and in particular the Policy for Remuneration of Directors and Managers with Strategic Responsibilities for approval by the Board of Directors, to be presented to the Shareholders' Meeting called for approval of the Financial Statements for the year, under the terms established by the law;
- periodically evaluates the adequacy, overall appropriateness, and the concrete application of the policy adopted, formulating proposals on the subject for the Board;
- formulates proposals regarding the remuneration of the Chairman and the CEO, including in regards to the various forms of compensation and economic treatment;
- formulates proposals relative to the remuneration of the components of the committees established by the Board;

(73) As of January 1, 2012, the company is known as Snam SpA.

- after having examined the indications from the CEO, proposes the general criteria for remuneration of the Managers with strategic responsibilities, annual and long-term incentive plans, including share-based, as well as the definition of performance objectives and determination of final company results for performance plans connected to the variable remuneration of Directors with proxies and the implementation of incentive plans;
- monitors the application of the decisions adopted by the Board;
- reports on a half-yearly basis to the Board regarding the activities performed.

The Committee also issues the opinions that may be required by the procedure regarding operations with related parties, in accordance with the same procedure⁷⁴.

In order to effectively perform its analytical and research functions, the Compensation Committee makes use of the relevant Company structures and may make use of, through the latter, the support of external consultants that are not in situations that would compromise the independence of their opinion. The Chairman of the Board of Statutory Auditors, or any other effective Statutory Auditor designed by the same, is invited to participate in Committee meetings and other Statutory Auditors may also take part when the Committee deals with issues for which the Board of Directors resolves after obligatorily hearing the opinion of the Board of Statutory Auditors. The Committee reports on the methods by which it carries out its functions to the Shareholders' Meeting called for the approval of the Financial Statements through the Chairman of the Committee or another component designated by the same.

During the course of 2011, the Compensation Committee met 6 times, with average participation: i) of 92% of its members, with reference to the 3 meetings held before the expiry of the previous Board in office (May 5, 2011) and ii) of about 100% of its members, with reference to the 3 meetings held after the appointment of the new Board. Among the most important topics dealt with, the following are highlighted: i) Eni's results for 2010 and definition of Eni's performance objectives for 2011 in relation to the existing variable incentive plans; ii) implementation of the variable incentive plans for the Chairman, CEO, and Directors on the basis of the results achieved in 2010; iii) implementation for 2011 of the Deferred Monetary Incentive Plan and its assignment to the CEO; iv) examination of the possible assignment of extraordinary treatments for the Chairman and CEO; v) proposals, in connection to the renewal of the company bodies, for remuneration of the Directors with proxies and non-executive Directors for participation on the Board committees; vi) criteria for the 2011 remuneration policy for managers with strategic responsibilities; vii) assignment of the 2011 Monetary Long-Term Incentive Plan for the CEO, replacing the Eni stock option plan; viii) implementation of the 2011 Long-Term Monetary Incentive Plan, for critical managerial resources; ix) examination

of the evolution of the laws regarding remuneration (consulting the Consob document of October 10, 2011); x) transposing of the recommendations of the Corporate Governance Code and the successive updating of the Compensation Committee Regulations. For the year in course, as of March 15, 2012, 2 meetings had been held. One additional meeting is scheduled at the end of the financial year. The composition, appointment and operating methods, tasks, powers and resources of the Committee are governed by an appropriate regulation approved by the Board of Directors on June 1, 2011 and later amended on December 15, 2011, in order to transpose the recommendations of the Corporate Governance Code of March 2010, as amended in December 2011⁷⁵. More information about the Compensation Committee is provided in the Remuneration Report, pursuant to Article 123-ter of the Consolidated Law on Finance.

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 Internal Control, Compensation, and Oil-Gas Energy Committees. The CEO participates at the Committee meetings, with the power to propose nominations under the responsibility of the Board and the relative succession plans, as well as the criteria which oversee the succession plans for Managers with strategic responsibilities at the Company. The Committee Secretary is the Chief Corporate Operations Officer. In line with the responsibilities recommended by the Borsa Italiana Code (including responsibilities regarding Board review, activities with competitors, and number of offices) it is established that the Nomination Committee:

- assists the Board in establishing any criteria for the designation of managers and members of the Company's and subsidiaries' organs and bodies, proposed by the CEO, the nomination of which is the responsibility of the Board, as well as the components of the other organs and bodies of other investee companies;
- formulates evaluations regarding the designation of managers and components of the Company and its subsidiaries' organs and bodies for the Board, as proposed by the CEO, the nomination of which is the responsibility of the Board, and supervises the associated succession plans. When possible and appropriate, in relation to the shareholding structure, it proposes a succession plan for the CEO to the Board;
- upon proposal from the CEO, examines and evaluates the criteria that oversee the succession plans for managers with strategic responsibilities for the Company;
- when one or more Directors leave during the course of the financial year, proposes candidates for the office of Director to the Board (Article 2386, first paragraph, Italian Civil Code), as recommended in the Borsa Italiana Code for replacement of

[74] For further details, please refer to the paragraph of this Report specifically dedicated to this issue.

[75] <http://www.eni.com/en/IT/governance/board-of-directors/bod-committees/committees.shtml>.

independent Directors, ensuring that the provisions regarding the minimum number of independent Directors and the percentages reserved for the less-represented category are respected;

- supervises the annual Board Review of the Board and its Committees;
- proposes a list of candidates for the office of Director to the Board to be presented to the Shareholders' Meeting in the case that the Board decides to make use of its right pursuant to Article 17.3 of the By-laws;
- proposes a guideline regarding the maximum number of offices of Director or Statutory Auditor that a Director may hold to the Board and sees to the relative periodic evaluations of the same, to be submitted to the Board;
- sees to the investigation relative to the periodic verifications regarding the independence and integrity requirements for the Directors and the lack of reasons for incompatibility or ineligibility for the same;
- formulates an opinion for the Board on any activities carried out by the Directors in competition with those of the Company.

The Regulations for the Nomination Committee were approved by the Board of Directors of Eni SpA at the meeting on September 29, 2011. During the course of 2011, the Nomination Committee met 3 times, with the participation of 100% of its components. For the year in course, as of March 15, 2012, one meeting had been held. In particular, during the course of 2011, the Committee: (i) met to approve the regulations to be proposed to the Board of Directors; (ii) resolved the execution of the board review relative to the year 2011, finalised the evaluation of the functioning of the Board; (iii) expressed its favourable judgement regarding the proposal, formulated by the CEO, of the nomination of Ing. Vergine as Chief Operating Officer of the Gas & Power Division, and of Ing. Dispenza as Chairman of Polimeri Europa SpA and effective Statutory Auditor of the Board of Statutory Auditors of Polimeri Europa SpA. In reference to succession plans, on February 14, 2012, the Nomination Committee examined the methodology regarding succession plans for management. In particular, Eni adopted a process, based on a series of pragmatic, rigorous steps, that capitalises on the practices and methodologies currently used to manage and develop all managerial staff and which focuses on using business strategy as a driver in the evolution of roles of strategic importance for Eni. The process leads the valorisation of the managerial capital available at Eni, compared with the best profiles available on the market, and ends with possible paths for development and onboarding, which are necessary to ensure that possible successors arrive at the appointment with the necessary level of skills and solidity.

Oil-Gas Energy Committee

The Oil-Gas Energy Committee (OGEC) was established by the Board of Directors of Eni in order to monitor trends and scenarios in the international energy markets and has advisory and consulting functions with respect to the Board of Directors, in relation to the energy scenarios underlying the preparation of strategic plans.

During the course of 2011, the OGEC met 6 times, with average participation: i) of 80% of its members, with reference to the sole meeting held before the expiry of the previous Board in office (May 5, 2011) and ii) of about 87% of its members, with reference to the 5 meetings held after the appointment of the new Board. During the year in course, only one meeting has been held, with an additional 5 meetings planned before the end of the year. The meetings were often attended by the Chairman, other Directors, and the chairman or another member of the Board of Statutory Auditors. During the course of the year, OGEC examined various issues aimed at focussing not only the Board's activities but those of the current market context. In particular, the activities used to prepare scenarios and strategic studies at Eni were examined, as was how these activities are inserted into the overall company planning process, as well investigating the fundamental business metrics through an examination of the current status of the oil&gas markets. Hence, OGEC dealt with other issues more specific to its assigned responsibilities, such as the examination of the industrial challenges identified in the Master Plan, Eni's long-term strategic guidelines document, and analysis of the medium-long term price scenario, the foundation of the definition of the Strategic Plan and evaluation of investment initiatives. Finally, analysis regarding the evolution of the competitive context was carried out as well as examining the performance of Eni's main competitors, divided by business sector.

Chief Operating Officers of the Divisions

Pursuant to Article 24 of the By-laws, the Board of Directors may appoint one or more Chief Operating Officers⁷⁶ and define their relevant powers, upon a CEO's proposal and in agreement with the Chairman, subject to fulfilment of the integrity requirements specified by the law. The Board periodically assesses the integrity of the Chief Operating Officers on the basis of statements issued by the Officers themselves; failure to fulfil these requirements determines their dismissal from the office.

The Chief Operating Officers are also required to comply with the rules defined by the Board of Directors regarding the maximum number of offices they may hold, in accordance with the regulations that apply to the CEO.

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

- **Claudio Descalzi**, Chief Operating Officer of the Exploration & Production Division;
- **Domenico Dispenza**, Chief Operating Officer of the Gas & Power Division, replaced by Umberto Vergine effective January 1, 2012;
- **Angelo Fanelli**, Chief Operating Officer of the Refining & Marketing Division.

At the meeting held on February 14, 2012, the Board of Directors – on the basis of statements issued – verified fulfilment of the integrity requirements, and also verified whether the Chief Operating Officers complied with the rules on the maximum number of offices that may be held.

[76] For further details, please refer to the relevant page on the website that contains the Company organisation charts: <http://www.eni.com/en/IT/company/organisation-chart/organisation-chart.shtml>.

Board of Statutory Auditors⁷⁷

Responsibilities

Pursuant to the Consolidated Law on Finance, the Board of Statutory Auditors supervises the following: (i) the compliance with the law and the By-laws; (ii) the observance of the principles of correct administration, the adequacy of the Company's organisational structure for matters within the scope of the Board itself, the adequacy of the internal control system and of the administrative-accounting system, as well as the reliability of latter in correctly representing the Company's transactions; (iii) the arrangements for implementing the Corporate Governance rules provided for in the Code of Borsa Italiana to which the Company adheres; and (iv) the adequacy of the instructions imparted by the Company to its subsidiaries, in order to guarantee full compliance with legal reporting requirements. Moreover, pursuant to Article 19 of Italian Legislative Decree No. 39/2010 (hereinafter "Decree No. 39/2010"), the Board of Statutory Auditors performs the functions assigned to it in its role of "internal control and financial auditing committee".

Relative to this function, the Board of Statutory Auditors supervises: (a) the financial reporting process; (b) the efficacy of the internal control, Internal Audit (where applicable) and risk management systems; (c) the auditing of the Annual Financial Statements and Consolidated Financial Statements; (d) the independence of the auditor or Audit Firm, in particular with regard to the provision of non-auditing services to the entity subject to financial auditing. The functions assigned by the Decree to the "internal control and financial auditing committee" are coherent with and essentially comply with the responsibilities already assigned to the Board of Statutory Auditors of Eni, above all in consideration of its role of Audit Committee pursuant to the US "Sarbanes-Oxley Act" (which shall be outlined in greater detail further on). As already set forth in the Consolidated Law on Finance and currently regulated by Article 13 of Legislative Decree No. 39/2010, the Board of Statutory Auditors formulates a justified proposal to the Shareholders' Meeting relative to the assignment of the role of financial auditor and the determination of the remuneration payable to the auditor. Moreover, pursuant to Article 19, paragraph 1, letters c) and d) of the aforementioned Decree, the Board of Statutory Auditors supervises the auditing activities and – in accordance with the provisions of Article 10.C.5 of the Eni Code – the independence of the Audit Firm, by verifying compliance with the applicable regulations as well as the nature and entity of any services other than financial auditing services provided to the Eni Group directly or through companies belonging to its network. Results of the supervisory activity are recorded in the Report drawn up in accordance with Article 153 of the Consolidated Law on Finance and enclosed with the Financial Statements documentation. On March 22, 2005, the Board of Directors, by virtue of the rights granted by the Stock Exchange

Commission (SEC) to foreign issuers listed on regulated US stock markets, identified the Board of Statutory Auditors as the body that, since June 1, 2005, has carried out – within the limits set forth in the Italian regulations – the functions assigned to the Audit Committee of said foreign issuers by the Sarbanes-Oxley Act and the SEC regulations. On June 15, 2005, the Board of Statutory Auditors approved the regulations concerning the fulfilment of the functions assigned to it pursuant to the above-mentioned US regulation⁷⁸; the text of the regulations is available on the Eni website⁷⁹.

Composition and appointment

In compliance with the provisions of the Consolidate Law on Finance, the Board of Statutory Auditors is composed of a minimum of three effective members and two alternate members. The Company's By-laws establish that the Board of Statutory Auditors must be composed of five effective Statutory Auditors and two alternate Statutory Auditors, appointed by the Shareholders' Meeting for three financial years and re-electable at the end of their office. Similarly to the provisions for the Board of Directors and in compliance to the applicable provisions, the By-laws establish that Statutory Auditors are appointed through voting lists in which the candidates are listed numerically; two effective Statutory Auditors and one alternate are chosen from the candidates of the minority shareholders. On the basis of the provisions contained in the By-laws, the submitting, depositing and publishing of the lists is governed by the procedures applicable to the Board of Directors⁸⁰, in addition to the provisions issued by Consob with its own regulations. The candidate lists are divided into two sections: the first section concerns candidates to be appointed as effective Statutory Auditors, while the second concerns the appointment of alternate Statutory Auditors. At least the first candidate in each section must be a chartered accountant and must have exercised auditing activities for no less than three years. The lists must be accompanied by the following: (i) information on the shareholder(s) submitting the list, including the percentage of the total shareholding held; (ii) the statements of shareholders other than those who control or hold relative majority shareholding, certifying the absence of relations with the latter; (iii) a personal and professional curriculum; (iv) the statements – issued by each candidate – certifying compliance with the requirements specified in the applicable regulations; (v) the declaration of acceptance of the nomination; (vi) the list of offices held in other companies. The appointment procedure shall be based on the same methods already specified with reference to the Board of Directors. The list voting procedure shall only apply when the entire Board of Statutory Auditors has to be renewed. Should an effective Statutory Auditor from the list that received the majority of votes be replaced, the alternate Statutory Auditor selected from the same list shall fill the vacant position; should an effective Statutory Auditor from the other lists be replaced, the

[77] Information provided in accordance with Article 123-bis, second paragraph, letter d) of the Consolidated Law on Finance.

[78] These regulations were amended on March 30, 2007 to include the new provisions introduced by Italian Legislative Decree No. 303/2006 to Article 159, paragraph 1, of the Consolidated Law on Finance and by the Eni Code, as well as to make the necessary adjustments based on the organisational changes that have occurred since June 15, 2005, when the previous regulations were approved. The regulations were further amended on April 7, 2010 to reduce the terms of calls.

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

[80] See the paragraph "Appointment" in the chapter "Board of Directors" in this Report.

alternate Statutory Auditor selected from those same lists shall fill the vacant position.

Pursuant to Article 28.2 of the By-laws, in compliance with the provisions of the Consolidated Law on Finance, the Shareholders' Meeting shall appoint as Chairman of the Board of Statutory Auditors one of the elected candidates from the lists that did not receive the majority of votes. On May 5, 2011, the Shareholders' Meeting appointed the following persons as statutory auditors, for three financial years and, in any case, until the date of the Shareholders' Meeting called to approve the 2013 Financial Statements: Ugo Marinelli, Chairman, Roberto Ferranti, Paolo Fumagalli, Renato Righetti and Giorgio Silva, effective Statutory Auditors, Francesco Bilotti and Maurizio Lauri, alternate Statutory Auditors. Moreover, the Shareholders' Meeting determined the annual remuneration payable to the Chairman of the Board of Statutory Auditors and to each effective Statutory Auditor, in the amount of €115,000 and €80,000, respectively, in addition to the reimbursement of any necessary expenses incurred while performing their office. Roberto Ferranti, Paolo Fumagalli, Renato Righetti and Francesco Bilotti were appointed on the basis of the list submitted by the Ministry of Economy and Finance, which at the time owned 3.93% of the share capital, and voted by the majority of the shareholders that participated in the Shareholders' Meeting (that is about 57.7% of voting capital), equal to 31.78% of share capital. Ugo Marinelli, Giorgio Silva and Maurizio Lauri were appointed on the basis of the list submitted by institutional investors, holding a total of 0.9% of the share capital, and voted by the minority of the shareholders that participated in the Shareholders' Meeting (that is about 40.6% of voting capital), equal to 22.37% of share capital. Below are some details on the personal and professional profiles of the elected effective Statutory Auditors.



Ugo Marinelli

He has been Chairman of the Board of Statutory Auditors of Eni SpA since June 2008.

Born in Rome in 1941.

He graduated in Economics and Business at the 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 responsibilities both nationally and internationally (Managing Partner of the Office of Rome, Managing Partner Italy of ABA - Assurance and Business Advisory "Prodotti e Servizi", member of the Management Committee for Italy, member of the Board of the Andersen Worldwide Organization and Chairman of the Compensation Committee, member of the Nominating Committee of Andersen Worldwide Organization, member of Management Committee International of ABA - Assurance and Business Advisory). He is an expert in international accounting principles - IFRS; he was a member of EFRAG – European Financial Reporting Advisory Group – the technical consultative body of the European

Commission for the endorsement of the international accounting principles drawn up by IASB - International Accounting Standards Board.

He has held several positions as auditor and director of Board. From 1985 to 1994 he was Professor of Auditing at the Faculty of Economics and Business at the Università degli Studi "La Sapienza", in Rome and, until 2012, Professor of Auditing at the Faculty of Economics "Federico Caffè" at the Università degli Studi "Roma Tre".



Roberto Ferranti

He has been an effective Statutory Auditor of Eni since June 2008.

Born in Rome in 1947.

He graduated in Economics and Business from the Università degli Studi "La Sapienza", in Rome.

He is a certified public auditor.

He is currently Chairman of the audit committee of the Agenzia Nazionale per la Sicurezza del Volo, member of the audit committee of Federazione Italiana Nuoto, and Chairman of the audit committee of the Registro Italiano Navale. He has been Ispettore Generale Capo of Ispettorato Generale per la Contabilità e la Finanza Pubblica since July 2009. In May 2010 he was appointed Chairman of Comitato per i Principi Contabili as provided by Law No. 196/2009.

In 1987, he was appointed Executive of Division VI of Ispettorato Generale del Bilancio – Ragioneria Generale dello Stato – and in 1992 he was appointed Executive of Division II of Ispettorato Generale del Bilancio. In 1994, he took over as interim head of Ufficio di Finanza Pubblica of Ispettorato Generale del Bilancio and has been Executive of Ufficio di Finanza Pubblica.

He was Chairman of the Board of Statutory Auditors of Equitalia Piacenza SpA and Equitalia Spezia SpA, Director of Equitalia Cerit SpA of Firenze and Statutory Auditor of SIMEST SpA.

He is a member of section working groups for the General Report of the Italian Economic Situation and for the audit of the Treasury statement of account. He has also held teaching positions at the State General Accounting Department.



Paolo Fumagalli

He has been an effective Statutory Auditor of Eni since May 2011.

Born in Busto Arsizio (VA) in 1960.

He graduated in Political Science at the Università Cattolica del Sacro Cuore, in Milan.

He is a professional accountant and certified public auditor.

He is a member of the Ordine dei Giornalisti.

He is currently founder partner of the Studio Professionale Associato GFT & Partners, in Milan, Chairman of Intesa Sanpaolo Previdenza SpA, BFS Partner SpA and of CAPFIN SpA, Director of Leasint SpA and effective Statutory Auditor of Cassa Depositi e Prestiti SpA (CDP SpA), ASPEN Energia Srl (A2A Group) and of ARRIVA ITALIA Srl (Deutsche Bahn Group).

He is Professor of "Fondi Pensione e Previdenza Complementare"

at the Faculty of Banking, Financial and Insurance Sciences of the Università Cattolica, in Milan.

He was Director of Banca Intesa SpA (2000-2006), of Holding Intesa Centro SpA (1999-2008), of Banca Infrastrutture Innovazione e Sviluppo SpA (BIIS SpA) (2005-2010) and Chairman of Carivita-Intesa Vita-Intesa Sanpaolo Vita SpA (2002-2011).



Renato Righetti

He has been an effective Statutory Auditor of Eni since May 2011.

Born in Rome in 1946.

He graduated in Law at the Università degli Studi, in Rome.

He is a certified public auditor.

He is currently an anti-money laundering consultant for the Public Prosecution Service and the Parliamentary Commission, with particular reference to the fight of organized crime. He has been an effective Statutory Auditor of Ansaldo STS SpA since April 2011. He was Executive of the Ufficio Italiano dei Cambi and, subsequently, of the Banca d'Italia.

From 1974 to 1981 he was a member of the group of experts formed to fight against flight of capital abroad and to manage criminal law profiles in the monetary sector. Until 1994 he was Head of the Secretary Office of the Governor, Chairman of the Board of Directors of the Ufficio Italiano Cambi, as well as Secretary of the Board itself. From 1995 to 1998 he was a member of a group of financial experts of the Comitato di Coordinamento dei Servizi di Informazione.

In 2006 he represented the Banca Centrale in the Commissione Greco for the collection of legal costs and in 2007 he was appointed Coordinator of the subgroup dealing with the definition of guidelines for the optimization of sequestered assets.

Until 2008 he was responsible for Italian and foreign anti-money laundering activities of the Banca Centrale and he was a member of the Comitato di Sicurezza Finanziaria (CSF) formed by the Ministry of Economy and Finance. From 2004 to 2008 he was expert of the Comitato per l'Alta sorveglianza delle grandi opere, formed by the Ministry of Interior.

Until 2010 he was the Head of a group of experts formed by the Public Prosecutor Office in Milan, to assist in the fight against economic and financial crime and against activities related to money laundering, usury and the financing of terrorism.



Giorgio Silva

He has been an effective Statutory Auditor of Eni since May 2005.

Born in Samarate (VA) in 1945.

He graduated in Economics and Business from the Università Cattolica del Sacro Cuore in Milan.

He has been registered in the Register of Certified Public Accountants of Busto Arsizio since July 4, 1975, and in the Register of 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; effective Statutory Auditor of RCS Mediagroup SpA, effective Statutory Auditor of: 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 (he also holds the position of alternate Auditor of Luxottica SpA, Autogrill SpA, CAI First SpA and Nuova Sidap Srl, Auditor for Fondazione Corriere della Sera, Fondazione Candido Cannavò per lo sport and Provincia di Varese).

He is a speaker at conventions and author of articles and publications relating to taxation issues. He is a member of the Watch Structures – pursuant to Italian Legislative Decree No. 231/01 – of RCS Mediagroup SpA and Luxottica SpA.

He held executive administrative positions in important industrial companies from 1965 to 1973. He took up an executive role 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 Board 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 effective 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, under the Governance section.

Independence, integrity and professional requirements, causes for ineligibility, incompatibility and dismissal

As stated in the Eni Code, the Statutory Auditors act with autonomy and independence also towards the shareholders who have nominated them. Pursuant to the Consolidated Law on Finance, the Statutory Auditors must meet specific independence requirements, as well as the professional and integrity requirements, as set forth in the regulations issued by the Ministry of Justice and the Ministry of Economy and Finance⁸¹. With reference to the professional requirements, Article 28 of the By-laws states that – as set forth in the aforementioned ministerial regulatory provisions – the requirements may also be met through professional or teaching experience (lasting at least three years) in the business law, business economics and corporate finance fields, or through the exercise of executive functions (for at least three years) in the engineering and geology fields. In addition, all the Statutory Auditors currently in office are all registered in the Registry of chartered accountants. The Statutory Auditors for the first time declared – upon being appointed – to fulfil the independence, integrity and professional requirements set forth in the applicable regulations, and the Board of Directors completed the verification assignments conferred to it during the meeting held on May 6, 2011. Subsequently, and in compliance with

[81] "Regulation including provisions for defining the professional and integrity requirements of members of the Board of Statutory Auditors of listed companies to be issued in accordance with Article 148 of Italian Legislative Decree No. 58 of February 24, 1998," contained in Decree No. 162 of March 30, 2000.

the provisions of the Eni Code, aimed at ensuring that the Statutory Auditors satisfy the independence requirements, also in accordance with the criteria set forth in the Eni Code for the Board of Directors, the Board of Statutory Auditors verified, in the meeting held January 18, 2012, that its members fulfil the aforementioned requirements (independence, integrity and professionalism) and the Board of Directors, at the meeting of February 14, 2012, completed the verification assignment entrusted to it.

Lastly, pursuant to applicable laws, the subjects who hold the same office in five other listed companies are not allowed to take up the office of member of the auditing body in any other issuer company. This is without prejudice to individuals who hold the same office in the auditing body of just one issuer, who may hold other offices of administration and control in Italian companies, within the relevant limits defined by Consob regulations⁸². The Statutory Auditors are obliged to notify the offices taken up and relinquished, in the manner and terms set forth in the applicable regulations, to Consob, which shall then publish the acquired information and make it available on its website.

Meetings and running of meetings

The Statutory Auditors and Directors are simultaneously provided with documentation of the issues on the agenda to be discussed at the Board of Directors meeting, and the Board of Directors and CEO shall report - at least every quarter or, in any case, during the Board meetings - on the activities performed and on the most significant economic, financial and asset-related transactions effected by the Company and its subsidiaries, in addition to a comprehensive statement on the transactions carried out with related parties, pursuant to Article 23.3 of the By-laws. In compliance with the specifications of the Eni Code and the MSG "Transactions involving interests of Directors and Statutory Auditors with related parties"⁸³, the Statutory Auditors must inform the Board of Directors of any personal or third-party interests they hold in relation to any given operation of the Company. The Board of Statutory may also meet via videoconferencing or teleconferencing. The Board of Statutory Auditors in office as of May 5, 2011 met 12 times over the course of 2011. The average duration of the meetings was 4 hours and 26 minutes. In 2011, an average of 87% of the Statutory Auditors attended meetings of the Board of Statutory Auditors and an average of 89% of Statutory Auditors attended Board meetings⁸⁴.

For the year in course, as of March 15, 2012, 6 meetings had been held. A further 11 meetings are scheduled before the end of the year. The tables enclosed to this Report demonstrate the participation percentage for each Statutory Auditor for the meetings of the Board of Statutory Auditors and the Board of Directors.

Internal control and risk management system

Eni is committed to promoting and maintaining an adequate internal control and risk management system consisting of a set of tools, organisational structures, company rules and regulations aimed at making it possible, through an appropriate process of identification, measurement, management and monitoring of the major risks and by organising adequate reporting to ensure the circulation of information, to manage the Company in a sound and proper way, in line with the strategic objectives defined by the Board of Directors. Eni is aware of the fact that an effective internal control and risk management system contributes toward safeguarding the Company's assets, the efficiency and effectiveness of processes, the reliability of financial reporting and compliance with the laws and regulations, as well as the Company By-laws and procedures. The structure of Eni's internal control system constitutes an integral part of the Company's organisational and management model; it involves – with different roles – administrative bodies, supervisory bodies, control bodies, the management and all personnel, inspired by the principles contained in the Corporate Governance Code, and taking into account the applicable regulations, the relevant "CoSO Report"⁸⁵ framework and national and international best practices. Eni is committed to guaranteeing the integrity, transparency, fairness and efficiency of its processes through the adoption of adequate tools, rules and regulations in performing activities and exercising powers, and promotes rules of conduct inspired by the general principles of traceability and segregation of activities. Indeed, each section of this system is integrated by the provisions of the Company's Code of Ethics that identifies certain essential values, including formal and substantive legitimacy of the conduct of members of Company bodies and all employees, accounting transparency and the promotion of a culture based on internal controls. Eni's managers – also on the basis of the risks managed – establish specific control activities and monitoring processes aimed at ensuring the system's efficacy and efficiency over time. Eni's managers carry out regular assessments on the adequacy of the internal control system of each Company process, also in response to any changes in the legal and regulatory framework, and establish information flows towards the relevant subjects, so that they may regularly assess the adequacy of the internal control system and provide reasonable assurance as to the attainment of the pre-defined objectives. Eni is conscious of the fact that investors rely on the full compliance, on the part of Company bodies, the management and all employees, with the system of rules that make up the Company's internal control system. In this context, Eni – through an appropriate internal regulation and in compliance with the provisions of the

(82) See, most recently, Consob resolution of January 20, 2012.

(83) For further details, please refer to the paragraph of this Report specifically dedicated to this issue.

(84) The Board of Statutory Auditors in office until April 27, 2011, composed of Auditors Ugo Marinelli (Chairman), Roberto Ferranti, Luigi Mandolesi, Tiziano Onesti, Giorgio Silva (effective Statutory Auditors), Francesco Bilotti and Pietro Alberico Mazzola (alternate Statutory Auditors), met 7 times over the course of 2011. The average duration of the meetings was 4 hours and 5 minutes. In 2011, an average of 89% of the Statutory Auditors attended meetings and at Board meetings, an average of 91% of the Statutory Auditors.

(85) Please refer to CoSO - Committee of Sponsoring Organisations of the Treadway Commission (1992), Internal Control - Integrated Framework. The adoption by Eni of the CoSO Report is referred to in several documents, the major ones being: the Eni organisational, management and control model pursuant to Italian Legislative Decree No. 231/01, approved by the Board of Directors in the meetings held on December 15, 2003, January 28, 2004 and March 14, 2008; the Management System Guideline, the Eni company reporting control system approved by the Board of Directors at the meeting of December 15, 2010, as well as the relevant practices set forth by the Internal Audit Department.

Sarbanes-Oxley Act – manages the receipt (through easily accessible information channels), analysis and processing of messages it receives from its subsidiaries, even in confidential or anonymous form, relative to internal control issues, financial reporting, the Company's administrative responsibility, fraud or other matters (so-called whistleblowing)⁸⁶.

To that end, in 2011, the Company issued a new version of the procedure, reviewed and improved in the light of the experience obtained through its application. For Eni, the so-called "culture of risk and relative control" contributes to defining and influencing the management's approach and decision-making in pursuing the Company's objectives and in representing the relative results. Eni recognises that risk evaluation forms the foundation of its decision-making processes and promotes the adoption of systems, in the context of company operations, that help management to even more effectively identify and evaluate the main risks and the relative actions to deal with them. In line with this approach, Eni has long been committed to favouring the development and diffusion of awareness about internal control issues amongst all the Company's personnel. In order to ensure sound and proper management of the Company's activities, in conformity to the pre-defined strategies and objectives, Eni promotes a preventive approach to risk management whereby the management's decisions and activities aim to reduce the probability of negative events occurring and their relevant impact. To this aim, Eni adopts risk management strategies according to the nature and type of risk, such as mainly financial and industrial risks, regulatory/compliance risks and certain strategic and operational risks, including Country risks relevant to Oil&Gas activities and risks associated with hydrocarbon research and production activities. The procedure through which the management identifies, assesses, manages and monitors the specific risks involved in the management of Company processes are disciplined by the various guidelines, procedures and organisational provisions contained in the Company's regulatory system which, being based on a risk-prevention approach, contributes to their containment. With specific reference to industrial⁸⁷ and financial risks, special measures and relevant regulations subject to regular updating have been set forth – within the Chief Financial Officer's area of competence – to ensure coherent and transversal management of the various types of risk. Moreover, the development of risk assessment programs on specific issues contributes to fostering the management's awareness on risk management issues, and helps to improve and enhance the effectiveness of decision-making processes. The internal control system is regularly verified and updated, so as to constantly guarantee its ability to monitor the main risk areas of the Company's activities, in relation to the specific nature of the Company's operational Divisions and organisational structure, and in response to possible changes in the legal and regulatory

framework. A major role in verifying and assessing the internal control system is carried out by the Officer in charge of internal control, who at Eni corresponds to the Internal Audit Senior Executive Vice President, as described in detail further on. The main changes introduced in 2011 can be ascribed to the natural evolution process aimed at the "continuous improvement" of the system's effectiveness and efficiency. In accordance with initiatives begun previously, Eni has decided to develop a new integrated risk management model that will serve to supplement the already existing systems and which is intended to: (i) create a summarised vision of the company's main risks, to allow analysis and comparison, progressively and with an eye to continuous updating in the reference context, of risks of various natures; (ii) reinforce the risk management culture in company processes, through the spread of a shared "language" in regards to risk and uniform tools/methods for the representation and management of the same. In particular, an initial mapping was carried out that identified the main risk categories for Eni and the associated management system. On the basis of this evidence, referring to the leading risk management and control practices and respecting the relevant regulations, the lines to create an Integrated Risk Management (IRM) model were defined, with the following elements: (i) Risk Governance: 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; for said risks, the reference model establishes three distinct levels of roles and responsibilities (risk owner, functions in charge of risk control⁸⁸ and independent assurance provider); (ii) Process: represents all those activities by which the various actors identify, measure, manage and monitor the main risks that could influence whether Eni achieves its objectives; (iii) Reporting: 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 treatment plans. This model establishes new roles integrated with the organisational structures and business areas. Lastly, over the years Eni has been strongly focusing on anti-corruption issues, by expressly forbidding in its Code of Ethics, "corruption practices, illegitimate favours, collusive behaviour, requests – either direct and/or via third parties – for personal benefits and career benefits for oneself or others". In order to ensure full compliance with the Code of Ethics and to provide a systematic framework of the rules and procedures regarding anti-corruption issues, at the end of 2009 Eni issued the Anti-Corruption Guidelines, which were updated and reissued on December 15, 2011, under the name of the Anti-Corruption MSG, effective as of January 1, 2012. Successively, over the course of 2010 and 2011, Eni issued several Ancillary Procedures on relevant specific issues⁸⁹ which, downstream from the issuing of the Anti-Corruption MSG, will be referred to as "Anti-Corruption Regulatory Instruments".

[86] Eni fully guarantees the protection of persons that report any issues in good faith, and submits the results of the preliminary investigation to the Company's management and to the relevant control and supervisory bodies.

[87] The term "industrial risks" refers to risks related to events that – if they occur – cause damage to the Company's assets (property) and/or injury to third parties during their activities (casualty), including injuries to persons involved in the production process.

[88] Functions that assist risk owners in activities to identify, analyse, evaluate, and monitor the main risks as well as the definition of the treatment actions; these functions are defined in relation to the size/type of risks.

[89] For further details, please consult the paragraph "Anti-Corruption Policy".

New Eni Regulatory System

On July 28, 2010, Eni's Board of Directors approved the Fundamental Guidelines of the New Eni Regulatory System⁹⁰, 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 based on Company functions to one based on business processes, with the institution of a new role, the "Process Owner"⁹¹, who is responsible for the competence process and for assessing the suitability of the latter's adequacy, by monitoring its actual implementation; (ii) a greater emphasis on the management and coordination role that Eni SpA exerts on its subsidiaries, in compliance with the latter's managerial independence; (iii) the integration of the compliance principles with Company processes (Integrated Compliance), with the aim of transposing and diffusing the control rules and standards specified by the various compliance models into the operational context of Company processes; (iv) the simplicity of the architecture, achieved by reducing the various types of documents and improving their usability, through straightforward terminology and search methods.

To this aim, all Eni's activities have been grouped into a definite map of processes that are transversal with respect to the organisational and Company structure. The business process is the key-area in which the regulatory system is developed: the system is tailored to Company activities and integrated with the control requirements and principles. Another key element of the process-based approach is the definition of the role of the Process Owner as the person responsible – for the whole of Eni – for the competence process and for guaranteeing the adequacy of the relevant plan. The entire body of regulations is grounded on a coherent framework, the essential elements of which include the By-laws, Code of Ethics, Eni Code, Model 231 Principles, SOA Principles and the CoSO Report.

Following the simplification of the architecture, four levels of regulatory documents have been defined: the first two levels dedicated to management and coordination activities ("Policy" and "Management System Guideline"), while the remaining two levels "Procedures" and "Operating Instructions") provide details for managing the operations, in accordance with the principles and rules set forth in the first two levels. In particular, the Policies constitute unwaivable documents that define the general principles and rules of conduct that must inspire all of Eni's activities, while taking into account the relevant risks and opportunities. The Policies are transversal to the processes and each one focuses on a key element of Company management. The Management System Guidelines (MSG) define the rules common to all Eni realities and can be relevant to either processes or compliance/governance issues. The Procedures define operational methods to be implemented in executing the Company's activities, while the Operating Instructions constitute a more advanced level for representing the operating procedures referred to a specific

function, organisational unit or professional area.

During the course of 2010, Eni issued the first seven Policies, four process MSGs and two compliance MSGs, instituted by the Compliance Committee, which have the objective of identifying issues which, in relation to changes in the legislative and case law context, and to changes in the relevant best practices and audit activities, require the adoption or adaptation of internal procedures, nominating the Process Owners for the MSGs issued. During the course of 2011, the program to develop the New Regulatory System continued. This stage is planned to also continue in 2012. The definition of the ten planned Policies⁹² was completed and the Process Owners for the fifteen process and compliance/governance MSGs were appointed. The Policies and MSGs issued by Eni were published and transmitted to subsidiaries, for the relevant later stages: formal transposing and adaptation of their own body of regulations. Issuing of MSGs will be completed by the end of 2012. The rationalisation of the underlying body of procedures, which will include the repeal of the documents that were part of the old regulatory system, will take place for each process after the relevant MSG is issued. To help with the process of implementing the New Regulatory System, Eni has begun a roll-out project for said System at both foreign and Italian subsidiaries. The roll-out project essentially consists in helping subsidiaries with the transposing and implementation stages, in particular for activities to adapt the company's body of regulations to that established in the individual transposed Eni SpA MSGs, when applicable. To that end, specific support instruments have been prepared (Gap Analysis tool and Action Plan). During the course of 2011, approximately 100 subsidiaries were included in the project. The project will continue in 2012. Finally, during the course of 2011, monitoring of the transposing of the regulatory instruments issued by the subsidiaries took place, as well as certification of the appropriateness of the design of the MSGs on the part of the relevant Process Owners. The design and preparation of the identified process and compliance/governance MSGs is planned to be completed by the end of 2012.

Board of Directors

The Board of Directors plays a key role with regards to internal control matters, as it defines the guidelines of the organisational, management and accounting structure of the Company, its main subsidiaries and the Group as a whole; in this context, after analysing the proposals of the Internal Control Committee, the Board determines the guidelines for the internal control system, so as to guarantee that the major risks affecting the Company and its subsidiaries are identified, measured, managed and monitored. In defining these guidelines, the Board applies the sector regulations and takes into due consideration the reference models and national/international best practices.

Lastly, the Board assesses – on an annual basis and with the assistance of the Internal Control Committee – the adequacy,

[90] The New Regulatory System will progressively replace the current regulatory system.

[91] 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 between several business areas.

[92] The Policies issued are: "Our People", "Our partners of the value chain", "The global compliance", "The Corporate Governance", "Operational Excellence", "Our institutional partners", "Information Management", "Sustainability", "Our tangible and intangible assets", and "The integrity of our operations".

efficacy and actual functioning of the internal control system globally considered, in relation to Eni's characteristics. During the meeting held on March 15, 2012, the Board – after examining the Report of the Officer in charge of preparing financial reports and the Report of the Internal Control Committee – assessed the internal control system as being altogether adequate and effectively functional, also in the light of the current initiatives.

Board of Statutory Auditors

Besides exercising the supervisory and control functions specified in Article 149 of the Consolidated Law on Finance, the Board of Statutory Auditors supervises the financial reporting process and the effectiveness of internal control and risk management systems, given its role of “Committee for internal control and auditing”, pursuant to Italian Legislative Decree No. 39/2010 and of “Audit Committee”, in conformity to US regulations. In particular, it: (i) assesses the proposals of the Audit Firm for assigning the auditing function and formulates a justified proposal to the Board regarding the appointment or dismissal of the Audit Firm; (ii) supervises the activities of the Audit Firm responsible for auditing and for providing consulting services, other auditing functions or certifications; (iii) formulates recommendations to the Board of Directors regarding the resolution of disputes between management and the Audit Firm in relation to financial reporting; (iv) approves the procedures concerning: (a) the receipt, filing and processing of reports received by the Company regarding accounting issues, the internal accounting control system or auditing issues; (b) the transmission – in confidential or anonymous form – of reports by employees of the Company regarding disputable accounting or auditing issues; (v) approves the procedures for the preventive authorisation of admissible non-audit services – analytically identified – and examines the statement on the execution of authorised services; (vi) assesses requests for using the company assigned to financial statement auditing functions for admissible non-audit services, and expresses its opinion to the Board of Directors; (vii) examines the regulator notifications of the Audit Firm relative to: (a) the criteria and critical accounting practices to be implemented; (b) the alternative accounting procedures set forth in generally accepted accounting principles and analysed together with management, the consequences of the use of these alternative procedures and the relative information, in addition to the procedures regarded as preferable by the auditor; (c) any other relevant written communication exchanged between the auditor and management; (viii) examines the notifications of the CEO and Chief Financial Officer relative to any significant weak point in the planning and execution of internal controls that may reasonably determine a negative impact on the ability to record, process, summarise and diffuse financial information, in addition to the deficiencies evidence by internal controls; (ix) examines the notifications of the CEO and Chief Financial Officer relative to any fraudulent activities involving managerial personnel or top positions within

the context of the internal control system. In carrying out its functions, the Board of Statutory Auditors avails itself of the Company's structures, particularly the Internal Audit Dept. and the Finance and Accounting Dept.

Internal Control Committee

Established at Eni in 1994, the Internal Control Committee provides the Board of Directors with consulting and advice on matters relevant to the internal control system. It is exclusively composed of non-executive and independent Directors who possess the necessary skills for the tasks they are required to perform⁹³ and reports to the Board on the activities carried out and on the adequacy of the internal control system at least every six months, during the meeting for the approval of the annual and half-yearly financial report.

The periodic reports for the Board of Directors are drafted by the Committee by taking into account the opinions expressed – in their respective periodic reports – by the Officer in charge of preparing financial reports, by the Officer in charge of internal control and by the Eni Watch Structure and, in general, on the basis of the evidence acquired in carrying out their functions. In particular, the Internal Control Committee performs the following activities:

- examines and assesses – together with the Officer in charge of preparing financial reports and with the Audit Firm – the correct implementation of accounting principles and their uniformity with regards to the drafting of the annual and half-yearly financial report, prior to the approval by the Board of Directors;
- assists the Board – through consulting and advisory activities – in defining the guidelines for the internal control system;
- expresses opinions – on request of the CEO – on specific aspects of the identification process of the major corporate risks, in addition to the planning, development and management of the internal control system;
- supervises the activities of the Internal Audit Department and of the Officer in charge of internal control; in this context, the Committee examines, among other things: the proposal for the Audit Plan and any variations to the latter during the course of the financial year; the budget issued by the Board; the periodic reports and the performance indicators of the activities carried out;
- examines and assesses: (i) the data emerging from the audit reports and the results of the related monitoring activity of the actions aimed at improving the internal control system, which are planned after the assessments; (ii) the data inferable from the periodic reporting of the results of the monitoring activity on the state of the internal control system applied to financial reporting on its adequacy and actual implementation, and on the adequacy of the powers and means assigned to the Officer in charge of preparing financial reports; (iii) the notifications and information received from the Board of Statutory Auditors and its members regarding the internal control system, also with reference to the results of any inquiries carried out by

[93] The Eni Code establishes that at least two members of the Committee – and not one as set forth in the Borsa Italiana Code – must possess adequate experience in financial and accounting matters, as assessed by the Board of Directors at the time of their appointment.

the Internal Audit Department in response to reports received, even in anonymous form (so-called whistle blowing); (iv) the data inferable from the reports and management letters issued by the Audit firm⁹⁴; (v) the periodic reports of the Eni Watch Structure, also in its role of Guarantor of the Code of Ethics; (vi) the data inferable from the periodic reports of the Officer in charge of preparing financial reports and the Officer in charge of internal control; (vii) the statements on the internal control system relative to the Company's structures, also in relation to periodic meetings with the management, and the statements of the inquiries and assessments carried out by third parties;

- additional specific activities aimed at expressing comments and opinions on matters within its responsibility, on the basis of inquiry requests formulated by the Board, and specifically, fulfilling any tasks assigned to it by the MSG "Transactions involving interest of Directors and Statutory Auditors and transactions with related parties"⁹⁵, in regards to which the Committee – also in its role of "Committee of Independent Directors", as set forth in the relevant Consob Regulation – has expressed a unanimous favourable opinion. In particular, the Committee is called upon to express its opinion on the interest of the Company in the completion of transactions with related parties, as well as on the convenience and substantial correctness of the underlying terms. Moreover, for transactions with related parties of greater importance, the Committee is involved in the preparatory stage of these transactions.

For a detailed account of the activities carried out by the Committee in 2011, please refer to the specific paragraph of the Report mentioned previously.

Chief Executive Officer

The Chief Executive Officer (CEO) is the person appointed by the Board of Directors to supervise the operation of the internal control system. To this aim, s/he is responsible for identifying the major company risks and – in providing the guidelines defined by the Board and relevant to the internal control system – manages the relative planning, implementation and management phases. Moreover, the CEO is responsible for constantly verifying the overall adequacy, efficiency and effectiveness of the internal control system, and adapts the latter to the Company's operational situation and the regulations in force. With reference to the internal control system for financial reporting, the relevant tasks are carried out in accordance with the role assigned by the law to the Officer in charge of preparing financial reports: for further information, please refer to the relative paragraph.

Eni's People - 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 Eni's people, according to their functions and responsibilities, are called upon to define and actively participate in the correct implementation of the internal control system. The CEO and/or Chief

Operating Officers of the Divisions – in exercising the powers entrusted to them by the Board of Directors – assign to the management responsible for the operational areas the necessary tasks, responsibilities and powers for preserving an effective and efficient internal control system in performing their respective activities and achieving the related objectives.

Officer in charge of internal control and Internal Audit

A leading role in verifying and assessing the internal control system is carried out by the Officer in charge of internal control, who at Eni corresponds to the Internal Audit Senior Executive Vice President, given the near equivalence of their respective areas of competence and the strong synergies between the two roles. The Officer in charge of internal control was appointed for the first time at Eni on March 16, 2007. On December 15, 2010, the Board of Directors 2010, upon a proposal of the CEO and with the favourable opinion of the Internal Control Committee, appointed Marco Petracchini Officer in charge of internal control. Following the renewal of the corporate bodies, the appointment was confirmed on May 19, 2011.

Officer in charge of internal control

The Officer in charge of internal control is mainly responsible for: (i) verifying that the internal control system is constantly adequate, fully operational and efficient, in addition to (ii) expressing an opinion regarding the suitability of the latter in attaining an acceptable overall risk profile.

The Officer in charge of internal control is appointed by the Board of Directors, upon a proposal by the CEO and in agreement with the Chairman of the Board of Directors, after hearing the opinion of the Internal Control Committee. The latter also expresses its opinion on the definition of the remuneration of the Officer in charge of internal control, among other things, proposed by the CEO in line with Company policies.

The Officer is not responsible for any operational area, has direct access to any information required for carrying out his/her function, has adequate means to perform his/her duties and reports on his/her activity to the Board of Directors, through the Internal Control Committee, to the Board of Statutory Auditors and to the CEO, by submitting periodic reports. On March 2, 2012, the Officer in charge of internal control issued his annual report on the internal control system (relevant to the period January 1 - December 31, 2011, and updated as at the date of issue) and in the report also expressed his evaluation on its adequacy based on the results of the monitoring activities carried out in the reference period by the Eni SpA Internal Audit department, also on behalf of subsidiaries subject to supervision by the Bank of Italy on the basis of service contracts, in addition to comments issued by the Officer in charge of internal control of the listed subsidiaries.

Internal Audit Department

The Internal Audit Department is responsible for carrying out research and providing the CEO and – through the Internal

(94) Eni has availed itself of the option set forth in the Borsa Italiana Code, whereby it has assigned the Board of Statutory Auditors – in its role of Audit Committee pursuant to the SQA – the task of assessing the proposals formulated by the auditing company for obtaining the assignment of the relative function and of supervising the efficacy of the auditing process.

(95) For further information, please refer to the paragraph, "Interests of Directors and Auditors and operations with related parties".

Control Committee – the Board of Directors and the Board of Statutory Auditors – also in relation to its role of “Audit Committee” pursuant to US regulation - investigations, analyses, assessments and recommendations regarding the structure, operation and compliance with Eni’s internal control system, with the aim of promoting its efficiency, efficacy, and observance, and supporting its evaluation on the part of the relevant company bodies and structures. The Internal Audit Department carries out its relevant activities with reference to Eni SpA and its subsidiaries in which the Company holds the majority of voting rights, excluding companies with listed shares or those subject to obligations of functional separation for companies operating in the electrical energy and gas sectors (so-called “unbundling”), including the relevant subsidiaries. Internal audit activities for companies subject to special supervisory obligations are carried out by Eni Internal Audit on the basis of specific service contracts.

The Internal Audit Executive Vice President reports to the CEO, as s/ he is responsible for supervising the operation of the internal control system; the Internal Control Committee supervises the activities of the Internal Audit department, which also reports to the Board of Statutory Auditors in relation to its role of “Audit Committee” pursuant to US legislation. The appointment/dismissal procedures regarding the Internal Audit Senior Executive Vice President comply with those outlined in the Eni Code for the Officer in charge of internal control, also due to the equivalence of the two roles. The Internal Control Committee assesses – on an annual basis – whether the Internal Audit Senior Executive Vice President maintains the necessary characteristics of integrity, professionalism, competence and experience, and that no incompatibilities subsist.

Responsibilities, powers and means of the Internal Audit Department and information flows

Aims, areas of intervention and operation methods of the Internal Audit Department are defined in the “Internal Audit Charter” approved by the Board of Directors at the end of 2008, in conformity to the national and international best practices. The Internal Audit Department has sufficient powers and means to guarantee the adequate execution of its functions with full operational independence, also in terms of independent budget, availability of quantitatively adequate and professionally competent resources and access to information, data, archives and goods of the Company and its subsidiaries.

According to this organisational model, the Internal Audit Department – while guaranteeing the necessary conditions of independence and due objectivity, professional competence and diligence set forth in the international standards on work ethics and in the Code of Ethics – is responsible for the following main activities:

- (i) carrying out the activities necessary to evaluate the Eni internal control system pursuant to the Eni Code;
- (ii) defining and updating the map of the main company risks for the purposes of integrated planning of audits and, for Eni SpA, those related to Model 231;
- (iii) carrying out audit interventions (operational, financial and compliance audits focused on the aspects outlined in Italian Legislative Decree No. 231/01) in compliance with the annual activities’ Plan: the latter is drawn up with a “top-down risk based” approach and is approved, together with the

resources budget, by the Board of Directors and – for aspects pertaining to Legislative Decree No. 231/01 – Eni Watch Structure; in this context, starting in 2009, performance of supervisory activities regarding HS issues has gradually been begun, to supplement those carried out by the employer’s personnel and the relevant HSE units, carrying out independent verifications of the Control and Re-examination stages of the HSE Management Systems. In addition, since 2010 it independently examines and evaluates the internal control system in reference to the specific process/area being audited, in order to verify that established in the Anti-Corruption Guidelines are respected (which as of December 15, 2011, has the form of the Anti-Corruption MSG, effective as of January 1, 2012), where applicable;

- (iv) carrying out “non-programmed” control interventions requested by the main subjects of the internal control system and/or the Company’s top management;
- (v) monitoring the state of implementation of the corrective actions defined in relation to the recommendations issued after the audit activities;
- (vi) ensuring management activities for reports – including those received anonymously or confidentially – during the preliminary investigation stage and to support evaluation by the relevant company supervisory bodies;
- (vii) carrying out independent monitoring for financial reporting according to the plan transmitted by the CFO, in addition – since 2009 – to independent monitoring regarding activities pertaining to the “Consumer Price Control Model”, on the basis of the Plan defined by the Chief Operating Officer of each Division;
- (viii) ensuring supervision of the process of awarding assignments to the Audit Firm and also supervises relationships in regards to management of the relative contract;
- (ix) assists the Internal Control Committee of Eni SpA, including in regards to the performance of secretarial activities, and the Board of Statutory Auditors of Eni SpA, specifically in reference to the Audit Committee function assigned to the same;
- (x) guaranteeing the definition and updating of the internal auditing operating methods and processes in line with the relevant guidelines and best practices; ensures implementation of the quality assurance and continuous improvement processes for Internal Audit activities and takes part in company training and informational activities on internal control issues.

The Internal Audit Department guarantees systematic and periodic information flows on the results of implemented activities towards the control and supervisory bodies and the Company’s top management, so that they may implement the necessary actions for control and assessment of the internal control system; moreover, it promptly informs the CEO and the control and supervisory bodies of any serious deficiencies in the internal control system and of any circumstance that may jeopardise its own independent status.

Officer in charge of preparing financial reports and the internal control system applied to financial reporting⁹⁶

Officer in charge of preparing financial reports

Pursuant to Article 24 of the By-laws, in compliance with the provisions of Article 154-bis of the Consolidated Law on Finance, the Officer in charge of preparing financial reports (AO - Appointed Officer) is appointed by the Board of Directors, upon a proposal by the CEO, in agreement with the Chairman and subject to the favourable opinion of the Board of Statutory Auditors. In accordance with the By-laws, the AO must be chosen amongst candidates who have carried out the following activities for at least three years:

- (a) administration, control or senior management activities in companies listed on regulated stock exchanges in Italy or other European Union Countries or other OECD Countries having a share capital of no less than €2 million; or
- (b) auditing activities in the companies indicated in letter a) above; or
- (c) professional activities or university lecturing activities in the financial or accounting sectors; or
- (d) senior management roles in public or private entities in the financial, accounting or control sectors.

Tasks, powers and means of the Appointed Officer

In accordance with the provisions of the law, the AO is responsible for the internal control system with regards to financial reporting and, to this aim, establishes the necessary administrative and accounting procedures for drafting the periodic accounting documentation and any other financial notification; moreover s/he certifies – together with the CEO – their adequacy and actual implementation during the period to which the aforementioned accounting documents refer, by means of an appropriate report on the Annual Financial Statements, Half-yearly Financial Statements and on the Consolidated Financial Statements. Pursuant to the aforementioned Article 154-bis, the Board of Directors supervises whether the AO has the appropriate powers and means to perform the assigned duties, in addition to supervising the actual conformity to these procedures. During the meeting held on July 30, 2008 and confirming the following on May 19, 2011, the Board of Directors – with the favourable opinion of the Board of Statutory Auditors – appointed Alessandro Bernini, Eni's Chief Financial Officer (CFO), as AO, and deemed to be adequate for carrying out the relevant duties, the assigned powers – to be exercised independently or jointly with the CEO – as well as the means at his disposal in terms of organisational structures and administrative, accounting and internal control systems. During the meeting held on March 10, 2011, and most recently on January 19, 2012, the Board of Directors confirmed the adequacy of the "powers and means" at the disposal of the CEO, in his role as AO, and verified compliance with the procedures established by the AO pursuant to the law.

Main features of the risk management and internal control systems applied to the financial reporting process

The internal control system applied to financial reporting aims to provide reasonable certainty of the reliability⁹⁷ of the financial information itself, and of the capability of the annual report drafting process to yield financial reporting that complies with the generally accepted international accounting principles. The MSG "Eni Control System over Company Reporting", approved by the Board of Directors on December 15, 2010, which fully transposes the content of the reference Guideline issued in 2007, defines the rules and procedures for planning, implementing and preserving an internal control system applied to Eni's financial reporting with external relevance, as well as for assessing its efficacy. The contents of the MSG were defined in accordance with the provisions of the aforementioned Article 154-bis of the Consolidated Law on Finance and the provisions of 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 are 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 in compliance with international accounting principles, on account of their relevance with regard to the drafting of financial reporting documents. All subsidiaries, regardless of their significance in terms of the Eni control system applied to financial reporting, adopt the MSG as the reference system for planning and implementing their own internal control system over financial reporting, and tailor it to their dimensions and complexity of the activities carried out. The planning, implementation and preservation of the internal control system over financial reporting are guaranteed through a structure process that includes risk assessment, identification of controls and information flows (reporting). The risk assessment process conducted using a "top-down" approach is aimed at identifying the organisational entities, processes and specific activities that may generate risk of unintentional errors or fraud that may have a significant impact on the accounts. In particular, the organisational entities that fall within the context of the control system applied to financial reporting are identified both on the basis of the contribution of the various entities to certain items of the Consolidated Financial Statements (total assets, total financial debt, net income, income before tax), and in relation to the existence of processes that present specific risks which – if they materialise – may jeopardise the reliability and accuracy of the financial reporting (such as fraud-related risks)⁹⁸. In relation to the companies affected by the control system applied to financial reporting, the relevant processes are subsequently identified on the basis of an analysis of quantitative factors (processes that contribute to making up the Financial Statement entries for amounts exceeding a certain percentage of the income before tax) and qualitative factors (for example: complexity of the accounting treatment of transactions; assessment and estimation processes; new issues or significant changes affecting the business conditions).

(96) Information provided in accordance with Article 123-bis, second paragraph, letter b) of the Consolidated Law on Finance.

(97) Reliability (of the statement): a statement possessing the characteristics of correctness and conformity to generally accepted accounting principles, and satisfying the requirements of the laws and applicable regulations.

(98) The organisational entities falling within the internal control system include companies incorporated and regulated in accordance with the laws of Countries outside the European Union, to which the provisions of Article 36 of the Consob Market Regulation apply.

In relation to the relevant processes and activities, any risks which consist in potential events that – if they materialise – may jeopardise the attainment of the control objectives with regard to financial reporting (for example 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 assessment). In particular, with reference to fraud risks⁹⁹ at Eni, a dedicated Risk Assessment is implemented based on a specific methodology relative to “Anti-fraud programs and controls” referred to in the aforementioned MSG. In consideration of relevant companies, processes and relative risks, a control system was defined based on two fundamental principles, namely: (i) the application of controls at all levels of the organisational structure, in accordance with the assigned operating responsibilities; (ii) the sustainability of controls over time, so as to ensure that their implementation is integrated and compatible with the operational requirements. The structure of the control system applied to financial reporting includes controls implemented at entity level that operate in a transversal manner with respect to the reference entity (Group/Division/single company), in addition to controls implemented at process level. The controls implemented at entity level are based on a checklist defined according to the model adopted in the CoSO Report and based on five components (control environment, Risk Assessment, control activity, information systems and reporting, monitoring activities). Of particular importance are the controls relative to the definition of the deadlines for drafting and diffusing the economic-financial results (“Half-yearly and Financial Statement circular” and relative calendars); the existence of organisational structures and of a regulatory framework adequately designed to ensure the attainment of the financial reporting objectives (these controls include, for example, auditing activities and updating carried out by specialised Company units on the Group’s regulations concerning Financial Statements and the Group’s accounting plan); training activities with regard to accounting principles and the internal control system applied to financial reporting; and, lastly, the activities relative to the reporting system for the management of the consolidation process (Mastro). The controls implemented at the process level are grouped into the following: 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; 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” that include a control aimed at guaranteeing 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 determines the risk of errors/fraud that impact the

Financial Statements and that cannot be identified by other controls. Both the controls implemented at entity level and controls implemented at process level are subject to evaluation (monitoring) to verify the effectiveness of the design and actual functioning over time; to this aim the following activities have been defined: ongoing monitoring activities – carried out by the management responsible for relevant processes/activities – and separate evaluations – assigned to the Internal Audit Department that operates according to a pre-defined plan, transmitted by the CFO/AO – aimed at defining the scope and objectives of the interventions through agreed audit procedures. In addition, the Internal Audit Department, on the basis of an Audit Plan approved by the Board of Directors and prepared using a “top-down risk based” logic, carries out integrated audits that in some cases also include evaluations of financial impacts. The results of audit activities and the results of the periodic monitoring carried out by Internal Audit regarding implementation of corrective actions defined after said audit interventions have been completed, are promptly communicated to the CFO/AO, as well as to top management and the control and supervisory bodies, for the purpose of the assigned evaluations.

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 of Eni’s financial reporting. On the basis of their qualification are classified as “deficiencies”, “significant weaknesses”, or “serious deficiencies”. The results of the monitoring activities are included in a periodic information flow (reporting) on the state of the control system applied to financial reporting: this information flow is guaranteed by the use of computerised instruments that allow for tracking any information on the adequacy of the plan and functioning of the controls. On the basis of this reporting activity, the CFO/AO drafts a report on the adequacy and actual implementation of the control system applied to financial reporting.

This report – following the approval by the CEO – is submitted to the Board of Directors, after to review by the Internal Control Committee, during the approval of the draft Annual Financial Statements and Half-yearly 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 transmitted to the Board of Statutory Auditors, in its role of Audit Committee pursuant to US legislation. The activity of the CFO/AO 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 terms of the internal control system is carried out by the so-called “Risk owner”, who carries out ongoing monitoring evaluating the plan and effectiveness of specific and pervasive controls, in addition to providing information for drafting reports on the monitoring activities and any deficiencies encountered, in order to ensure the timely identification of any necessary corrective actions.

[99] Fraud: in the context of the control system, any act or intentional omission that generates a deceptive statement in the reporting.

Eni Watch Structure and Model 231

According to the Italian regulations pertaining to “administrative liability of legal entities deriving from crimes”, contained in Italian Legislative Decree No. 231 of June 8, 2001 (hereinafter “Decree No. 231 of 2001”), associations - including companies – may be held liable, and thus charged with payment of a penalty and/or placed under injunction, in relation to certain crimes that are attempted – either in Italy or abroad – in the interest or for the benefit of the Company. The Eni Board of Directors has appointed, with the favourable opinion of the Board of Statutory Auditors, the Eni SpA Watch Structure, most recently on May 19, 2011¹⁰⁰. At all events, companies may adopt appropriate organisational, management and control models for preventing the relevant crimes. In relation to the above, in the meetings held on December 15, 2003 and on January 28, 2004, the Board of Directors of Eni approved an organisational, management and control model pursuant to Decree No. 231 of 2001 (hereinafter “Model 231”) and established the relative Eni Watch Structure. The composition of the Eni Watch Structure, which initially included three members, was modified in 2007 with the addition of two external members – one of which was appointed Chairman of the Eni Watch Structure – selected among academics and professionals with proven experience in economic and company organisation matters. The internal members include the managers responsible for Legal Affairs, Human Resources and Organisation and Internal Audit of the Company¹⁰¹.

The Eni Watch Structure carries out the following main functions: (i) monitoring the efficacy of Eni Model 231, in addition to its relevant 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 in subsidiaries and promoting the diffusion and knowledge amongst the latter of procedures and instruments for implementing the Model itself; (iv) approving the annual program of supervisory activities for Eni, coordinating its implementation and analysing the relative results; (v) managing the relevant information flows in conjunction with the Company units and subsidiaries’ Watch Structures. The synergies between the Code of Ethics – an integral part and unwaivable general principle of Model 231 – and Model 231 were underlined by the assignment to the Eni Watch Structure of the role of Guarantor of the Code of Ethics.

Similarly, each subsidiary assigns the role of Guarantor of the Code of Ethics to its own Watch Structure. Eni Watch Structure periodically reports on its activities to the Chairman, the CEO – who then informs the Board of Directors by means of a report on the execution of his/her delegated powers – the Internal Control Committee and the Board of Statutory Auditors. These periodic reports are drafted on the basis of data acquired while performing its relative functions. Following the first approval of Model 231 and its subsequent updates in compliance with legislative changes affecting its application, in the meeting held on March

14, 2008, the Board of Directors of Eni – after consulting the Board of Statutory Auditors – approved its overall updating. The latter took into account the Company’s organisational changes, the evolution in the regulatory framework, case law and legal doctrines, issues resulting from the model’s application (including any knowledge stemming from legal disputes), practices of Italian and foreign companies with regard to the models, the outcomes of supervisory activities and results of the Internal Audit activities. Model 231 of Eni constitutes a set of principles and a benchmark for subsidiaries, to which it is transmitted so that each company can adopt and/or update its own model. Any listed subsidiaries and gas and electrical sector subsidiaries subject to the so-called Unbundling adopt their own model and adjust it – where necessary – to the characteristics of their company, in accordance with their managerial independence. The representatives chosen by Eni in the company bodies of investee companies, consortiums and joint-ventures promote the principles and contents of the Model 231 within their own fields of competence. Appropriate control provisions have been set forth (general transparency standards applied to activities and specific control standards) to prevent the crimes outlined in Decree No. 231 of 2001 and are transposed into the relevant Company procedures. The Eni Watch Structure is responsible for identifying these control provisions – approved by the CEO during the updating activities – and transmitting them to the relevant Company units.

In accordance with the provisions of the law, a disciplinary system has been introduced to sanction any violations of Model 231 and failure to comply with the Company procedures that transpose the control provisions.

In order to maximise the application of Model 231 to all subsidiaries, Eni devised a project that replicated the adoption process of Model 231 by Eni companies. Reference principles and basic criteria have been defined regarding the composition and operation procedures of subsidiaries’ Watch Structures. Consequently, in compliance with Eni’s New Regulatory System, the text of the MSG “Composition of the Watch Structures and execution of the activities of their competence in support of subsidiaries of Eni SpA” has been drafted: it defines the guidelines for carrying out the activities pertaining to each Watch Structure, without prejudice to their relative independent powers of initiative and control.

In addition, taking a cue from the initial experiences applying the Watch Structure MSG, with the contribution of various company professionals, a work group was established which, with an eye to continuous improvement, is evaluating possible corrective actions and additions to the criteria used to identify “231” risk levels, associated with each subsidiary, preparatory for the definition of the minimal composition of the Watch Structures of the subsidiaries. Even listed subsidiaries and gas and electric sector subsidiaries subject to so-called unbundling adopted the Watch Structure MSG during the course of 2011, adjusting it where

(100) The current field of application of Decree No. 231 of 2001 includes the following: (i) crimes against the Public Administration and against public faith; (ii) corporate offences; (iii) offences related to the subversion of the democratic order and financing of terrorism; (iv) crimes against individual personality; (v) market abuse (“insider trading” and “market manipulation”); (vi) crimes against the person pursuant to Italian Law No. 7 of 2006; (vii) transnational offences; (viii) culpable homicide and serious or very serious culpable personal injury committed in violation of the injury prevention and workplace health and safety regulations; (ix) conspiracy to receive, laundering and use of money, goods or services of illegal origin; (x) computer crimes and illegal data processing; (xi) organised crime; (xii) crimes against industry and commerce; (xiii) offences regarding copyright violation; (xiv) induction to withhold making statements or induction to make false statements to the judicial authority; (xv) environmental crimes.

(101) For detailed information on the composition of the Eni Watch Structure, please refer to the Diagram included in the chapter, “Corporate Governance Structure”.

necessary to the characteristics of their company, in accordance with their managerial independence. Lastly, the issue regarding the promotion and monitoring of the adoption of Model 231 by associate companies and companies under common control with Eni has been appropriately defined. In order to provide technical and procedural support in performing the tasks assigned to subsidiaries' Watch Structures and guarantee an adequate level of knowledge, again in 2011 an e-learning training program was implemented with the aid of the relevant Company units, in order to define guidelines for performing the activities pertaining to each Watch Structure and achieve a uniform level of knowledge for personnel involved in supervisory activities. The course placed special emphasis on the following issues: (i) Code of Ethics, Eni Model 231 and Italian legislation on administrative liability of legal persons as a result of crime; (ii) HSE organisation and control model and HSE reporting system; (iii) Corporate Governance; (iv) Internal Control System, external controls and management of information. 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 institute and appoint 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. To this aim, the CEO has set up an appropriate multifunctional team ("Team 231") responsible for drafting/submitting update proposals. During the course of 2011, the Risk Assessment activities to update Model 231 were completed, in reference to the following types of crimes pertaining to the administrative liability of legal entities: organised crime, crimes against industry and commerce, crimes relating to copyright violation, and induction to withhold making statements or induction to make false statements to the judicial authority. Consequently, Model 231 will be updated in 2012.

In addition, during the course of 2011, activities related to "Program to Transpose Innovations" for the Eni SpA Model 231 will be started, in reference to environmental crimes. The increase in the number of crimes pertaining to administrative liability pursuant to Decree No. 231 of 2001 led to a need to activate the operational and communication flows described in Model 231, aimed at revising and updating the same. To that end, the responsibilities, activities, and the composition of Team 231 were updated, benefiting from the contributions of company professionals with specific skills in regards to environmental issues and the prevention of the recently introduced crimes pertaining to administrative liability (in particular, Corporate and Division HSE departments, with the assistance of the HSE department of the subsidiary Syndial SpA, as well as other internal lawyers with expertise on the subject). In order to ensure the correct implementation of Model 231, training and/or communication activities that vary according to the

recipient (including third parties and the market) have been planned. In 2011, training activities on Model 231 continued through multimedia web based training activities (WBT 231) aimed at executives, managers and key officers of Eni and subsidiaries in Italy and abroad (excluding listed companies and companies subject to unbundling), with the aim of ensuring in-depth knowledge of both the Code of Ethics and Model 231. During the course of 2011, appropriate training seminars with the CEOs, Chairmen and the executives reporting directly to them were organised at Polimeri Europa SpA and Syndial SpA. The seminars were held in the context of scheduled activities, in accordance with the indications of the Code of Ethics and Model 231. The occasion allowed for extending the analysis to other compliance issues as well, including Anti-Corruption and Workplace Health and Safety. Model 231 and the Code of Ethics are published on Eni's website www.eni.com and are accessible on the Company Intranet.

Anti-Corruption Policy

Again in 2011, the fight against corruption and efforts to ensure ethical conduct were issues of primary importance in Eni's activities. This contributed to ensuring a high level of involvement at all levels in adopting behaviour that respects these principles and to improving Eni's ability manage and mitigate the risks connected to its operational activities. The fight against corruption continues to be a focus, including after the UK Bribery Act 2010 took effect on July 1, 2011, which led to the updating and reissue of the Anti-Corruption Guidelines¹⁰² under the name of the Anti-Corruption MSG, approved on December 15, 2011, by the Board of Directors of Eni, taking effect on January 1, 2012. The most important new aspects introduced involve: (1) extension of prohibited conduct, including corruption between private individuals; (2) introduction of a specific prohibition of carrying out facilitation payment; (3) introduction of principles regarding bribes offered to, or received from Eni staff with (a) introduction of the specific registry, at the individual subsidiary or Division or Corporate Manager level; (b) identification of a single minimum threshold and a cumulative threshold – equal to 4 times the minimum threshold and applicable to gifts given to the same part in one year; (c) notification of the direct supervisor of the receipt of gifts; (d) possibility to lower the minimum threshold values on the part of the Directors of foreign companies, informing the Anti-Corruption and Division or Corporate area manager of the lesser value; (4) extension of the definition of Covered Business Partner to include joint-venture partners, intermediaries and consultants (who are requested to respect Eni's Anti-Corruption MSG, among other things); (5) introduction of an authorisation process that establishes mandatory authorisation, for contributions established by the relevant regulations, from the Director of Institutional Relations and Communication and the Chief Corporate Operations Officer or Chief Operating Officer of the

[102] Approved by the Board of Directors of Eni on November 12, 2009.

Division (based on the area in question), as well as evaluation by the Anti-Corruption legal unit, considering that the Code of Ethics establishes that contributions to political parties and union organisations are prohibited, “expect those allowed under specific regulations.” The contents of the Anti-Corruption MSG are further detailed in the Anti-Corruption Regulatory Instruments (which will take the place of the previous Ancillary Procedures), aimed at preventing risks relative to corruption and regarding the following issues: notification, including anonymous; gifts and other benefits; entertainment and hospitality expenses involving third parties; joint venture agreements – prevention of illegal activities; intermediation contracts; standard contractual clauses with reference to administrative liability of legal entities deriving from crimes (in reference to Legislative Decree 231/2001, the US Foreign Corrupt Practices Act (FCPA), the OECD Convention regarding the Fight against Corruption of Foreign Public Officers in International Economic Operations and the United Nations Convention against Corruption); anti-corruption provisions contained in internal Eni that discipline the sale and purchase of property by Eni; non-profit initiatives; appointment of external legal representatives; acquisition of consultancy and professional services; sponsorship contracts; anti-corruption provisions contained in internal Eni regulations that discipline personnel recruitment; travel and off-site services; anti-corruption measures in internal Eni accounting regulations; and anti-corruption measures contained in internal Eni regulations disciplining Covered Business Partners. These internal regulations aim to provide a systematic framework of anti-corruption regulations and procedures that have already been defined and implemented by Eni over the years and ensure maximum compliance – by Eni and its personnel – with the Code of Ethics, Model 231, and the national and international anti-corruption laws. To this aim, all Eni subsidiaries, both in Italy and abroad, must adopt them, through a resolution issued by the Board of Directors (or the corresponding company body/unit if the subsidiary’s governance system does not includes such a body). The internal regulations adopted by Eni on the issue establish the involvement of the Board of Directors of Eni or of the subsidiary – depending on the cases – during the approval phase of the most significant activities (such as the appointment of intermediaries). Furthermore, the activities of the Anti-Corruption Legal Support Unit (“ACLSU”) continue, which was set up in January, 2010, within the Legal Affairs Department of Eni SpA, with the aim of providing specialist legal consulting and support on anti-corruption issues to the business units of Eni and its non-listed subsidiaries that carry out at-risk activities. The ACLSU’s various activities include examining and periodically updating anti-corruption regulations to ensure their efficacy, taking into account any gaps and critical issues reported by the relevant units and the evolution in best practice at an international level, and submitting an annual report on its activities to the Eni Watch Structure (receiving a similar annual report from the Anti-Corruption Legal Support Unit of listed and unbundled subsidiaries of Eni). The Internal Audit Department of Eni SpA – on the basis of its annual program approved by the

Eni Board of Directors – analyses and assesses the internal controls in an independent manner, in reference to specific audited processes/areas, so as to verify whether the provisions of the Anti-Corruption MSG have been observed, when applicable. In addition, the ACLSU contributes actively to external initiatives in order to promote and spread Eni’s commitment to the fight against corruption to ensure continuous improvement of internal regulations through comparison with international best practices. During the course of 2011, the ACLSU further established this role in the context of the most important international meetings. In this area, Eni’s participation in the round tables held by Global Compact in application of the 10th principle against corruption was very important. The anti-corruption training program for Eni personnel continued, which began at the end of 2009, both on-line (e-learning) and face to face (workshop) which combine in an “information” course offering an overview of the anti-corruption issue. The training program, updated to include the most recently introduced regulations, will continue to be carried out in 2012.

Audit Firm¹⁰³

The auditing of Eni’s financial statements is entrusted – pursuant to the law – to an Audit Firm registered in the Consob special registry and appointed by the Shareholders’ Meeting, upon a reasoned proposal by the Board of Statutory Auditors. In addition to the obligations set forth in the national auditing regulations, Eni’s listing on the New York Stock Exchange requires that the Audit Firm issues 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 efficacy of the internal control system applied to financial reporting, which oversees the preparation of the consolidated financial statements. For the most, the subsidiaries’ financial statements are subject to auditing by Eni’s Audit Firm. In addition, Eni’s Audit Firm, for the purpose of issuing an assessment on the consolidated financial statements, assumes the responsibility for the auditing activities performed by other Audit Firms with regards to those subsidiaries’ financial statements that altogether constitute an irrelevant part of the company’s assets and consolidated turnover. The current Audit Firm is Reconta Ernst & Young SpA, whose mandate was approved by the Shareholders’ Meeting of April 29, 2010, for the financial years 2010-2018, pursuant to Decree No. 39/2010. In performing its activities, the Audit Firm shall have access to the information, data (both hard copy and in digital form), archives and goods of the Company and of its subsidiaries. The “Regulations regarding audit of financial statements,” approved by the Board of Directors, after a favourable opinion from the Internal Control Committee, contains the general framework of principles applied to the following: conferral and revocation of the mandate; relations between the primary Auditor of the Group and secondary Auditors; independence of the Audit Firm and causes for incompatibility; reporting responsibilities and obligations of the Audit Firm; regulations of

[103] The Audit Firm, after verifying the draft of this Report, expresses its opinion in accordance with Article 14, paragraph 2, letter e) of Decree No. 39/2010, relative to the information provided in compliance with Article 123-bis, paragraph 1, letters c), d), f), l) and m) and paragraph 2, letter b) of the Consolidated Law on Finance. The full audit report is published together with the Annual Financial Report.

information flows to the Company, Consob and SEC. In order to safeguard the independent nature of the Auditors, a monitoring system of “non-audit” tasks has been set up whereby, in general, the entrusted Audit Firm and the companies in its network shall not be assigned tasks other than those pertaining to auditing functions, with few and reasoned exceptions in the case of assignments that are not prohibited by Italian law or by the Sarbanes-Oxley Act. These assignments are approved by the Board of Directors of the interested company, following consultation with the Board of Statutory Auditors of that same company, and are subsequently authorised by the Board of Statutory Auditors of Eni, if such assignments are not included among those specified in the applicable laws and regulations. The Board of Statutory Auditors of Eni is nonetheless regularly informed on the tasks entrusted to the Audit Firm by the companies of the Group.

Court of Auditors

The financial management of Eni is subject to control by the Court of Auditors [Corte dei Conti], in order to protect public finances. This activity was carried out by the Judge of the Court of Auditors Raffaele Squitieri¹⁰⁴, who was appointed by the resolution issued on October 28, 2009, by the Council of the Presidency of the Court of Auditors.

The Judge of the Court attends the meetings of the Board of Directors, of the Board of Statutory Auditors and of the Internal Control Committee.

Interests of the Directors and Statutory Auditors and Transactions with Related Parties

Pursuant that established in the relevant Consob regulations, on November 18, 2010, the Board of Directors of Eni approved the procedure known as MSG “Transactions involving interests of Directors and Statutory Auditors and transactions with related parties”¹⁰⁵, which takes effect as from January 1, 2011¹⁰⁶, in order to ensure transparency and substantive and procedural fairness of transactions with related parties.

At the meeting on January 19, 2012, the Board of Directors carried out the first annual verification of the MSG, as requested in said MSG, which surpasses the three-year term established by Consob, and also made some amendments which take into account the operating requirements which emerged during the first year it was applied. The Eni Internal Control Committee expressed its favourable and unanimous opinion on the procedure. The Committee was entirely composed of independent Directors pursuant to the Borsa Italiana Code and the above-mentioned Consob Regulations. This MSG, largely reproducing definitions and provisions of the Consob Regulations, in a greater protection and efficiency perspective, extends the procedural system and transparency, set for transactions carried out directly by Eni SpA,

to all transactions undertaken by subsidiaries with related parties of Eni SpA. 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, greater importance and exempts, with the establishment of procedural and transparency regulations differentiated on the basis of the type and size of the transaction. In general, for all significant transactions, the independent Directors – making up the Internal Control Committee or the Compensation Committee in the case of transactions concerning remunerations – play a central role.

In particular, in the case of operations of lesser importance, it has been established that the relevant committee shall express a reasoned and non-binding opinion on the Company's interest in completing the transaction and on the convenience and substantial correctness of the underlying terms.

In the event of transactions of greater importance, without prejudice to the decisional responsibility of the Board of Directors of Eni, the relevant committee must be involved in the preliminary investigation stage of the transaction and express a binding opinion on the interest of the Company in completing the transaction and on the convenience and substantial correctness of the underlying terms. Regarding information to be provided to the public, the MSG refers to the provisions included in the Consob Regulations. Moreover, the MSG defines the timing, responsibilities and tools for the verifications by the relevant Eni employees, in addition to the information flows that must be guaranteed for the correct implementation of the rules. Lastly, confirming the decision already made with the previously applied guidelines, specific rules were added to the MSG governing transactions in which a Director or a Statutory Auditor holds an interest, directly or on behalf of third parties. In particular, commitments of verification, evaluation and motivation related to the preliminary phase and completion of a transaction with a subject of interest of Directors or Statutory Auditors are specified. In this regard, both in the preliminary and deliberation phase, a detailed and documented examination of the reason for the transaction is requested, highlighting the interest of the Company in its completion and the convenience and fairness of the underlying terms. In any case, if the transaction is under the responsibility of the Board of Directors of Eni, it is provided for a non-binding opinion from the Internal Control Committee. In addition, in order to ensure an effective control system regarding transactions carried out, it was established that the CEO shall deliver a bi-monthly report to the Board of Directors and Board of Statutory Auditors, on the execution of individual transactions with related parties and parties of interest to the Directors and Statutory Auditors, as well as a half-yearly report, on all transactions with related parties during the period in question, in aggregate form. In order to ensure a timely and effective verification activity of the MSG implementation, an appropriate database was created. The database includes the list of related third parties and Eni's subjects of interest. In addition a search application was created that can be accessed by signing officers of Eni and its subsidiaries

[104] Amadeo Federici is Alternate Judge.

[105] The procedures take into account the indications and interpretations contained in the Consob Communication of September 24, 2010.

[106] The information obligations set forth in the Consob Regulation took effect as from December 1, 2010.

and by subjects delegated to the preliminary investigation of transactions in order to verify the nature of the transaction's counterparty. The text of the MSG, "Transactions involving interests of directors and statutory auditors and transactions with related parties" is available in the Corporate Governance section of the Company's website, at the address:

http://www.eni.com/en_IT/attachments/governance/guidelines-related-parties/MSG_Part%20Correlate_ENG.PDF

Relations with shareholders and the market

From the start of the privatisation process and in compliance with its Code of Ethics and Corporate Governance Code, Eni has maintained open and on-going communication with institutional investors, retail shareholders and the market, so as to ensure the diffusion of complete, correct and timely information on its activity, within the limits of confidentiality on certain information. Information concerning periodical reports, the four-year strategic plan, events and relevant operations is diffused through press releases, meetings and conference calls with institutional investors, financial analysts and the press, and is promptly diffused to the public also through publication on the Company's website. In particular, presentations by top management to the financial markets relative to quarterly and annual results and the four-year strategic plan are diffused live on the Company's website: in this way, retail shareholders may be informed on the most significant market events in real time. The recording of these events, the press releases and the relative presentations and transcriptions are available on the Company's website on a permanent basis. The "Eni on the Stock Market" [Eni in Borsa] pages in the Investor Relations section of Eni's website¹⁰⁷ are constantly updated with information on dividends, share price, share prices of peer companies and the major stock market indices. The website also contains periodical reports, press releases, the Report, the Corporate Governance Code and Corporate Governance procedures, the Company's By-laws, notifications to shareholders and bondholders, statements and documentation regarding the issues on the agenda of the Shareholders' and Bondholders' Meetings, with the relevant minutes. The documentation is sent free of charge to anyone who may request it, also via the Company's website¹⁰⁸. Moreover, Eni is fully committed to providing the public with any information required by the law, in addition to information relative to its Corporate Governance system, by dedicating special attention to the maintenance and updating of the institutional website. A section of the website is dedicated to Eni's Corporate Governance and the governance system is illustrated through a summary interactive diagram¹⁰⁹ as well as through additional detailed explanations. The website also provides a significant amount of documentation that is easy to consult, including this Report, previous reports and

documents referred to in the reports. Furthermore, the effectiveness of Eni's communication through its institutional website has been acknowledged by KWD Webranking (previously known as "H&H Webranking"), the most influential ranking on the quality of corporate communication via the web by the 100 largest Italian and the 500 largest European companies, as being one of the best in Italy and Europe, owing to its ability to guarantee a high level of disclosure through a clear, accessible and transparent presentation style. In particular, the section dedicated to Corporate Governance received the highest ranking from KWD Webranking in regards to transparency and completeness of information relative to the Board of Directors, Board committees, By-laws, Corporate Governance report, external controls, remuneration policies, and internal dealing. Moreover, the Company has agreed to satisfy the requests emerging from the recent Shareholders' Meetings for greater involvement of its investors.

To this aim, without prejudice to the regulatory and By-laws provisions, the project dedicated to retail shareholders continues to be implemented, in order to encourage the latter's interest and participation. Indeed, in recent years the need for companies to not only respect the rights of shareholders but also to promote their active participation by assisting them in exercising their rights, through comprehensible and easily accessible information and by encouraging participation in corporate activities, has been strongly stressed.

The commitment to presenting Eni in a straightforward and intuitive way to shareholders has led to the creation of a section on the Company's website¹¹⁰ dedicated to direct communication that includes a Shareholders' Guide and an overview of dedicated initiatives. One of these initiatives includes a presentation of the Shareholders' Meeting that approved the financial statements, by means of a quick and simple interactive animated video. Specific Eni units guarantee effective relations with institutional investors, shareholder and the media. In particular, as specified in the Eni Code, relations with institutional investors and financial analysts are managed by the Manager of Investor Relations; the relevant information is available on the Eni website and may also be requested via e-mail at [investor.relations@eni.com](mailto:relations@eni.com). Relations with the media are managed by the External Communication Manager; the relevant information is available on the Eni website and may also be requested via e-mail at ufficio.stampa@eni.com. Relations with other shareholders are managed by the Company Secretary for Eni SpA Manager. The relevant information is available on the Eni website and may also be requested via e-mail at segreteria.societaria.azionisti@eni.com, or by calling the toll-free number 800940924 (from abroad: 80011223456). Relations with shareholders with regards to Corporate Governance issues are managed by the Corporate Governance Rules and System Manager: the relevant information is available on the Eni website and may also be requested via dedicated e-mail from Eni's website at info.governance@eni.com.

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

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

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

[110] At the address: http://www.eni.com/en_IT/governance/shareholder-meeting/governance-shareholders/shareholders-initiatives/initiatives.shtml.

Corporate information processing

In compliance with the provisions set forth in the Consolidated Law on Finance and in the Consob Regulations on Issuers, upon implementation of the European Directive on so-called Market Abuse, the Board of Directors – on February 28, 2006 – approved the procedures for communicating inside information to the market, for creating a register of persons having access to inside information and for notifying operations effected by “relevant subjects” – pre-emptively identified – involving shares of the Company (so-called internal dealing). The above-mentioned procedures have all been further updated to include the interpretations provided by Consob with its Communication dated March 28, 2006, and are published in the Corporate Governance section of Eni’s website^[11]. Below is a summary of the approved procedures.

Communication to the market of documents and inside information

The “Procedure for advising the market of inside information and documents concerning the Group’s issuer companies and their financial instruments”, adopted in substitution of the previous policy dating back to 2002, defines the requirements for communicating inside information (materiality, clarity, homogeneity, information symmetry, consistency and timeliness) to the public and defines the rules of acquiring – from subsidiaries – the data and information that are necessary to provide accurate and prompt reports to the Board and to the market on the events and circumstances that may materialise into inside information. In addition, the procedure identifies the measures to be adopted in the event of an infringement of the provisions contained therein, also taking into account the new types of offences that are subject to legal and administrative sanctions introduced by Italian Law No. 262/2005. The Eni Code of Ethics defines the confidentiality obligations of the Group’s employees regarding the processing of confidential information. The Directors and Statutory Auditors ensure the confidentiality of the documents and information acquired during the course of their tasks, and observe the procedure adopted by Eni for the internal management, as well as the communication to external parties, of these information and documents.

Register of persons having access to inside information

The “Procedure for keeping and updating the Register of Persons with access to inside information of Eni SpA”, drafted in compliance with the provisions of Article 115-bis of the Consolidated Law on Finance and the executive provisions of the Consob Regulations on Issuers, defines the following: (i) the methods and terms for the registration in and 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; (ii) the methods for communicating to the interested person the registration and/or cancellation from the register, including the relevant reasons.

Internal Dealing

The “Procedure concerning identification of the relevant persons and the transactions carried out directly or through nominees in respect of shares issued by Eni SpA or other related financial instruments” (so-called Internal Dealing procedure) has replaced the previous policy on the matter dating back to 2002, and was drafted in compliance with the provisions of Article 114, paragraph 7, of the Consolidated Law on Finance. In accordance with the indications set forth in Consob Regulations on Issuers, the procedure: (i) identifies the relevant subjects; (ii) defines the operations on shares issued by Eni or other related financial instruments; (iii) determines the methods and terms for communicating to Eni the operations that are carried out, in addition to the terms for disclosing the information to the public. Moreover, in addition to the regulatory obligations, the procedure also establishes certain periods of the year during which persons identified as “relevant” are prohibited from effecting operations (blocking periods). A similar principle was introduced – in an appropriate internal procedure approved on December 23, 2008 – also in relation to operations conducted by the Company on Eni securities or securities associated with Eni. The Internal Dealing Procedures was further updated on September 1, 2009, to include several organisational amendments.

Below are the tables mentioned in the document “Handbook for the preparation of the Report on Corporate Governance” issued in March 2004 by Assonime and Emittenti Titoli SpA.

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

Structure of the Board of Directors and its Committees

(in office since May 5, 2011)

	Board of Directors				Internal Control Committee		Compensation Committee		Oil - Gas Energy Committee	
	executive	non-executive	independent	% attendance	member	% attendance	member	% attendance	member	% attendance
Members										
Chairman										
Roberto Poli		X		100						
Chief Executive Officer										
Paolo Scaroni	X			100						
Directors										
Alberto Clò (*)		X	X	86			X	67	X	100
Paolo Andrea Colombo		X	X	86			X	100	X	0
Paolo Marchioni		X	X	100	X	100				
Marco Reboa (*)		X	X	100	X	100			X	100
Mario Resca		X	X	100			X	100	X	100
Pierluigi Scibetta		X	X	86	X	100			X	100
Francesco Taranto (*)		X	X	100	X	100	X	100		
Number of meetings in 2011			7		7		3		1	
Average duration of meetings			2h 36m		3h 58m		1h 50m		2h 30m	
Average attendance of meetings			95		100		92		80	

(*) Appointed by the minority list.

Structure of the Board of Directors and its Committees

(in office since May 5, 2011)

	Board of Directors					Internal Control Committee		Compensation Committee		Nomination Committee		Oil - Gas Energy Committee	
	executive	non-executive	independent	% attendance	No. other appointments (a)	member	% attendance	member	% attendance	member	% attendance	member	% attendance
Members													
Chairman													
Giuseppe Recchi		X		100	2					X	100		80
Chief Executive Officer													
Paolo Scaroni	X			91	3								
Directors													
Carlo Cesare Gatto		X	X	100	1	X	91	X	100				40
Alessandro Lorenzi (*)		X	X	100	0	X	100			X	100	X	100
Paolo Marchioni		X	X	100	0	X	91					X	80
Roberto Petri		X	X	100	0			X	100			X	100
Alessandro Profumo (*)		X	X	100	1			X	100	X	100	X	100
Mario Resca		X	X	91	1			X	100	X	100	X	40
Francesco Taranto (*)		X	X	100	2	X	100					X	100
Number of meetings in 2011			11			11		3		3		5	
Average duration of meetings			3h 13m			4h 28m		1h 53m		40m		1h 52m	
Average attendance of meetings			98			95		100		100		87	

(a) Appointments as director or statutory auditor in other listed companies, also outside Italy, in financial, banking, insurance or large companies.

(*) Appointed by the minority list.

Board of Statutory Auditors

(in office until May 5, 2011)

	% attendance Meeting of the Board of Statutory Auditors	% attendance Meeting of the Board of Directors
Members		
Chairman		
Ugo Marinelli ^(*)	100	86
Auditors		
Roberto Ferranti	71	71
Luigi Mandolesi	100	100
Tiziano Onesti	86	100
Giorgio Silva ^(*)	86	100
Number of meetings in 2011	7	7
Average duration of meetings	4h 5 m	2h 36m
Average attendance of meetings	89	91

(*) Appointed by the minority list.

Board of Statutory Auditors

(in office since May 5, 2011)

	% attendance Meeting of the Board of Statutory Auditors	% attendance Meeting of the Board of Directors	Number of other appointments ^(a)	Total number of appointments ^(b)
Members				
Chairman				
Ugo Marinelli ^(*)	100	100	1	1
Auditors				
Roberto Ferranti	42	55	1	1
Paolo Fumagalli	92	91	1	8
Renato Righetti	100	100	2	2
Giorgio Silva ^(*)	100	100	2	11
Number of meetings in 2011	12	11		
Average duration of meetings	4h 26m	3h 13m		
Average attendance of meetings	87	89		

(*) Appointed by the minority list.

(a) Including Eni SpA.

(b) Including listed companies.

Other information to be disclosed under the Corporate Governance Code

	Yes	No
System of delegated powers and transactions with related parties		
The Board of Directors delegated powers defining:		
a) limitations	X	
b) exercise	X	
c) periodicity of information	X	
The Board of Directors reserved examination and approval of relevant transactions (including transactions with related parties)	X	
The Board of Directors defined guidelines for identifying relevant transactions	X	
Such guidelines are described in the report	X	
The Board of Directors defined procedures for examination and approval of transactions with related parties	X	
Such procedures are described in the annual report	X	
Procedures for the latest appointment of Directors and Statutory Auditors		
Lists of candidate directors were deposited at least ten days before the date set for appointment	X	
Lists were accompanied by sufficient information on candidates	X	
Candidates to the role of director disclosed information that qualified them as independent	X	
Lists of candidate auditors were deposited at least ten days before the date set for appointment	X	
Lists were accompanied by sufficient information on candidates	X	
Meetings		
The Company approved regulations of meetings	X	
The regulations are attached to the report (indication of where to find it on-line is provided)	X	
Internal Control		
The Company appointed persons responsible for internal control	X	
Such persons do not report to managers of operating divisions	X	
Internal office responsible for internal control (art. 9.3 of the Code)	Internal Audit Department	
Investor Relations		
The Company appointed an investor relations manager	X	
Information on investor relations manager (telephone, address, e-mail) and unit:		
Eni SpA - Piazza Vanoni, 1 - San Donato Milanese (Milan) 20097 Italy - Tel. +39 02 52051651 - Fax +39 02 52031929 - investor.relations@eni.com		

Investor Relations

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**eni spa**

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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 2011 (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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