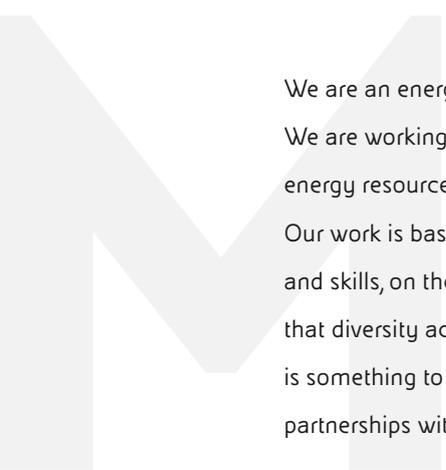


# Remuneration Report **2018**

---





We are an energy company.

We are working to build a future where everyone can access energy resources efficiently and sustainably.

Our work is based on passion and innovation, on our unique strengths and skills, on the quality of our people and in recognising that diversity across all aspects of our operations and organisation is something to be cherished. We believe in the value of long term partnerships with the countries and communities where we operate.

M  
I  
S  
S  
I  
O  
N

# Remuneration Report 2018

Approved by the Board of Directors on 15<sup>th</sup> March 2018



<b>Letter from the Chairman of the Remuneration Committee</b>	<b>5</b>
<b>Foreword</b>	<b>6</b>
<b>Executive summary</b>	<b>7</b>
Remuneration Policy 2018	9
Summary indicators	10
<b>Section I - Remuneration Policy 2018</b>	<b>12</b>
Corporate governance	12
Bodies and parties involved	12
Eni Remuneration Committee	12
2018 Remuneration Policy approval process	15
Engagement on Remuneration Policy	15
Purpose and general principles of the Remuneration Policy	16
Purpose	16
General principles	16
Remuneration Policy Guidelines 2018	17
Market references and the Peer Group	17
Chairman of the Board of Directors	18
Non-Executive Directors	18
Chief Executive Officer and General Manager	18
Managers with strategic responsibilities	22

## REMUNERATION REPORT

<b>Section II - Remuneration and other information</b>	<b>24</b>
Implementation of the 2017 Remuneration Policies	24
Verification of 2016 performance for the purpose of incentives paid and/or awarded in 2017	24
Verification of 2017 performance for the purpose of incentives vested and payable and/or awardable in 2018	25
Remuneration paid and/or awarded in 2017	26
Incentives vested and payable and/or awardable in 2018	28
Remuneration paid in 2017	30
Table 1 - Remuneration paid to Directors, Statutory Auditors, to the Chief Executive Officer and General Manager and to other Managers with strategic responsibilities	31
Table 2 - Monetary incentive plans for the Chief Executive Officer and General Manager and for other Managers with strategic responsibilities	33
Table 3 - Incentive plans based on financial instruments, other than stock options, for the Chief Executive Officer and General Manager and for other Managers with strategic responsibilities	34
Shareholdings held	35
Table 4 - Shareholdings held by Directors, Statutory Auditors, by the Chief Executive Officer and General Manager and by other Managers with strategic responsibilities	35
Annex under Article 84-bis of Consob Issuers Regulation - 2017 Implementation of the 2017-2019 Long-Term Incentive Plan (LTI)	36
Table No. 1 of Schedule 7 of Annex 3A of Regulation No. 11971/1999	36



# LETTER FROM THE CHAIRMAN OF THE REMUNERATION COMMITTEE

Dear Shareholders,

I am very pleased to present, on behalf of the Committee and of the Board, the annual Remuneration Report.

In the first section, the Report describes the Remuneration Policy planned for 2018, as prepared by the Committee established following the most recent appointment of the corporate bodies, the members of which are the Board members Pietro Guindani, Alessandro Lorenzi, and Diva Moriani. To them, and to Board member Karina Litvack, who has been called upon by the new Board to perform new duties, I extend my personal thanks for the important work they did during the previous term and over these last few months of joint effort.

In 2017, upon completion of the preparatory work that began in 2016, the Committee first finalized the proposals related to revision of the variable incentive system for Eni senior management and, in particular, supported the Board in defining the new equity-based 2017-2019 Long-Term Share Incentive Plan. These proposals represented the main change in the 2017 Remuneration Policy and has been widely approved by shareholders (with 96.33% of those in attendance voting in favour).

The Committee formed after appointment of the corporate bodies began working in April 2017, performing preliminary groundwork aimed at defining remuneration for Directors with delegated powers for the upcoming term (2017-2020) by reviewing developments in the regulatory framework and benchmarking remuneration levels and practices in relevant markets.

To this end, the Committee took account of the end of the regulatory restrictions in force at the beginning of the previous term concerning the remuneration of Directors with delegated powers of publicly controlled companies, assessing:

- with regard to the Chairman of the Board of Directors, the need to adapt

remuneration to the complexity, powers and responsibilities of the position held, while also taking account of median remuneration levels in relevant markets, which is made up of the leading publicly listed Italian corporations;

- with regard to the Chief Executive Officer and General Manager, the need to readjust fixed remuneration so as to allow for the potential recovery, in total pay resulting from application of the variable incentive systems defined under 2017 policies, of the statutory reduction imposed during the previous term. In making this assessment, the Committee was supported by in-depth analyses of remuneration benchmarks conducted with the support of leading advisory firms. This enabled us to make a proposal balancing the need to provide Eni's Chief Executive Officer with a performance-based, competitive and motivating remuneration package, given the challenges successfully faced since 2014, and the need to maintain a profile of general consistency with the applicable market benchmarks in the international oil&gas industry, as well as with past Company practice.

The Committee's proposals concerning the remuneration of Directors with delegated powers were approved by the Board of Directors at the meetings of 19<sup>th</sup> June and 27<sup>th</sup> July 2017.

During the remainder of the year, the Committee's efforts focused on its annual plan. More specifically, given the great importance that Eni places on dialogue and interaction with investors, we implemented, with the support of the competent Company functions, a structured plan of meetings with leading institutional investors and proxy advisors. This was done in order to receive their feedback and evaluate their orientation



ANDREA GEMMA

for the purposes of defining the 2018 Remuneration Policy, receiving indications and suggestions to help us constantly improve this Report.

In light of the feedback received, as well as the Committee's assessment of the adequacy, overall consistency, and actual application of the 2017 Policy Guidelines, the update to the remuneration benchmark in the relevant market, and the monitoring of trends in market best practice, the Committee defined the proposals for 2018 Remuneration Policy, in line with those of 2017, while taking account of the decisions of the Board following the election of the corporate bodies.

These proposals were then submitted to the Board of Directors for approval on 15<sup>th</sup> March 2018 as described in the first section of this Report.

It is my hope that the decisions made, which are consistent with the remuneration policy framework approved by the previous Shareholders' Meeting, will be understood and appreciated, and I would like to thank you in advance, on behalf of the Committee as well as my own, for your support for the Remuneration Policy planned for 2018.

Chairman of the Remuneration Committee

# FOREWORD

This Report was approved by the Board of Directors on 15<sup>th</sup> March 2018, as per the recommendation of the Remuneration Committee, in accordance with applicable legal and regulatory requirements<sup>1</sup>.

It defines and illustrates:

- in the first section, the 2018 Policy adopted by Eni SpA (hereafter “Eni” or the “Company”) for the remuneration of Directors and Managers with strategic responsibilities<sup>2</sup>, specifying: the general aims pursued, the bodies involved, and the procedures used to adopt and implement the Policy. The general principles and guidelines outlined in this Report also apply to the remuneration policies of companies directly or indirectly controlled by Eni<sup>3</sup>;
- in the second section, the remuneration paid in 2017 to Eni Directors, Statutory Auditors, Chief Executive Officer and General Manager and other Managers with strategic responsibilities.

The Policy described in the first section of the Report has been prepared in line with

the recommendations on remuneration of the Italian Corporate Governance Code for listed companies (the “Corporate Governance Code”), in the version last approved in July 2015, which Eni adopted<sup>4</sup>, as well as with recent recommendations by the Corporate Governance Committee<sup>5</sup>. The two sections of the Report are preceded by a summary (“Executive Summary”) in order to provide an easily accessible overview of the key elements of the 2018 Policy.

The Executive Summary also provides some additional information in order to describe the context in which remuneration choices have been made (with reference to the performance and sustainability indicators, the results of the engagement process with leading proxy advisors and shareholders, the vote results on the Remuneration Report at the last Shareholders’ Meetings).

Finally, the Report lists the shareholdings held by Directors, Statutory Auditors, Chief Executive Officer and General Manager

and other Managers with strategic responsibilities<sup>6</sup> and explains how the terms of the 2017-2019 Long-Term Incentive Plan were applied in 2017, in accordance with applicable regulation<sup>7</sup>.

The text of this Report will be published no later than twenty-one days before the date of the 2018 Shareholders’ Meeting at which investors will be invited to approve the 2017 financial statements as well as to vote on a non-binding resolution regarding the first section of the Report, in accordance with applicable regulation<sup>8</sup>. The text of the Report is available at the Company’s registered headquarters, on the Company website in the sections “Company/Governance” and “Publications”, or via the website of the provider of disclosure and storage services for regulated information “1Info” (available at [www.1info.it](http://www.1info.it)).

The documents relating to existing remuneration plans based on financial instruments are available in the “Company/Governance” section of the Company website.

[1] Art. 123-ter of Italian Legislative Decree 58/98 (Consolidated Law on Financial Intermediation) and Art. 84-quater of the Consob Issuers Regulation (Resolution No. 11971/99 and subsequent amendments and additions).

[2] Those persons who have the power and responsibility, directly or indirectly, for planning, directing and controlling Eni fall under the definition of “managers with strategic responsibilities”, in accordance with Art. 65, paragraph 1-quater of the Issuers Regulation. Eni Managers with strategic responsibilities, other than Directors and Statutory Auditors, are those who sit on the Management Committee and, in any case, those who report directly to the Chief Executive Officer and to the Chairman of the Board of Directors. For more information on the organisational structure of Eni, see the “Company” section of the Company’s website ([www.eni.com](http://www.eni.com)).

[3] The remuneration policies of the subsidiaries will be determined in respect of the principle of their management autonomy, in particular for listed companies and/or those subject to regulation, as well as in accordance with the provisions of local legislation.

[4] For further information on the terms of adoption of Eni’s Corporate Governance Code, please refer to the section “Company/Governance” on the Company website.

[5] Letter of the Chairman of the Committee to the Chairmen of the boards of Italian listed companies of 13 December 2017.

[6] See Art. 84-quater, fourth paragraph, of the Consob Issuers Regulation.

[7] Art. 114-bis of the Consolidated Law on Financial Intermediation and Art. 84-bis of the Consob Issuers Regulation.

[8] Art. 123-ter of Consolidated Law on Financial Intermediation, paragraph 6.

---

## EXECUTIVE SUMMARY

The Eni Remuneration Policy is deliberated by the Board of Directors, following a proposal by the Remuneration Committee, which is entirely made up of Non-Executive, Independent Directors. It is defined in accordance with the corporate governance model adopted by the Company as well as with the recommendations of the Italian Corporate Governance Code. This Policy aims to align the interests of management with the prime objective of creating sustainable value for shareholders over the medium-to-long-term, in accordance with the guidelines defined in the Strategic Plan of the Company.

For purposes of this Report, the Remuneration Committee has taken into account the favourable vote of the 2017 Shareholders' Meeting, as well as the feedback received from shareholders regarding the 2017 Report. The Committee also gave due consideration to the governance and regulatory frameworks and best practices applied in other relevant

markets, as well as best practices in remuneration reporting, both nationally and internationally, with the aim of providing the greatest clarity, completeness and accessibility of information.

The 2018 Remuneration Policy does not contain substantial changes compared with the policy approved in 2017 for the 2017-2020 term<sup>9</sup> and is characterised by the adoption of a new, simpler variable incentive system, based on:

- a Short-Term Incentive Plan, featuring a three-year deferral mechanism applicable to a portion of accrued bonuses and subject to specific performance conditions over a three-year term; this is to ensure the medium-term sustainability of results achieved in the short-term;
- a Long-Term Share-Based Incentive Plan<sup>10</sup>, offered to managers with the greatest influence on business performance and aimed at achieving medium-to-long-term objectives

consistent with the Strategic Plan and the expectations of shareholders, as measured by comparison with the performance achieved by a defined Peer Group.

The 2018 Policy also describes the remuneration approved by the Board of Directors elected by the Shareholders' Meeting of 13<sup>th</sup> April 2017 for Directors with delegated powers (Chairman and Chief Executive Officer and General Manager) and for Non-Executive Directors in relation to their participation on Board Committees, in the light of the principles and criteria provided for in the 2017 Remuneration Policy and in implementation of the applicable provisions of law and the By-laws<sup>11</sup>. The following table describes the main elements of the approved Guidelines for the remuneration of the Chief Executive Officer and General Manager, and the other Managers with strategic responsibilities (MSR).

[9] See 2017 Remuneration Report, Section I, chapter entitled Remuneration Policy Guidelines 2017 (page 17 et seq.).

[10] The conditions of the new Long-Term Incentive Plan are described in the section "Remuneration Policy Guidelines 2018 - Chief Executive Officer and General Manager- Variable remuneration: long-term share incentives" of this Report, as explained in more detail in the Information Document prepared in accordance with Art. 114-bis of Consolidated Law on Financial Intermediation and Art. 84-bis of the Issuers Regulation and available on the Company's website.

[11] Art. 2389, third paragraph, of the Civil Code and Art. 24 of the By-laws.

# Remuneration Policy 2018

TABLE 1

	PURPOSE	TERMS AND CONDITIONS	PRACTICE/AMOUNTS	PAGE REF.
<b>REMUNERATION STRUCTURE AND MARKET BENCHMARKS</b>	Attract and retain individuals of high professional and managerial standing and motivate them to achieve challenging results	2018 Policy confirms the same remuneration structure as approved in 2017, organised as follows: - <b>Fixed remuneration</b> - <b>2018-2020 short-term monetary Incentive Plan with deferral</b> of a portion of the incentive earned. - <b>2017-2019 long-term share Incentive Plan</b> , approved by the Shareholders' Meeting on 13 <sup>th</sup> April 2017. - <b>Non-monetary benefits</b> and supplementary remuneration. All incentive plans are subject to clawback provisions under the same conditions as for 2017 Policy. Market benchmarks for comparing remuneration are defined within corporate and geographical groups similar to those where the Company operates, particularly in the international oil&gas industry and the Italian and European industrial sector. Comparisons have been conducted with the help of leading international advisory firms (Mercer, Willis Towers Watson, Korn Ferry-HayGroup).	<b>Market references</b> <b>CEO/GM:</b> Similar roles within Eni's main competitors in the oil&gas industry (Peer Group): Anandarko, Apache, BP, Chevron, Conoco Phillips, ExxonMobil, Marathon Oil, Shell, Statoil and Total. <b>MSRs:</b> Roles of the same level of managerial complexity and responsibility within industrial corporations in national and international markets.	17
<b>FIXED REMUNERATION</b>	Reward the skills, experience and contribution required in the assigned role	<b>Chief Executive Officer and General Manager (CEO/GM):</b> Fixed remuneration is set in relation to the delegated powers assigned over the term and positions held, taking into account market benchmarks applicable to similar roles as well as the level of skill, experience and impact on company performance.  <b>Managers with strategic responsibilities (MSRs):</b> Gross annual remuneration is based on the role assigned, in line with median levels in the reference market for roles of similar responsibility and complexity, taking into account the level of skills, experience and impact on company performance.	<b>CEO/GM:</b> Total fixed remuneration set by the Board of Directors, based on a proposal of the Remuneration Committee and having heard the opinion of the Board of Statutory Auditors, is equal to a gross amount of €1,600,000, made up as follows: - Administrative office: gross fixed remuneration of €600,000, including €80,000 for the position of member of the Board as approved by the Shareholders' Meeting. - Executive employment relationship (including position as General Manager): gross annual remuneration of €1,000,000 including any remuneration due for other positions held in subsidiaries/associates. <b>MSRs:</b> Gross annual remuneration for each position level within an interval of remuneration in line with median levels in the reference market.	18  23
<b>SHORT-TERM INCENTIVE PLAN</b>	Motivate managers to achieve annual budget targets in a perspective of medium/long-term sustainability using a three-year deferral mechanism	<b>2018 targets for CEO/GM:</b> <b>1) Economic and financial results: EBT (12.5%) and Free cash flow (12.5%)</b> <b>2) Operating results and sustainability of economic results: hydrocarbon production (12.5%) and exploration resources (12.5%)</b> <b>3) Environmental sustainability and human capital: CO<sub>2</sub> emissions (12.5%) and Severity Incident Rate (SIR) (12.5%)</b> <b>4) Efficiency and financial strength: ROACE (12.5%) and Debt/EBITDA (12.5%)</b> <b>2018 targets for MSRs:</b> Business and individual targets set on the basis of those assigned to the CEO/GM and the responsibilities assigned to them. <b>Assessment</b> Each target is measured in accordance with a performance scale of 70 ÷ 150 points (target= 100), in relation to its assigned weight. A score below 70 points implies a the performance equal to zero; the minimum incentive threshold is equal to an overall performance of 85 points. <b>Incentive base</b> Target result is defined as a percentage of fixed remuneration, and differs depending on the level of assigned role. <b>Total Incentive award</b> Determined in reference to performance levels achieved in previous year (between 85% and 150% of incentive base), based on a defined performance scale and made up of two components: - <b>Portion paid annually</b> , equal to <b>65%</b> of the Total Incentive; - <b>Deferred portion</b> equal to <b>35%</b> of the Total Incentive subject to further performance conditions during a three-year vesting period. The deferred portion payable at the end of the vesting period is determined as a function of the average of Eni annual performance results over the three-year deferral period, between 28% and 230% of the awarded deferred portion.	<b>CEO/GM</b> <b>Incentive base:</b> 150% of total fixed remuneration. <b>Payable annual portion</b> (% of fixed remuneration): - threshold 83%; - target 98%; - max 146%. <b>Payable deferred portion</b> (% of fixed remuneration): - threshold 38%; - target 68%; - max 181%. <b>MSRs</b> <b>Incentive base:</b> up to 100% of fixed remuneration. <b>Payable annual portion:</b> up to 98% of fixed remuneration. <b>Payable deferred portion:</b> up to 121% of fixed remuneration.	18  23
<b>2017-2019 LONG-TERM SHARE INCENTIVE PLAN</b>	Align the behaviour of managers critical to the business <sup>(1)</sup> with shareholders interests and encourage sustainability and long-term value creation	The Plan provides for three annual awards of Company shares at the end of a three-year vesting period for each award, subject to achievement of specific performance conditions. <b>Performance parameters</b> - <b>Difference between the TSR<sup>(2)</sup> of Eni and the TSR of the benchmark stock index, adjusted for the correlation coefficient (50%);</b> - <b>NPV of proven reserves<sup>(3)</sup> (50%);</b> <b>Performance measurement and Peer Group</b> Performance is measured in relative terms as the average annual positioning achieved over the vesting period for each parameter compared with the companies in the peer group: Anandarko, Apache, BP, Chevron, Conoco Phillips, ExxonMobil, Marathon Oil, Shell, Statoil and Total, in line with the following incentive scale: 1 <sup>st</sup> Place 180%; 2 <sup>nd</sup> Place 160%; 3 <sup>rd</sup> Place 140%; 4 <sup>th</sup> Place 120%; 5 <sup>th</sup> Place 100%; 6 <sup>th</sup> Place 80% ( <i>median performance level</i> ); no incentive is paid for the 7 <sup>th</sup> to 11 <sup>th</sup> Place. The minimum performance threshold for the purposes of incentivisation is 26.6%. <b>Number of shares awarded</b> Determined by the ratio between the monetary value (calculated as a percentage of fixed remuneration differentiated according to the level of the role), and the price of the award, calculated as the average of the daily prices recorded in the four months before the month in which the Board approves the award. <b>Number of share granted at the end of the vesting period</b> Determined applying a multiplier between zero and 180% of the number of awarded shares. <b>Restricted shares/ Restriction period</b> For senior managers still in service, 50% of the shares granted at the end of the vesting period are to remain restricted for one year from the granting date.	<b>CEO/GM</b> <b>Awarded shares:</b> 150% of total fixed remuneration. <b>Shares granted at the end of vesting period:</b> Value as a percentage of fixed remuneration, between a threshold of 40% and a maximum value of 270%, net of the change in share price for the period. <b>MSRs</b> <b>Awarded shares:</b> Value of fixed remuneration, depending on the level of the role, up to 75% of fixed remuneration. <b>Shares granted at the end of vesting period:</b> Value as percentage of fixed remuneration, limited to a maximum of 135%, calculated with reference to the grant price of the shares, net of the change of in share price for the period.	20  23
<b>NON-MONETARY BENEFITS</b>	Retain managers in the company, with a «total reward» approach	Benefits defined in national collective bargaining processes and in supplementary Company-level agreements.	- Supplementary pension scheme - Supplementary healthcare scheme - Insurance - Automobile for business and personal use	21-23
<b>PAYMENTS DUE IN THE EVENT OF TERMINATION OF OFFICE OR EMPLOYMENT</b>	Protect the Company from potential litigation associated with terminations	2018 Remuneration Policy provides for the following: - administrative office (CEO) – an indemnity in the event of non-renewal of employment or early termination without just cause, as well as resignation prior to the expiry of the term justified by a reduction of delegated powers; - executive employment relationship (including the position as GM) – an indemnity in the event of consensual termination set in accordance with the Company parameters and policy, within the limits of the protections laid down by national collective bargaining agreement for senior managers.  Indemnities are not due in the event of dismissal for «just cause» and resignation not justified by a reduction of delegated powers.	<b>CEO/GM</b> - Administrative office: indemnity set at two years of fixed remuneration, for a total of €1,200,000, in accordance with European Commission Recommendation no. 385 of 30 April 2009; - Executive employment relationship: indemnity set at 2 years of fixed remuneration and short-term variable incentive. <b>MSRs:</b> Indemnities set within the limits of protection envisaged by applicable national collective bargaining agreement (CCNL), providing for a max. of 2 extra years in addition to notice (de facto 1 year of remuneration).	22  23
<b>NON-COMPETITION AGREEMENTS</b>	Safeguard the company from competitive risks	<b>CEO/GM:</b> 2018 Remuneration Policy maintains the non-competition agreement in place since 2014, which can be activated at the sole discretion of the Board through the exercise of an option right, with the following additions: - <b>validity:</b> 12 months post termination; - <b>restricted markets:</b> extended from exploration and production to include the midstream sector; - <b>restricted nations:</b> 18 countries with the addition of Mexico to those envisaged in the previous term ( <i>Algeria, Angola, Congo, Egypt, Ghana, Indonesia, Iraq, Italy, Kazakhstan, Libya, Mozambique, Nigeria, Norway, Russia, UK, USA, Venezuela</i> ); - <b>additional confidentiality and non-solicit restrictions.</b> <b>MSRs:</b> Non-competition clauses for cases of termination presenting high-competitive risks relating to the nature of the position.	<b>CEO/GM:</b> Payment for the non-competition agreement calls for the retention of two components based on current remuneration levels and the extension of commitments undertaken: - a fixed component in the amount of €1,800,000; - a variable component to be determined by the Board of Directors, base on a recommendation of the Remuneration Committee, in line with the average annual performance over the previous three years: - Zero for performance below the target; - €500,000 for performance on target; - €1,000,000 for maximum performance. <b>MSRs:</b> Fees determined on the basis of the remuneration received and the duration and the scope of the agreements.	22  23

(1) Managers who occupy positions that are more directly responsible for business performance or that are of strategic interest and who, at the date of award, are employees and/or in service with Eni and its subsidiaries.

(2) Total Shareholder Return measures the overall performance of a share, taking into account both price developments and distributed and reinvested dividends, over a specified period.

(3) Net Present Value of proven reserves is the present value of future cash flows generated by proven reserves net of future production and development costs, and taxes. It is calculated against a reference base defined by the Securities Exchange Commission on the basis of data published by oil companies in their official filings (Form 10-K and Form 20-F).

## Summary indicators

### PERFORMANCE AND REMUNERATION

In 2011-2017, as shown in Chart 1, Eni delivered a Total Shareholder Return of 14.8%, compared with 11.7% in the Peer Group<sup>1</sup>, while the FTSE Mib index produced a TSR of 63.2% compared with an average 86.5% for the peer companies' respective benchmark Stock market indices<sup>2</sup>. Chart 2 shows the comparison between developments in TSR and total CEO/GM remuneration in 2012-2017.

The total remuneration of the Chief Executive Officer and General Manager for the 2017-2020 term, given at the target level in Chart 3, takes account of the lapse of the requirement for cuts in remuneration applied in the 2014-2017 term, as well as the median total remuneration benchmarks of the companies in the Peer Group, adjusted appropriately for the dimensions of Eni. More specifically, the remuneration policy for the current term envisages a greater focus compared with the previous term on the long-term variable component (53% vs. 46%). The pay mix is calculated considering the base salary as one hundred and the achievement of the target level for results and in the long-term variable component includes not only long-term incentives but also deferred incentives, using undiscounted values (nominal values at grant).

(1) The Peer Group consists of ExxonMobil, Chevron, BP, Royal Dutch Shell, Total, ConocoPhillips, Statoil, Apache, Marathon Oil, Anadarko.

(2) Benchmark indices: Standard Poor's 500, Cac 40, FTSE 100, AEX, OBX.

CHART 1 - TOTAL SHAREHOLDER RETURN  
(Eni vs. Peer Group and benchmark stock market indices)

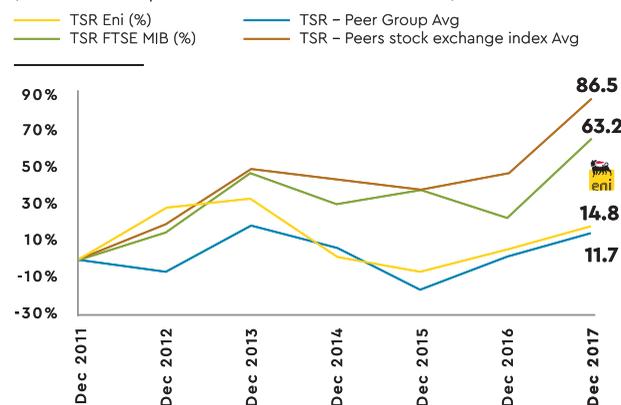
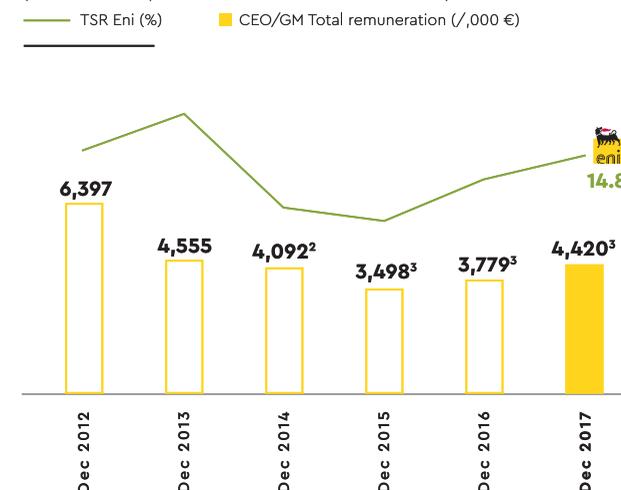


CHART 2 - PAY FOR PERFORMANCE ANALYSIS  
(Eni TSR vs. CEO/GM total remuneration for 2012-2017)<sup>1</sup>

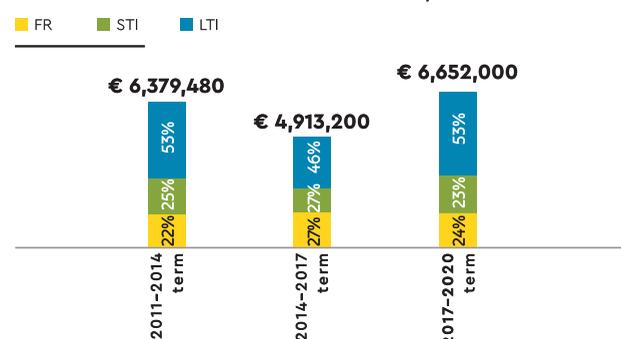


(1) Data from Table 1 of 2012-2017 Eni Remuneration report.

(2) For 2014 fixed remuneration is calculated as the sum of pro-rata amounts paid to the outgoing CEO and to incoming CEO.

(3) For 2015, 2016 and 2017, total remuneration also includes incentives accrued by the current CEO/GM in his previous role as GM of the E&P Division.

CHART 3 - REMUNERATION PACKAGE AND CEO/GM PAY-MIX - TARGET<sup>1</sup>

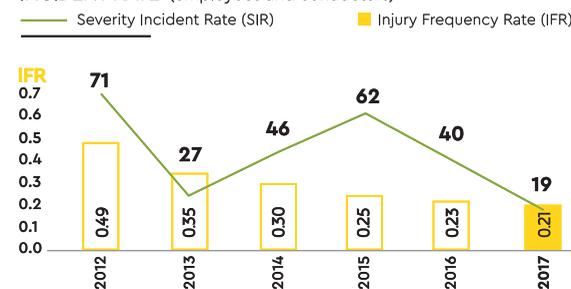


(1) Chart 3 shows the undiscounted values for the Long-Term components at the target performance level (nominal values).

### ENVIRONMENTAL SUSTAINABILITY AND SAFETY

In 2017, Eni also achieved its environmental sustainability and safety goals, further reducing injury frequency both in terms of the Injury Frequency Rate (IFR) and the incidence of more serious injuries measured using the Severity Incident Rate (SIR), as shown in Chart 4. Emissions of greenhouse gases (GHG), as shown in Chart 5, as calculated in relation to gross hydrocarbon production on operations in the upstream sector also decreased. The following graphs report developments of injury rates and greenhouse emissions in 2012-2017.

CHART 4 - INJURY FREQUENCY RATE<sup>1</sup> AND SEVERITY INCIDENT RATE<sup>2</sup> (employees and contractors)

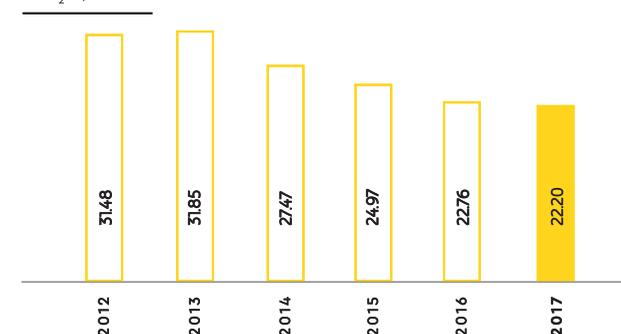


(1) Injuries / hours worked x 1,000,000.

(2) Total recordable injuries weighted for severity/hours worked x 1,000,000.

CHART 5 - GREENHOUSE GAS EMISSIONS

Greenhouse gas emissions/gross hydrocarbon production on operated basis (tCO<sub>2</sub>eq/kboe)



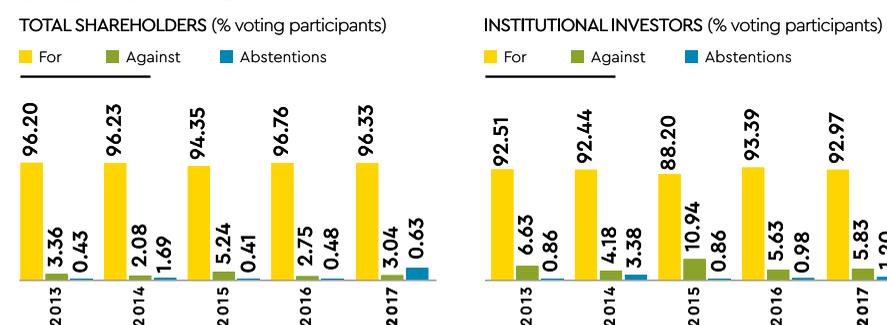
### REMUNERATION REPORT 2017 (SECTION I) - RESULTS OF THE SHAREHOLDERS' MEETING VOTE

The Shareholders' Meeting of April 13<sup>th</sup>, 2017, in accordance with the provisions of the applicable legislation [Art. 123-ter, paragraph six of Legislative Decree No. 58/98], issued an advisory vote on the first section of the 2017 Remuneration Report.

The overall percentage of participants voting in favour in 2017 was 96.33%, while the subset of institutional investors voting in favour came to 92.97%, in line with 2016 results. As shown in the following chart 6, the outcomes in the last five years of voting by the Shareholders' meeting on the Eni Remuneration Policy show an average of approval rate

(even among minority shareholders) of more than 90%. These results are the outcome of ongoing dialogue maintained with leading investors and proxy advisors in order to ensure maximum visibility and transparency of the Company's practices.

CHART 6 - RESULTS OF THE SHAREHOLDERS' MEETING VOTES ON THE 2013-2017 ENI REMUNERATION REPORT



# SECTION I – REMUNERATION POLICY 2018

## Corporate governance

### BODIES AND PARTIES INVOLVED

The Policy governing the remuneration of members of the Eni Board of Directors is defined in accordance with the provisions of law and the By-laws, according to which:

- the Shareholders' Meeting determines the remuneration of the Chairman and other members of the Board of Directors, at the time they are appointed and for the entire duration of their term;
- the Board of Directors determines the remuneration of the Directors with delegated powers and of those who participate in Board Committees, after examining the opinion of the Board of Statutory Auditors.

In line with Eni's corporate governance system<sup>12</sup>, the Board is also responsible for:

- defining the Company's targets and approving the Company's performance thereby determining the variable remuneration of eligible Directors;
- approving the general criteria for remunerating Managers with strategic responsibilities;
- subject to a proposal of the Chairman in agreement with the Chief Executive Officer, defining the remuneration structure of the Group Head of Internal Audit in accordance with the Remuneration Policies of the Company, on receipt of a favourable opinion from the Control and Risk Committee and having examined the opinion of the Board of Statutory Auditors.

In line with the recommendations of the Italian Corporate Governance Code, the Board of Directors is supported by a Committee of independent Non-Executive Directors (the Remuneration Committee), which makes proposals and provides advice on remuneration issues.

### ENI REMUNERATION COMMITTEE

#### COMPOSITION, APPOINTMENTS AND TASKS

The Eni Remuneration Committee was first established by the Board of Directors in 1996. Its composition and appointment, remit and terms of reference are governed by specific rules approved by the Board of Directors and published on the Company website<sup>13</sup>. The Committee is composed of three to four Non-Executive Directors, all of whom meet the definition of independence as set out in Italian law and the Italian Corporate Governance Code. According to the Committee's rules, the Committee may be composed of Non-Executive Directors, a majority of whom shall be independent, provided that in this case the Chairman is chosen from among the independent Directors. The Committee's rules also require that at least one of its members possess adequate knowledge and experience of financial matters or remuneration policies, as assessed by the Board at the time of his or her appointment (Art. 6.P.3).

Below are details of the composition and meetings of Committee in 2017<sup>14</sup>.



CHART 7 - COMPOSITION OF THE REMUNERATION COMMITTEE<sup>1</sup>

Andrea Gemma (Chairman)	10 meetings in 2017  Average duration: 2 hours and 35 minutes
Pietro A. Guindani <sup>2</sup>	
Alessandro Lorenzi <sup>2</sup>	
Diva Moriani	

1) Composition following renewal of corporate bodies (Board of Directors' decision on 13<sup>th</sup> April 2017 as announced in the press release of the same date). The Committee is entirely composed of Non-Executive and Independent Directors, pursuant to law and Corporate Governance Code.

2) Directors Guindani and Lorenzi have been appointed from the minority list.

The Chief Services & Stakeholder Relations Officer of Eni or, on his behalf, the Executive Vice President Compensation & Benefits, acts as Secretary to the Committee. The Secretary assists the Committee and its Chairman in the performance of their activities. In line with the recommendations of the Italian Corporate Governance Code (Art. 6.P.4 and Art. 6.C.5), the Committee performs the following consultative and advisory functions for the Board of Directors:

- submits the Remuneration Report and in particular the Remuneration Policy for Directors and Managers with strategic responsibilities to the Board of Directors for approval, prior to its presentation at the Shareholders' Meeting called to approve the year's financial statements, in accordance with the time limits set by applicable law;
- periodically evaluates the adequacy, overall consistency and effective implementation of the Policy, formulating proposals, as appropriate, for approval by the Board of Directors;
- presents proposals for the remuneration of the Chairman and the Chief Executive Officer, including the various components of compensation and non-monetary benefits;
- presents proposals for the remuneration of Board Committee members;
- having examined the Chief Executive Officer's input, proposes general criteria for the compensation of Managers with strategic responsibilities, the annual and Long-Term Incentive Plans, including equity-based schemes, sets performance objectives and assesses performance against them, in connection with the determination of the variable portion of remuneration for Directors with delegated powers and with the implementation of the approved incentive plans;

[12] For more information regarding the Eni corporate governance system, please refer to the "Corporate Governance Report" published in the "Company/Governance" section of the Company website.

[13] The rules of the Remuneration Committee are available in the "Company/Governance" section of the Company's website.

[14] Total 2017 figures on previous and current composition of the Committee, following the election of the corporate bodies.

- monitors execution of decisions taken by the Board;
- reports at the first available meeting of the Board of Directors through the Committee Chairman on the most significant issues addressed by the Committee during the meetings. It also reports to the Board on its activities at least every six months and no later than the time limit for the approval of the Annual Report and the Interim Report at 30<sup>th</sup> June, at the Board meeting designated by the Chairman of the Board of Directors.

Furthermore, in exercising its functions, the Committee may issue opinions as required by Company procedures in relation to operations with related parties, in accordance with specified procedures.

### OPERATIONAL PROCEDURES

According to its rules, the Committee meets as often as necessary to fulfil its functions, usually on the dates established in the annual meeting schedule approved by the Committee itself, and in the presence of at least the majority of its current members. The Chairman of the Committee calls and chairs the meetings; in case of absence or impediment, the meeting is chaired by the oldest attending member. The Committee decides with an absolute majority of those present; in the case of tied votes, the Committee Chairman has a casting vote. The Committee Secretary, who may be assisted in this function by the Executive Vice President Compensation & Benefits, produces the minutes of the meetings.

The Chairman of the Board of Statutory Auditors, or another Statutory Auditor designated by the Chairman, attends the meetings of the Committee; other Statutory Auditors may also attend the meetings. Meetings may be attended, at the invitation of the Chairman of the Committee on behalf the Committee, by the Chairman of the Board of Directors and the Chief Executive Officer; the meetings may also be attended by Managers of the Company or other persons, including other members of the Board of Directors, to provide information and feedback on specific agenda items. No Director and in particular no Director with delegated powers may take part in Committee meetings during which Board proposals relating to his or her remuneration are being discussed [Art. 6.C.6),

unless they are deemed proposals regarding all the members of the Committees established within the Board of Directors. The provisions applicable to the composition of the Committee shall remain applicable where the Committee is called upon to perform the duties required under the procedure for related-party transactions adopted by the Company.

The Committee has the right to access information and Company managers as necessary to perform its duties, and to make use of external consultants, whose independence is assured, within the terms and limits of the budget set by the Board of Directors [Art. 4.C.1, letter e; Art. 6.C.7).

The Committee shall report to the Board of Directors on the results of its meetings at each subsequent full Board meeting, in addition to providing half-yearly updates on the manner in which it has exercised its duties and the issues it has addressed [Art. 4.C.1, letter d).

### ACTIVITIES PERFORMED IN 2017

In 2017, the Remuneration Committee, in its previous and current composition, met a total of 10 times, with an average attendance of 98% of its members and an average duration of 2 hours and 35 minutes.

At least one member of the Board of Statutory Auditors participated in each meeting as well as, following the renewal of corporate bodies, the Chairman of the Board of Auditors.

At the invitation of the Chairman of the Committee, the Chief Executive Officer and General Manager, Managers of the Company and advisors participated in specific meetings to provide information and clarifications requested by the Committee to pursue the enquiries conducted.

In the first part of the year, the Committee focused on the following topics:

- review, with the assistance from leading law firms, of relevant updates to legal and regulatory requirements governing Directors or Managers severance arrangements under Italy's national collective bargaining regime (CCNL);
- periodic evaluation of Remuneration Policy, as implemented in 2016, also with a view to developing new Policy proposals for 2017, which provided for the introduction of a new and



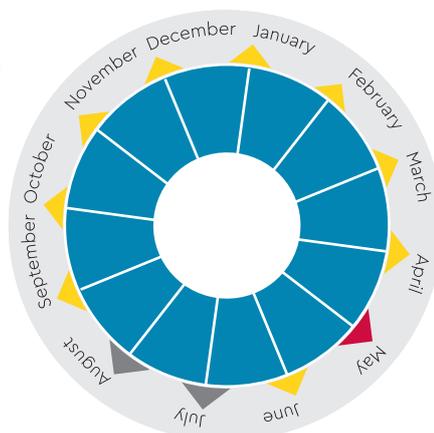
CHART 8 - REMUNERATION COMMITTEE'S ANNUAL ACTIVITY CYCLE

#### NOVEMBER - DECEMBER

- Monitoring of the regulatory framework and of the voting policies of leading institutional investors and proxy advisors.
- Definition of the annual engagement plan with leading institutional investors and proxy advisors, prepared by the relevant corporate functions.

#### SEPTEMBER - OCTOBER

- Benchmark review of the results of the Shareholders' Meeting vote on the planned Remuneration Policy.
- Implementation of the Long-Term Incentive Plan (LTI).



#### JANUARY - FEBRUARY

- Periodic assessment of the policy adopted in the previous year and remuneration comparative studies.
- Definition of Remuneration Policy Guidelines.
- Definition of the performance targets related to the variable incentive plans.
- Assessment of the outcomes of engagement activities with leading institutional investors and proxy advisors.

#### MARCH - APRIL

- Verification of results related to the variable incentive plans.
- Implementation of the Short-Term Incentive Plan with Deferral.
- Preparation of the Company's Remuneration Report.

#### MAY

- Presentation of the Remuneration Report to the Shareholders' Meeting.



TABLE 2 - MAIN TOPICS COVERED IN 2017

MONTHS	REMUNERATION	GOVERNANCE
January		<ul style="list-style-type: none"> <li>- Approval of Report on the activities in the second half of 2016.</li> <li>- Review of relevant updates to legal and regulatory requirements governing Directors or Managers severance arrangements under Italy's national collective bargaining agreement (CCNL).</li> </ul>
February	<ul style="list-style-type: none"> <li>- Remuneration Policy: assessment of 2016 implementation, examination of remuneration benchmark studies, 2017 Policy Guidelines with focus on new Variable Incentive Plans for Management.</li> <li>- Management incentive plans: definition of 2017 performance targets and verification of 2016 results.</li> <li>- Implementation of Annual Variable Incentive Plan for CEO/GM.</li> <li>- Implementation of the Deferred Monetary Incentive Plan (2017 assignment) for the CEO/GM and the other managerial resources.</li> </ul>	<ul style="list-style-type: none"> <li>- Drafting of Information Document on the new 2017-2019 Long-Term Share Incentive Plan.</li> <li>- Drafting and review of 2017 Remuneration Report (Sections I and II) to be approved by the Board of Directors before presentation to Eni Shareholders' Meeting.</li> </ul>
March		<ul style="list-style-type: none"> <li>- Engagement 2017: update on implementation of the plan conducted with leading institutional investors on remuneration issues and 1<sup>st</sup> voting projection.</li> </ul>
May		<ul style="list-style-type: none"> <li>- Presentation to Shareholders' Meeting of Remuneration Report and Information Document on the new 2017-2019 Long-Term Share Incentive Plan.</li> <li>- Update of Committee's Rules and plan of meetings (post appointment).</li> </ul>
June	<ul style="list-style-type: none"> <li>- Verification of 2016 performance results for the purposes of Long-Term Monetary Incentive Plan.</li> <li>- Formulation of proposals for the remuneration of Directors with delegated powers for the 2017-2020 term.</li> </ul>	
July	<ul style="list-style-type: none"> <li>- Proposal of non-competition clauses for CEO/GM.</li> <li>- Information on remuneration paid to CEO/GM under 2014 LTI Plans.</li> </ul>	<ul style="list-style-type: none"> <li>- Benchmark analysis of the 2017 Shareholders' Meeting vote results on the Remuneration Policy.</li> <li>- Approval of the Report on activities performed in the first half of 2017.</li> </ul>
October	<ul style="list-style-type: none"> <li>- Implementation of the 2017-2019 Long-Term Share Incentive Plan.</li> </ul>	<ul style="list-style-type: none"> <li>- 2018 Engagement: plan review in the run up to the 2018 Shareholders' Meeting.</li> <li>- Monitoring developments in regulatory framework and in the voting policies of proxy advisors.</li> </ul>
November		<ul style="list-style-type: none"> <li>- Assessment of the 2017 Shareholders' Meeting results and scenario analysis for 2018.</li> </ul>
December		<ul style="list-style-type: none"> <li>- Benchmark studies of remuneration reports published in 2017 and definition of preliminary guidelines for 2018 Remuneration Report.</li> <li>- 2018 Engagement: information on the first engagement cycle with institutional investors and proxy advisors on remuneration issues.</li> <li>- Approval of 2018 programme of meetings.</li> </ul>

generally simplified variable incentive system, as discussed in greater detail in the 2017 Remuneration Report<sup>15</sup>;

- (iii) verification of the Company's 2016 results for the purpose of implementing the Short-Term and Long-Term Variable Incentive Plans, using a predetermined gap analysis method approved by the Committee in order to neutralise the positive or negative impact of exogenous factors and enable the objective assessment of the performance achieved;
- (iv) definition of 2017 performance targets relevant to the variable incentive plans, with the introduction in the new Short-Term Incentive Plan with deferral<sup>16</sup>, of the new "Severity Incident Rate" metric, which measures both the frequency and severity of injuries, replacing the previous metric, the Total Recordable Incident Rate (TRIR);
- (v) definition of proposals for the implementation of the Deferred

Monetary Incentive Plan for the Chief Executive Officer and General Manager, as well as for other senior executives;

- (vi) definition of proposals for the new Short-Term and Long-Term Share Incentive Plans 2017-2019. The procedures and characteristics of the LTI Plan are described in the Information Document examined for subsequent approval by the Shareholders' Meeting<sup>17</sup>, in accordance with Art. 114-bis of the Consolidated Law on Financial Intermediation, and in the 2017 Remuneration Report<sup>18</sup>;
- (vii) review of the 2017 Eni Remuneration Report;
- (viii) review of the outcome of the meetings conducted with main institutional investors, before the 2017 Shareholders' Meeting, in order to maximize shareholder consensus on the 2017 Remuneration Policy, as well as develop voting projections with the support of an international consultant.

[15] 2017 Remuneration Report, Executive Summary (page 6) and Section I, 2017 Remuneration Policy Guidelines, (page 15 and ff.).

[16] As in 2016, the Short-Term Incentive Plan with deferral retains a structure focused on essential milestones balanced in respect of the interests of the various stakeholders.

[17] The new Long-Term Plan was approved by the General Meeting of Shareholders on 13<sup>th</sup> April 2017; the related information document is available on the Company website.

[18] 2017 Remuneration Report, Section I, 2017 Remuneration Policy Guidelines, section "Long-Term Variable Incentive Plan" (page 19 et seq.).

- (ix) definition, following the appointment of the corporate bodies, of the proposals for the remuneration of the Directors with delegated powers (Chairman - Chief Executive Officer and General Manager) for the 2017-2020 term, in particular with regard to the fixed component, consistently with the Eni 2017 Remuneration Policy and with the conditions of the 2017-2019 Long-Term Incentive Plan, approved by the Shareholders' Meeting of April 13<sup>th</sup>, 2017.

As regards further, important activities carried out during the second half of the year, the Committee:

- (i) examined the 2017 Shareholders' Meeting vote results, with regard to the Eni Remuneration Report and the 2017-2019 Long-Term Share Incentive Plan, as compared with the results of the main Italian and European listed companies and the Peer Group;
- (ii) finalised the proposal (2017 grant) for the implementation of the 2017-2019 Long-Term Share Incentive Plan for the Chief Executive Officer and General Manager and for Managers with strategic responsibilities;
- (iii) review of the outcome of the first cycle of engagement conducted, after the 2017 Shareholders' Meeting, with various Eni institutional investors and leading proxy advisors, as well as additional planned activities in the run up to the 2018 Shareholders' Meeting, to enable the broadest possible understanding and sharing of the Policy;
- (iv) started the review of 2018 Remuneration Policy Guidelines, with the support of the competent Company functions, in the light of the monitoring conducted of the developments in the regulatory framework and in market standards for reporting on remuneration issues.

#### ACTIVITIES PLANNED FOR 2018

The Committee scheduled eight meetings for 2018, three of which had already been held as of the date of approval of this Report, focusing on the following:

- (i) periodic evaluation of Remuneration Policy as implemented in 2017, on the basis of the remuneration benchmark analysis performed, in accordance with the provisions of the Italian Corporate Governance Code (Art. 6.C.5), with the aim of developing new Policy proposals for 2018;
- (ii) assessment of performance results against targets in 2017, and definition of new 2018 performance targets linked to the implementation of the short- and Long-Term Variable Incentive Plans;
- (iii) the finalisation of the proposals in respect of the implementation of the Annual Variable Incentive Plan with deferral for the Chief Executive Officer and General Manager and of the associated Regulation for other senior managers;
- (iv) review of this Report in preparation for the Board of Directors approval;
- (v) review of the outcome of the first cycle of engagement conducted with the main Eni institutional investors and proxy advisors, before the 2018 General Meeting, in order to maximize shareholder consensus on the 2018 Remuneration Policy, as well as develop voting projections with the support of an international consultant.

In 2018 the Committee will examine the vote results of the 2017 Shareholder's Meeting, and will implement the LTI Plan for the Chief Executive Officer and General Manager as well as – Managers with

strategic responsibilities, in accordance with the planned annual cycle of activities. For the purposes of developing the Remuneration Policy Guidelines for 2019, the following activities will also be performed: (i) monitoring developments in the applicable regulatory framework and the voting policies of institutional investors and leading proxy advisors; (ii) examining the findings of comparative studies of the Remuneration Reports published in 2018 in Italy and abroad; and (iii) definition of the programme of meetings with institutional investors and leading proxy advisors.

#### 2018 REMUNERATION POLICY APPROVAL PROCESS

In performing its duties, the Remuneration Committee focused on defining the structure and contents of the Remuneration Policy, for the purposes of preparing this Report, specifically at meetings held on 5<sup>th</sup> December 2017, 25<sup>th</sup> January, 13<sup>th</sup> February and 5<sup>th</sup> March 2018, in accordance with the recommendations of the Italian Corporate Governance Code. In taking its decisions, the Committee reviewed the appropriateness, overall consistency and effective implementation of the Policy Guidelines approved for 2017.

In preparing this Report, it also considered national and international disclosure standards for the preparation of the Remuneration report, as well as feedback received during meetings with leading international consultants and proxy advisor.

The Committee also considered comparative remuneration studies prepared by independent international consultants in the preliminary analysis for the 2018 Remuneration Policy proposals. The 2018 Eni Remuneration Policy for Directors and other Managers with strategic responsibilities was approved by the Board of Directors at its meeting on 15<sup>th</sup> March 2018, following a proposal by the Remuneration Committee, alongside approval of this Report. Once approved, policies are implemented by management in accordance with instructions from the Board of Directors and with the assistance from relevant Company departments.

#### ENGAGEMENT ON REMUNERATION POLICY

The Committee reports to the Shareholders' Meeting called to approve the financial statements on the manner in which it exercises its functions, through its Chairman or another member designated by the Chairman, in accordance with the recommendation of the Italian Corporate Governance Code (Art.6 - Comment) and with the aim of building a constructive dialogue with shareholders and investors. The Committee is informed of the annual engagement programme with main institutional investors and proxy advisor, devised by staff from Investor Relations and Compensation & Benefits, monitoring its outcome for the purposes of assessing the feedback received. Between the end of 2017 and the beginning of 2018, management held a first round of meetings with leading proxy advisors and institutional investors to acquire information on development in the guidelines and voting policies of investors and proxy advisors as well as receiving feedback on the Remuneration Report submitted to shareholders' vote in 2017. Overall, the Eni Remuneration Policy was considered balanced and the level of disclosure offered in the Report was also assessed as being in line with market best practice. A second round of meetings with interested investors may be organised after publication of this Report, in order to ensure broader understanding and provide any necessary clarifications on the 2018 Remuneration Policy Guidelines.

The plan for the 2018 Shareholders' Meeting envisages a series of meetings and/or conference calls with institutional investors and proxy advisors in order to promote direct communication with the market on issues addressed by the Committee.

Full information regarding remuneration of Directors and management is regularly updated and made available under the "Remuneration" heading<sup>19</sup> of the "Company/Governance" section of the Company website.

## Purpose and general principles of the Remuneration Policy

### PURPOSE

The Eni Remuneration Policy is defined in accordance with the governance model adopted by the Company and with the recommendations of the Italian Corporate Governance Code (referred to below in the main principles and implementation criteria).

The remuneration of Directors and Managers with strategic responsibilities is established in order to attract, motivate and retain individuals of high professional and managerial standing (Art. 6.P.1). CEO and Managers with strategic responsibilities remuneration is also aimed at ensuring the alignment of management interests with the primary goal of creating value for shareholders over the medium to long-term (Art. 6.P.2).

Eni's Remuneration Policy contributes to achieving the Company's mission and strategies, by:

- promoting actions and behaviours reflecting the Company's values and culture, consistent with the principles of plurality, equal opportunity, non-discrimination, enhancement of individuals' knowledge and skills, fairness and integrity, as described in the Code of Ethics<sup>20</sup> and Eni Policy "Our People"<sup>21</sup>;
- recognising roles and responsibilities, results, and the quality of professional contribution, taking into account the operating environment and relevant market pay scales;
- defining incentive structures that are tied to the sustainable long-term achievement of financial, business development, operational and individual objectives, consistent with the Company's Strategic Plan and the duties assigned.

### GENERAL PRINCIPLES

In pursuing the above, the remuneration of Directors and Managers with strategic responsibilities is defined in line with the following principles and criteria:

#### REMUNERATION OF NON-EXECUTIVE DIRECTORS

Remuneration of Non-Executive Directors is commensurate with the effort required for participation on Board Committees set-up in accordance with the Articles of Association (Art. 6.P.2); appropriate differentiation between the remuneration afforded to Committee Chairmen and that of other Committee Members, considering the

different roles respectively held regarding coordination of work and relationships with Corporate bodies and managerial teams; Non-Executive Directors are not beneficiaries of variable incentive plans, including equity-based ones, unless decided otherwise by the Shareholders' Meeting (Art. 6.C.4).

#### STRUCTURE OF EXECUTIVE REMUNERATION

The remuneration package is appropriately balanced between a fixed and a variable component, in relation to the strategic objectives and the risk management policy of the Company, taking due account of the business sector (Art. 6.C.1.a).

#### MARKET REFERENCES

Total remuneration packages aim for consistency with standard market values applicable for positions or roles of similar level of responsibility and complexity, based on panels of relevant comparators that were developed through benchmarking analysis carried out by international remuneration advisors.

#### FIXED REMUNERATION

The fixed component is consistent with role and/or responsibilities, as well as adequate in the event the variable component is not delivered (Art. 6.C.1.c).

#### VARIABLE REMUNERATION

The variable component is defined within maximum limits (Art. 6.C.1.b), and is aimed at aligning remuneration with performance actually achieved.

#### INCENTIVE TARGETS

Targets related to short and long-term variable remuneration, including equity-based compensation, are defined in a manner consistent with the four-year Strategic Plan and with the expectations of shareholders, in order to foster a strong focus on results.

Targets are defined in advance, measurable and mutually complementary in order to fully capture the priorities that underpin the Company's overall performance (Art. 6.C.1 letter d).

These targets are defined so as to ensure:

- annual performance assessment, on the basis of a balanced scorecard that values the overall business and individual performance, defined in relation to each area of responsibility, and for those in charge of internal audit responsibilities, in line with their specific assigned role (Art. 6.C.3);
- the definition of Long-Term Incentive Plans that allow Company performance to be evaluated both in absolute terms, i.e. based on the capacity to generate sustained growth in profitability, and in relative terms compared with a Peer Group, by way of a ranking against Eni's main international competitors.

#### SUSTAINABILITY OF RESULTS

Remuneration for executive roles with the greatest influence on business performance contains a significant percentage of

[19] [https://www.eni.com/en\\_IT/company/governance/remuneration.page](https://www.eni.com/en_IT/company/governance/remuneration.page).

[20] For more information on the Code of Ethics, please refer to the Report on Corporate Governance and Ownership Structure 2017, available in the section Company/Governance of Eni website.

[21] Policy approved by the Board of Directors on 28<sup>th</sup> July 2010.

incentive components, particularly long-term awards (Art. 6.P.2). The vesting period and/or incentive deferral period are defined over a period of at least three years, in line with the long-term nature of the business activities performed and with the associated risk profile (Art. 6.C.1.e).

#### EQUITY-BASED COMPENSATION PLANS

Equity-based compensation plans are designed to ensure alignment with shareholders expectations over the medium to long-term, by way of: three-year vesting periods, linkage with pre-determined and measurable performance targets, the provision of a lock-up period that applies to a proportion of share awards (Art. 6.C.2).

#### VERIFICATION OF RESULTS

Incentive awards linked to remuneration delivered pursuant to a detailed verification process that assesses performance against assigned targets, net of the effects of exogenous variables<sup>22</sup>, on the basis of a variance analysis methodology approved by the Committee, in order to recognise actual value-added attributable to managerial actions.

#### CLAWBACK CLAUSES

The adoption, with specific Rules approved by the Board of Directors, acting on a proposal of the Remuneration Committee, of a mechanism that provides for the variable component of remuneration, if already paid and/or granted, to be reclaimed, and if still subject to deferral, to be withheld, in instances where results underpinning such awards were based on data that subsequently proved to be manifestly misstated (Art. 6.C.1.f).

Beneficiaries must also make restitution of all incentives for the year (or years) for which they have been found responsible for:

- the wilful alteration of the data used in verifying performance for the purpose of entitlement to the incentive;
- and/or the commission of serious and intentional violations of law and/or regulations, the Code of Ethics or Company rules that are pertinent to or have an impact on the employment relationship, affecting the associated fiduciary relationship, without prejudice to any action allowed under law for the protection of the Company's interests.

The Clawback Rules provides that the activation of recoupment claims (or withdrawal of incentives awarded but not yet paid) must take place, once appropriate verification has been completed, within three years of payment (or award) in cases of error, and within five years in cases of deliberate intent to defraud.

#### NON-MONETARY BENEFITS

Non-monetary benefits are determined in line with relevant market comparators, consistent with local regulation, in order to complete and enhance the overall remuneration package, taking account of the roles and/or responsibilities, and allowing for relevant social security and insurance components.

#### SEVERANCE INDEMNITIES AND NON-COMPETITION AGREEMENTS

To the extent that additional payments may be awarded upon termination of employment and/or term of office for executive roles, and that non-compete agreements may apply for roles at greater risk of "poaching", these are defined in terms of either a maximum amount or number of years of remuneration, in line with the remuneration received and the performance achieved, as per recommendations set forth in the implementation criteria (Art. 6.C.1.g) of the Italian Corporate Governance Code.

## Remuneration Policy Guidelines 2018

This section contains the 2018 Remuneration Policy Guidelines defined by the Board of Directors on 15<sup>th</sup> March 2018 for Directors and Managers with strategic responsibilities.

The 2018 Remuneration Policy Guidelines contain no substantial changes compared with what was previously described in the first section of the 2017 Remuneration Report examined by shareholders at the annual meeting of 13<sup>th</sup> April 2017, which was approved by favourable vote of 96.33% of those in attendance. In this section, we also present the remuneration for Directors with delegated powers (i.e. the Chairman and the Chief Executive Officer and General Manager), as recommended by the Remuneration Committee and having heard the opinion of the Board of Statutory Auditors, approved by the Board of Directors on 19<sup>th</sup> June and 27<sup>th</sup> July 2017. These resolutions were passed in line with the 2017 Remuneration Policy Guidelines and with the conditions of the 2017-2019 Long-Term Incentive Plan<sup>23</sup>.

The Board took account of the end of the previous restrictions concerning the reduction of remuneration for directors with delegated powers of listed companies that are controlled, directly or indirectly, by government entities<sup>24</sup> and of the results of comparative remuneration analyses with similar panels.

#### MARKET REFERENCES AND THE PEER GROUP

For the Chief Executive Officer and General Manager, the positioning of the Company's remuneration is assessed by comparing similar roles only in the international oil&gas sector, with regard to upstream activities in particular and in line with the company's strategy to increase its focus on this segment of the business. More specifically, the comparator group includes the main listed companies in the oil&gas sector, which are Eni's competitors at the international level and possess comparable business characteristics (Anadarko, Apache, BP, Chevron, ConocoPhillips, ExxonMobil, Marathon Oil, Shell, Statoil, and Total). These companies also make-up the Peer Group used for the relative comparison of Eni's performance under the new Long-Term Incentive Share Plan.

[22] Exogenous variables are those events that, due to their nature or though Company choice, are not under the control of the managers, such as, for example, oil&gas prices or the euro/dollar exchange rate.

[23] Plan approved by the shareholders on 13<sup>th</sup> April 2017 in accordance with Article 114-bis of the Consolidated Law on Financial Intermediation.

[24] Article 23-bis of Decree Law 201 of 6<sup>th</sup> December 2011 (ratified, with amendments, with Law 214 of 22<sup>nd</sup> December 2011), paragraphs 5-quater to 5-sexies, introduced by way of Article 84-ter of Decree Law 69 of 21<sup>st</sup> June 2013 (ratified, with amendments, with Law 98 of 9<sup>th</sup> August 2013) and subsequently repealed by Legislative Decree 175 of 19<sup>th</sup> August 2016 (Consolidated Law on Corporations held by Government Entities).

For the Chairman and the Non-Executive Directors, the positioning of remuneration is assessed by comparing similar roles in the Top Italy panel, which is composed of the main companies listed on the FTSE MIB (Assicurazioni Generali, Atlantia, Enel, Intesa Sanpaolo, Leonardo, Luxottica, Mediaset, Mediobanca, Poste Italiane, Snam, Terna, TIM, and Unicredit).

For Managers with strategic responsibilities, the positioning of remuneration is assessed by comparing roles with the same level of managerial responsibility and complexity in national and international panels of companies within the industrial sector.

Comparisons of remuneration have been conducted with the help of the advisory firms Mercer, Willis Towers Watson, and Korn Ferry-Hay Group.

### CHAIRMAN OF THE BOARD OF DIRECTORS

The 2018 Remuneration Policy Guidelines for the Chairman provide for total fixed remuneration of €500,000 gross, which includes €90,000 gross for the position, as determined by the Shareholders' Meeting of 13<sup>th</sup> April 2017, and for remuneration for exercise of delegated powers<sup>25</sup> of €410,000 gross, as approved by the Board of Directors on 19<sup>th</sup> June 2017, taking account of the outcome of the comparative analyses of remuneration related to median levels in the benchmark market and the complexity of the position.

The 2018 Remuneration Policy provides also for a life insurance policy and a permanent disability insurance policy covering injury or illness contracted in the workplace or elsewhere.

No specific severance payments are envisaged for the Chairman, nor do any agreements exist for indemnities in the case of resignation or early termination of office<sup>26</sup>.

### NON-EXECUTIVE DIRECTORS

The 2018 Remuneration Policy Guidelines for Non-Executive and/or Independent Directors provide for the maintenance of additional annual remuneration<sup>27</sup> for participating on Board Committees, as approved by the Board of Directors on 13<sup>th</sup> April 2017 and in line with the median levels in the reference market, taking due account of the commitment in terms of frequency and duration of meetings, as follows:

- for the Control and Risk Committee, remuneration of €70,000 for the Chairman and €50,000 for other members;
- for the Remuneration Committee and the Sustainability and Scenarios Committee, remuneration of €50,000 for the Chairman and €35,000 for other members;
- for the Nomination Committee, remuneration of €40,000 for the Chairman and €30,000 for other members.

No specific severance payments are envisaged for Non-Executive Directors, nor do any agreements exist for indemnities in the case of resignation or early termination of office<sup>28</sup>.

### CHIEF EXECUTIVE OFFICER AND GENERAL MANAGER

The 2018 Remuneration Policy Guidelines for the Chief Executive Officer and General Manager of the Company are in line with the 2017 Remuneration Guidelines and reflect the decisions of the Board of Directors of 19<sup>th</sup> June and 27<sup>th</sup> July 2017 as well as the model of organization and corporate governance adopted by the Company. In particular, the 2018 remuneration policies take account of:

- (i) the end of the regulatory restrictions concerning the remuneration of directors delegated powers of listed companies subject to government control;
- (ii) the conditions of the 2017-2019 Long-Term Plan approved by the Shareholders' Meeting of 13<sup>th</sup> April 2017 in accordance with Article 114-bis of the Consolidated Law on Financial Intermediation; and
- (iii) the outcome of the comparative studies conducted by considering the total median remuneration of the companies within the Peer Group, appropriately compared to the dimensional characteristics of Eni.

### FIXED REMUNERATION

Annual fixed remuneration (FR) approved by the Board of Directors on 19<sup>th</sup> June 2017 for the position of Chief Executive Officer and of General Manager totals €1,600,000 gross, which includes: (i) annual remuneration of €600,000 gross for the position of Chief Executive Officer, including annual remuneration of €80,000 gross for the position of member of the Board as approved by the Shareholders' Meeting of 13<sup>th</sup> April 2017; (ii) a base salary of €1,000,000 gross for the executive employment relationship as General Manager. This remuneration encompasses any emoluments due for participation in the meetings of the boards of directors of other Eni subsidiaries and/or shareholdings.

In his capacity as Senior Manager, the General Manager is also entitled to receive an allowance for travel, in Italy and abroad, in line with the applicable provisions under the relevant national collective bargaining agreement for senior managers of industrial companies and with supplementary company-level agreements.

### VARIABLE REMUNERATION: SHORT-TERM MONETARY INCENTIVE WITH DEFERRAL

The Short-term Incentive Plan with deferral, as approved by the Shareholders' Meeting of 13<sup>th</sup> April 2017 under the Remuneration Policy Guidelines and as described in the 2017 Remuneration Report, provides for a portion of the incentive to be paid annually and a portion to be deferred for three-year period as described below. The 2018 Short-Term Incentive with deferral is linked to the achievement of the 2017 objectives approved by the Board of Directors on 28<sup>th</sup> February 2017.

Achievement of the objectives is assessed net of the effects of exogenous variables (e.g. oil and gas prices or euro/dollar exchange rates) on the basis of a predetermined method of variance analysis as approved by the Remuneration Committee.

[25] Non-executive powers connected with the performance of a major role in the internal control system, managing the relationship between the head of the Internal Audit Unit and the Board. The Chairman also performs the representation duties set out in the By-laws, managing the Company's institutional relations in Italy in coordination with the Chief Executive Officer.

[26] In consideration of the reference to this report in the 2017 Report on Corporate Governance and Ownership Structure, which is available in the Governance section of the Company's website, this information is being published in accordance with Article 123-bis, paragraph 1, letter i), of the Consolidated Law on Financial Intermediation (*agreements between companies and directors, members of the control body or supervisory council 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*).

[27] This remuneration supplements that approved by the shareholders on 13<sup>th</sup> April 2017 for Directors in the amount of €80,000 gross per year.

[28] Information provided in accordance with Article 123-bis, paragraph 1, letter i), of the Consolidated Law on Financial Intermediation, as specified under note 24 above.

The 2018 objectives approved by the Board of Directors on 15<sup>th</sup> March 2018 for the 2019 short-term monetary incentive with deferral provide for maintenance of a structure that is focused on essential milestones in line with the Strategic Plan and balanced in respect of the interests of the various stakeholders. The structure and weighting of the different objectives are shown in the table below (Eni chart of annual objectives). The value of each objective, at the target performance level, is aligned with the budgeted value.

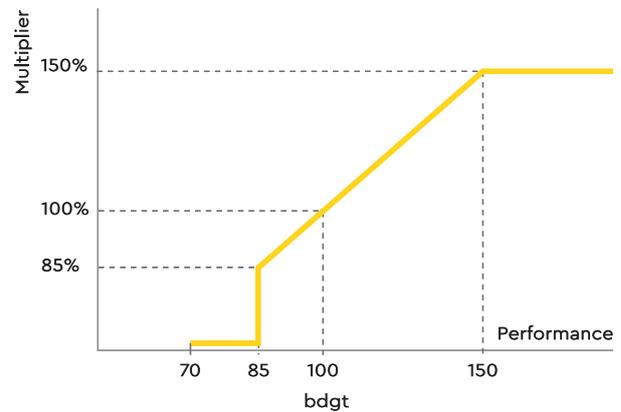


TABLE 3 - 2018 TARGETS FOR THE 2019 SHORT-TERM INCENTIVE PLAN WITH DEFERRAL

ECONOMIC AND FINANCIAL RESULTS (25%)	OPERATING RESULTS AND SUSTAINABILITY OF THE ECONOMIC RESULTS (25%)
EBT (12.5%) Free cash flow (12.5%)	Hydrocarbon production (12.5%) Exploration resources (12.5%)
ENVIRONMENTAL SUSTAINABILITY AND HUMAN CAPITAL (25%)	EFFICIENCY AND FINANCIAL STRENGTH (25%)
CO <sub>2</sub> Emissions (12.5%) Severity Incident Rate (12.5%)	ROACE (12.5%) Debt/EBITDA (12.5%)

In particular, with regard to the objectives of Environmental Sustainability and Human Capital, the use of the Severity Incident Rate (SIR) aims to focus Eni's commitment on reducing severe incidents, given that Eni has already achieved excellent results in terms of reducing the overall number of injuries. More specifically, SIR measures the frequency of total injuries recordable over the number of hours worked, assigning them increasing weights depending on the severity of the incident. In addition, maintaining the CO<sub>2</sub> emissions target on operated production confirms Eni's strategic commitment to reducing the emission of greenhouse gases that are connected with climate change and is consistent with the target for 2025 announced to investors. In line with the general remuneration policy principles, the STI Plan features the characteristics described below. Each target is predetermined and measured in accordance with a performance scale of 70-150 points (target = 100) in relation to the weight assigned to each (a score below 70 points implies a performance multiplier of zero). For purposes of the total incentive award, the minimum overall performance is 85 points. The total incentive is determined in reference to a minimum multiplier (performance = 85), target multiplier (performance = 100) and maximum multiplier (performance = 150), equal, respectively, to 85%, 100% and 150%, to be applied in relation to the performance achieved by Eni over the previous year. The chart below shows the value of the multiplier as a function of performance.

CHART 9 - TOTAL INCENTIVE MULTIPLIER



The total incentive (TI) is calculated using the following formula:

$$TI = FR \times I_{\text{Target}} \times \text{Multiplier}$$

where " $I_{\text{Target}}$ " is the incentive percentage at target performance level, which is set to 150% of total fixed remuneration for the Chief Executive Officer.

This incentive is divided into two portions:

1) a portion paid annually ( $I_{\text{Annual}}$ ) equal to 65% of the total incentive.

$$I_{\text{Annual}} = 65\% \times TI$$

The levels of the portion of the incentive payable annually, depending on the performance levels achieved, are shown in the table below<sup>29</sup>.

TABLE 4 - INCENTIVE FRACTION PAYABLE DURING THE YEAR

Annual performance	<85	85 threshold	100 target	150 max
Annual incentive (% of Fixed Rem.)	0%	83%	98%	146%

2) A deferred portion ( $I_{\text{deferred}}$ ) equal to 35% of the total incentive, subject to further performance conditions during a three-year vesting period, as shown in the figure below.

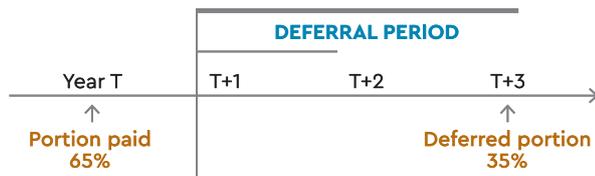
[29] The incentive values as a % of fixed remuneration shown in the table were calculated as follows:

Threshold: 83% = 65% x (150% x 85%);

Target: 98% = 65% x (150% x 100%);

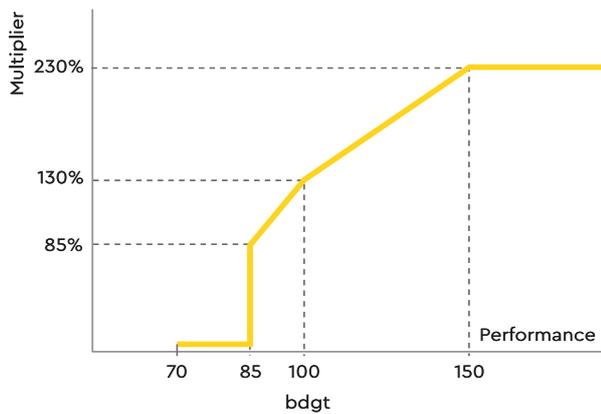
Max: 146% = 65% x (150% x 150%).

CHART 10 - STI PLAN - TIMELINE



The deferred portion payable at the end of the vesting period is determined by multiplying the initial deferred portion by the payment multiplier given by the average of the annual multipliers recorded over the three-year period in relation to the performance achieved based on the chart of annual Eni objectives. The multiplier of the deferred portion depends on the performance achieved as shown below.

CHART 11 - DEFERRED PORTION MULTIPLIER



The Deferred Incentive ( $I_{\text{deferred}}$ ) payable at the end of the three-year deferral period is calculated using the following formula:

$$I_{\text{deferred}} = 35\% \times TI \times \text{Multiplier}$$

The levels of the payable deferred portion, depending on the performance levels achieved throughout the three-year period, are shown in the table below<sup>30</sup>.

TABLE 5 - LEVELS OF PAYABLE DEFERRED PORTION

Average 3-year performance	<85	85 threshold	100 target	150 max
Deferred incentive (% of Fixed Rem.)	0%	38%	68%	181%

(30) The incentive values as a % of fixed remuneration shown in the table were calculated as follows:  
 Threshold:  $38\% = 35\% \times (150\% \times 85\%) \times 85\%$ ;  
 Target:  $68\% = 35\% \times (150\% \times 100\%) \times 130\%$ ;  
 Max:  $181\% = 35\% \times (150\% \times 150\%) \times 230\%$ .

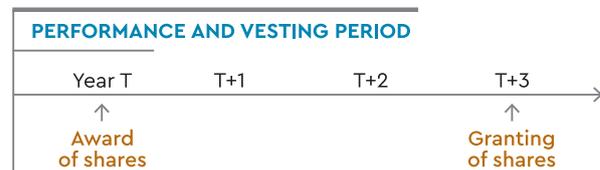
#### VARIABLE REMUNERATION: LONG-TERM SHARE INCENTIVES

The 2017-2019 Long-Term Share Incentive Plan approved by the Shareholders' Meeting of 13<sup>th</sup> April 2017, as described in the Remuneration Report and in the Disclosure Document published in 2017, ensures the following objectives in line with international best practice:

- strengthening the culture of management of business risk from the perspective of shareholders by incentivizing through share ownership;
- setting a more challenging minimum incentive threshold, positioned at median level;
- aligning performance conditions with the long-term expectations of shareholders, by reference to:
  - performance of the Company's Total Shareholder Return over a three-year period compared with that of the reference stock market index, compared with the same performance of the main international competitors (the Peer Group);
  - incentivize the capacity to develop industrial assets, measured using the increase in net present value of hydrocarbon reserves over the medium/long-term (in accordance with standard SEC assessment methodology), measured in relative terms compared with the Peer Group.

The Plan provides for three annual awards starting from 2017, each with a three-year vesting period, in accordance with the timeline below.

CHART 12 - EQUITY-BASED LTI PLAN - TIMELINE



The Plan is subject to performance conditions during the three-year vesting period, in accordance with the following parameters and related weightings:

- 1) the difference between the TSR of Eni shares and the TSR of the FTSE MIB index of Borsa Italiana, adjusted by the Eni Correlation Coefficient, compared with the equivalent adjusted TSR measure for each company in the Peer Group, as shown in the following formula (50% weighting):

$$TSR_{CO} - (TSR_{IBX} \times \rho_{CO,IBX})$$

where:

$TSR_{CO}$ : TSR of Eni or of one of the companies of the Peer Group;

$TSR_{IDX}$ : TSR of the reference stock market index of the company to which  $TSR_{co}$  applies;

$\rho_{co,IDX}$ : correlation coefficient between the financial return of the share and the financial return of the reference market (FTSE MIB, S&P 500, FTSE 100, CAC 40, AEX, OBX).

This indicator was introduced in order to neutralize the potential effects of the performance of the respective stock market on the performance of each share. More specifically, this neutralisation is proportionate to the correlation between the share and the market over the same three-year period, by using the correlation coefficient.

- 2) Net Present Value (NPV) of proven reserves vs. the Peer Group, measured in terms of the annual percentage change, calculating the average annual performance over the three-year period (50% weighting).

The reference Peer Group is described in the section "Market References and Peer Group" (Anadarko, Apache, BP, Chevron, ConocoPhillips, ExxonMobil, Marathon Oil, Shell, Statoil, and Total). For the Chief Executive Officer and General Manager, the Plan conditions provide for the annual award of shares for a value equivalent to 150% ( $I_{target}$ ) of total fixed remuneration (FR), using the following formula:

$$\text{No. of awarded shares} = \frac{RF \times \%I_{target}}{\text{Price}_{Attr}}$$

where the price of the award ( $\text{Price}_{Attr}$ ) is calculated as the average of the daily official prices (source: Bloomberg) recorded in the four months before the date of the Board of Directors meeting that annually approves the plan rules and the award to the Chief Executive Officer and General Manager.

The granting of shares at the end of the three-year vesting period is determined using a final multiplier to be applied to awarded shares (calculated as the weighted average of the multipliers of each parameter) determined over the vesting period in relation to the position reached in the Peer Group.

Each multiplier may be between zero and 180%, with a threshold set at a median level, in accordance with the scale shown below.

TABLE 6 - PERFORMANCE SCALE - MULTIPLIER

Ranking	1°	2°	3°	4°	5°	6°	7°	8°	9°	10°	11°
Multiplier	180%	160%	140%	120%	100%	80%	0%	0%	0%	0%	0%

Median positioning

Grantable shares are calculated using the following formula.

$$\text{No. of granted shares} = \text{No. of awarded shares} \times \text{Multiplier}$$

The table below shows the thresholds, targets and maximum value of shares (as a percentage of fixed remuneration) grantable to the Chief Executive Officer and General Manager at the end of the vesting period, net of changes in share price over the same period<sup>31</sup>.

TABLE 7 - SHARE VALUES

Weighted average 3-year performance	<26.6	26.6 threshold <sup>(*)</sup>	100 target	180 max
Value of Shares (% of Fixed Rem.)	0%	40%	150%	270%

(\*) Achieved, for example, if the NPV indicator of proven reserves reaches the minimal level (6<sup>th</sup> place) for at least two years.

For executives still in service, the rules of the Plan state that 50% of the shares granted at the end of the vesting period are to remain restricted for one year from the granting date.

#### NON-MONETARY BENEFITS

The Remuneration Policy provides for a life insurance policy and a permanent disability insurance policy covering injury or illness contracted in the workplace or elsewhere, and, as per provisions contained in the national collective bargaining agreement and the supplementary company agreements for Eni senior managers, for enrolment in the supplementary pension plan (FOPDIRE<sup>32</sup>) and in the supplementary health plan (FISDE<sup>33</sup>) together with a company car for business and personal use.

#### PAY MIX

The remuneration package for the Chief Executive Officer and General Manager includes a fixed component, a short-term variable component, and a long-term variable component, comprising a short-term incentive deferral and long-term share incentive valued using internationally recognized methodologies for remuneration benchmarks.

The pay mix, calculated by considering fixed remuneration as the base, is weighted significantly towards the variable components, with a dominant weighting attributed to the long-term component, as shown in the chart below.

[31] The incentive values as a % of fixed remuneration shown in the table were calculated as follows:

Threshold: 40% = 150% x 26.6%;

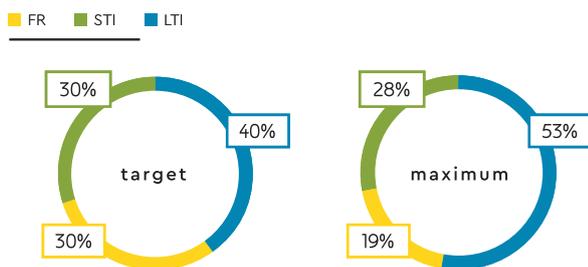
Target: 150% = 150% x 100%;

Max: 270% = 150% x 180%.

[32] Defined-contribution and individual-capitalization contractual pension fund (www.fopdire.it).

[33] Fund that reimburses healthcare spending for active or retired senior management and their family members (www.fisde-eni.it).

CHART 13 - CEO/GM PAY MIX



### PAYMENTS DUE IN THE EVENT OF TERMINATION OF OFFICE OR EMPLOYMENT<sup>34</sup>

For the Chief Executive Officer and General Manager, based on a proposal by the Remuneration Committee and having heard the opinion of the Board of Statutory Auditors, the Board of Directors resolved on 19<sup>th</sup> June 2017 to maintain the severance payments in the event of termination of office or of employment established in the 2017 Remuneration Policy Guidelines. These payments are as follows:

1. An indemnity for the administrative relationship in the event of dismissal without cause and/or non-renewal of the office, including in the event of resignation due to a substantive reduction of delegated powers. This indemnity has been set at two years of fixed remuneration for the position, for a total of €1,200,000, in accordance with European Commission Recommendation No. 385 of 30<sup>th</sup> April 2009;
2. An indemnity in the event of the consensual termination of the executive employment relationship in relation to termination of the associated administrative position in addition to standard post-employment benefits. This indemnity has been set, taking due account of the provisions of the appropriate national collective bargaining agreement, in accordance with the parameters and policies defined for Eni Managers with strategic responsibilities, equal to two years of annual fixed and variable remuneration for the General Manager position, excluding the Long-Term Share Incentive Plan and with mutual exemption from any obligation of advance notice, without payment of the related indemnity. In reference to criterion (6.C.1, letter g), of the Italian Corporate Governance Code, this indemnity is not due in the following cases: (i) dismissal for “just cause” under Article 2119 of the Italian Civil Code; (ii) resignation as Chief Executive Officer prior to the expiry of the term in office not justified by a reduction of delegated powers; (iii) in the event of death as governed by Article 2122 of the Italian Civil Code; (iv) dismissal from the role of Chief Executive Officer for just cause.

With reference to long-term incentives, in the event of early termination for the Chief Executive Officer and General Manager, due to resignation and not justified by a substantial reduction in powers or of dismissal for cause, all rights to the award and payment of incentives shall lapse. In the event of termination

related to expiry<sup>35</sup> of the term on the Board of Directors without renewal, the long-term incentives awarded during the term shall vest in accordance with the terms and conditions established by the respective regulations.

In order to safeguard the company's interests from potential competitive risks related to the considerable international importance of the professional and managerial background of the Chief Executive Officer and General Manager, on 27<sup>th</sup> July 2017, the Board of Directors, based on the recommendation of the Remuneration Committee and having obtained a favourable opinion of the Board of Statutory Auditors, has also resolved to maintain the non-competition agreement in place since 2014, while extending the clause to geographical areas and industries that have taken on greater strategic importance over the last three years.

More specifically, the agreement, which can be activated at the sole discretion of the Board through the exercise of an option right<sup>36</sup>, has the following characteristics: (i) period of validity of 12 months post-termination; (ii) restricted markets extended from exploration and production to also include the midstream sector; (iii) 18 restricted Countries with the addition of Mexico to those that were envisaged during the previous term (Algeria, Angola, Congo, Egypt, Ghana, Indonesia, Iraq, Italy, Kazakhstan, Libya, Mozambique, Nigeria, Norway, Russia, UK, USA, Venezuela); (iv) additional confidentiality and non-solicitation restrictions.

Payment for the non-competition agreement provides for maintaining two components calculated on the basis of current remuneration levels and the extension of commitments undertaken: (i) a fixed component in the amount of €1,800,000; (ii) a variable component to be determined by the Board of Directors, based on a recommendation by the Remuneration Committee, in line with the average annual performance over the previous three years, as follows: for performance below the target, this component will be equal to zero; for performance on target, it will be €500,000; and for maximum performance, it will be €1,000,000. The average annual performance shall be calculated on the basis of annual performance achieved under the Short-Term Monetary Incentive Plan.

### MANAGERS WITH STRATEGIC RESPONSIBILITIES

For Managers with strategic responsibilities, the 2018 Remuneration Policy Guidelines are unchanged on those for 2017, maintaining remuneration plans that are strictly in line with those of the Chief Executive Officer and General Manager, to better guide and align managerial action with the objectives set out in the Company's Strategic Plan, and with the provisions and protections laid down by national collective bargaining agreement for senior managers.

In particular, the new Long-Term Share Incentive Plan and Short-Term Variable Incentive Plan with deferral – intended for the Chief Executive Officer and General Manager will also apply to Managers with strategic responsibilities.

[34] Information provided in accordance with Article 123-bis, paragraph 1, letter i), of the Consolidated Law on Financial Intermediation, as specified under note 24 above.

[35] It should be noted that, under Italian law, directors of joint-stock companies may not be appointed for terms of longer than three financial years, and their terms expire on the date of the meeting of shareholders held to approve the financial report for the last financial year of their term (Article 2383, second paragraph, of the Italian Civil Code).

[36] Payment of the option right, for a total of €500,000, was paid in full as reported on page 24 of Eni's 2015 Remuneration Report (Section II, Table 1, note 4 b).

## FIXED REMUNERATION

Fixed remuneration is based on roles and responsibilities assigned taking into consideration a graduated and a generally median to below-median positioning versus national and international executive markets for comparable roles. It may be updated periodically, during the annual salary review for all managers. Given current market comparators and trends, the 2018 Guidelines provide for a selective approach to salary reviews, while maintaining appropriate levels to ensure competitiveness and motivation.

More specifically, the proposed actions will include measures to adjust fixed/one-off remuneration for those in positions that have seen a significant increase in responsibility or scope, and to address retention risk and reward excellent performance. In addition, in their capacity as Eni executives, Managers with strategic responsibilities are entitled to receive allowances due for travel in Italy and abroad, in line with applicable provisions of the Italian national collective bargaining agreement for senior managers and supplementary Company agreements.

## VARIABLE INCENTIVE PLANS

### *Short-term Variable Incentive Plan with deferral*

The Short-Term Incentive Plan with deferral, already described for the Chief Executive Officer and General Manager, will be implemented in 2018.

The targets set for Managers with strategic responsibilities are consistent with those assigned to the Chief Executive Officer and General Manager, on the basis of the same balancing of stakeholder interests, in addition to relevant individual targets, consistent with the responsibilities of the role and the provisions of the Company's Strategic Plan. For Managers with strategic responsibilities, the target incentive levels for the Short-term Variable Incentive Plan differ depending on the role's level of responsibilities and complexity and is limited to a maximum of 100% of fixed remuneration, with a maximum incentive level payable for the annual and deferred portions of 98% and 121% of fixed remuneration, respectively.

### *Long-Term Variable Incentive Plan*

Managers with strategic responsibilities participate in the 2017-2019 Long-Term Incentive Share Plan (LTI) approved by the Shareholders' Meeting on 13<sup>th</sup> April 2017.

The Plan is directed at managers who are critical for the business and envisages three annual awards, starting in 2017, with the same performance conditions and characteristics as those described above for the Chief Executive Officer and General Manager. For Managers with strategic responsibilities, the value of the shares to be awarded each year differs depending the level of their role and is limited to a maximum of 75% of fixed remuneration, with the maximum award corresponding to 135% of fixed remuneration, calculated with reference to the award price of the shares.

## NON-MONETARY BENEFITS

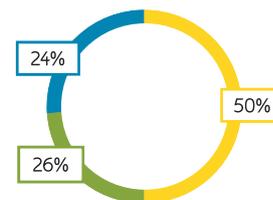
In line with national collective bargaining agreement and supplementary Company-level agreements for Eni managers, the Policy Guidelines provide for life and disability insurance cover (due to workplace or other injury or illness), as well as enrolment in the supplementary pension plan (FOPDIRE) and health plan (FISDE), together with a company car for business and personal use, and the possible assignment of housing based on operational and mobility requirements.

## PAY MIX

In line with market best practice, as well as the valuation methods used for the Chief Executive Officer and General Manager the average target pay mix of the remuneration package for Managers with strategic responsibilities who are eligible for the Short-Term Monetary Plan with deferral and the Long-Term Incentive Share Plan features a balance between fixed and variable components that is weighted towards medium-long term variable incentives.

CHART 14 - PAY MIX MSR

FR STI LTI



## PAYMENTS DUE IN THE EVENT OF CONSENSUAL TERMINATION OF EMPLOYMENT

Managers with strategic responsibilities, as well as Eni senior managers, are entitled to severance benefits for employment termination established By-law and applicable national collective bargaining agreements, together with any termination indemnities agreed on an individual basis, in accordance with the criteria established by Eni for cases of early termination, within the limits of protections envisaged by applicable national collective bargaining agreements and consistent with application criterion (6.C.1, letter g) of the Italian Corporate Governance Code. These criteria take into account the position held, statutory retirement age and actual age of the manager at the time employment is terminated and the annual remuneration received. For cases of termination that present high competitive risks relating to the nature of the position, agreements may contain additional non-compete clauses with payments defined in relation to remuneration level, scope, duration and effectiveness of the agreement.

## SECTION II – REMUNERATION AND OTHER INFORMATION

### Implementation of the 2017 Remuneration Policies

Implementation of the 2017 remuneration policies for Directors and Managers with strategic responsibilities, as verified by the Remuneration Committee in conjunction with its periodic assessment as provided for in the Corporate Governance Code, was in line with the 2017 Remuneration Policy approved by the Board of Directors on 28<sup>th</sup> February 2017, taking account of the provisions of the resolutions of the Board of Directors of 13<sup>th</sup> April 2017 and 19<sup>th</sup> June 2017 concerning, respectively, remuneration for Non-Executive Directors serving on Board Committees and the remuneration of Directors with delegated powers. This section reports: (i) verification of results for 2016 for the purpose of incentives paid and/or awarded in 2017; (ii) verification of results for 2017 for the purpose of incentives vested and payable and/or awardable in 2018.

#### VERIFICATION OF 2016 PERFORMANCE FOR THE PURPOSE OF INCENTIVES PAID AND/OR AWARDED IN 2017

##### ANNUAL MONETARY INCENTIVE (AMI) PLAN 2017

For the purpose of paying 2017 annual incentives, the verification of performance in relation to the objectives set for 2016 in line with the Strategic Plan and the annual budget, measured on constant-scenario basis, was approved by the Board on 28<sup>th</sup> February 2017, based on a recommendation by the Remuneration Committee, and resulted in a performance score of 124 points on the measurement scale used, the target and maximum performance levels of which are 100 and 130 points, respectively. Table 8 shows the weightings and performance achieved for each objective.

The verification of targets was conducted net of exogenous variables (e.g. oil and gas prices and the euro-dollar exchange

rate), using the variance analysis method predetermined and approved by the Remuneration Committee. The following are the main actions that led to achieving the results.

- EBT: performance was achieved through the improvement of operational results and reduction of operating costs – particularly in the upstream sector – and of general and administrative expenses.
- Free cash flow: performance was achieved through actions to optimize working capital and to reduce investments.
- Hydrocarbon production: production increases were achieved in Iraq and Libya despite the increase in bunkering in Nigeria.
- Exploration resources: significant exploration resources were added, particularly in Egypt, totalling 1.1 billion BOE, equal to nearly two times the annual production.
- Total Recordable Incident Rate (TRIR) per employee and contractor: a new record in TRIR was reached, with a reduction of 21% compared with 2015, which consolidates the trend of improvement recorded in recent years, also compared to the positioning of our competitors.
- CO<sub>2</sub> emissions/operated upstream production: this indicator has fallen 9% compared with 2015 thanks to a reduction in fugitive emissions, to energy-efficiency efforts, and to flaring-down projects.
- ROACE: this performance was achieved by improving economic results and reducing invested capital as a result of efforts to optimize working capital.
- Debt-to-EBITDA: this performance was achieved by improving financial results.

##### DEFERRED MONETARY INCENTIVE (DMI) PLAN 2012-2014

###### 2014 DMI paid

The 2012-2014 DMI Plan provides for three annual awards, and for the last of these, on 28<sup>th</sup> February 2017, the Board of Directors, as verified and proposed by the Remuneration Committee, approved

TABLE 8 - PAYMENT OF AMI 2017 - 2016 TARGETS

PERFORMANCE PARAMETERS	% WEIGHT	MIN 70	BUDGET 100	MAX 130	PERFORMANCE SCORE	WEIGHTED SCORE
<b>i. Economic and financial results</b>	<b>25.0</b>					<b>31.8</b>
EBT (Earning Before Tax) adjusted	12.5	●	●	△	130.0	16.2
Free cash flow	12.5	●	●	△	124.2	15.6
<b>ii. Operating performance and sustainability of economic results</b>	<b>25.0</b>					<b>30.8</b>
Hydrocarbon production	12.5	●	●	△	116.6	14.6
Exploration resources	12.5	●	●	△	130.0	16.2
<b>iii. Environmental sustainability and human capital</b>	<b>25.0</b>					<b>32.5</b>
Total Recordable Incident Rate	12.5	●	●	△	130.0	16.3
CO <sub>2</sub> emissions/UPS production	12.5	●	●	△	130.0	16.2
<b>iv. Efficiency and financial strength</b>	<b>25.0</b>					<b>29.1</b>
ROACE (Return On average Capital Employed) adjusted	12.5	●	●	△	130.0	16.2
Net Debt/EBITDA adjusted	12.5	●	△	●	102.8	12.9
<b>TOTAL</b>	<b>100.0</b>					<b>124.2</b>

Eni 2016 EBITDA at the minimum performance level, resulting in an annual multiplier of 70%.

Therefore, given the already verified results of 2014 and 2015, a three-year average multiplier of 123% is to be applied to incentives awarded in 2014 for payment in 2017.

Table 9 shows the performance levels achieved during the vesting period.

TABLE 9 - PAYMENT DMI 2014 - EBITDA 2014-2016

Target EBTDA (billion €)	Multiplier 2014	Multiplier 2015	Multiplier 2016	Final multiplier for payment 2017
EBITDA ≥ budget+0.9	170%	170%	170%	123% (3-year average)
budget ≤ EBITDA < budget+0.9	130%	130%	130%	
budget -1.0 ≤ EBITDA < budget	70%	70%	70%	
EBITDA < budget-0.9	0%	0%	0%	

## DEFERRED MONETARY INCENTIVE (DMI) PLAN 2015-2017

### 2017 DMI awarded

The 2015-2017 DMI Plan provides for three annual awards, and for the last of these, on 28<sup>th</sup> February 2017, the Board of Directors, as verified and proposed by the Remuneration Committee, approved 2016 EBT, measured on a constant-scenario basis, at higher performance level than target, resulting in the application of a multiplier of 130% to the base percentage for the 2017 DMI award.

Table 10 shows the 2016 EBT performance.

TABLE 10 - ASSIGNMENT DMI 2017 - EBT 2016

Target EBT (billion €)	Multiplier for 2017 assignment
EBT ≥ budget+0.5	130%
budget ≤ EBT < budget+0.5	100%
budget -0.6 ≤ EBT < budget	70%
EBT < budget-0.6	0%

## LONG-TERM MONETARY INCENTIVE (LTMI) PLAN 2014-2016

### 2014 LTMI paid

The 2014-2016 LTMI Plan provides for three annual awards, and for the first of these, on 19<sup>th</sup> June 2017, the Board of Directors, as verified and proposed by the Remuneration Committee, approved the performance for the 2016 of Total Shareholder Return and Net Present Value of proven reserves at seventh and third place, respectively, within the Peer Group for an annual multiplier of 40%.

Therefore, given the already verified results of 2014 and 2015, a three-year average multiplier of 54% is to be applied to incentives awarded in 2014 for payment in 2017.

Table 11 shows the positioning achieved during the vesting period.

TABLE 11 - PAYMENT LTMI 2014 - TSR AND NPV PROVEN RESERVES 2014-2016

Positioning in Peer Group	2014		2015		2016		Final multiplier for payment 2017
	TSR 60%	NPV 40%	TSR 60%	NPV 40%	TSR 60%	NPV 40%	
1 <sup>o</sup>	130%	130%	130%	130%	130%	130%	3-year average 54%
2 <sup>o</sup>	115%	115%	115%	115%	115%	115%	
3 <sup>o</sup>	100%	100%	100%	100%	100%	100%	
4 <sup>o</sup>	85%	85%	85%	85%	85%	85%	
5 <sup>o</sup>	70%	70%	70%	70%	70%	70%	
6 <sup>o</sup>	0%	0%	0%	0%	0%	0%	
7 <sup>o</sup>	0%	0%	0%	0%	0%	0%	
<b>Annual multiplier</b>	<b>0%</b>		<b>121%</b>		<b>40%</b>		<b>54%</b>

## LONG-TERM SHARE INCENTIVE (LTI) PLAN 2017-2019

### 2017 LTI awarded

The 2017-2019 equity-based LTI Plan provides for three annual awards, and for the first of these, on 26<sup>th</sup> October 2017, the Board of Directors, as verified and proposed by the Remuneration Committee, approved the award price of €13.4856, calculated in accordance with the parameters set under the plan (average of daily official closing prices recorded in the four months before the month in which the Board of Directors approved the award).

## VERIFICATION OF 2017 PERFORMANCE FOR THE PURPOSE OF INCENTIVES VESTED AND PAYABLE AND/OR AWARDBLE IN 2018

In this section, we describe the remuneration incentives earned in relation to verified 2017 targets and payable or awardable in 2018 to the Chief Executive Officer and General Manager and to other Managers with strategic responsibilities.

## SHORT-TERM INCENTIVE (STI) PLAN WITH DEFERRAL 2018

The new 2018 STI Plan, approved by the Shareholders' Meeting of 13<sup>th</sup> April 2017, provides for the vesting of an incentive, upon verification of performance levels related to targets set for 2017, divided into a 65% portion payable in 2018 and a 35% deferred portion that is awardable in 2018 and subject to the performance conditions established in the plan over a three-year vesting period.

More specifically, the verified performance related to objectives assigned in 2017 to the Chief Executive Officer and General Manager was approved by the Board of Directors, based on a proposal by the Remuneration Committee, on 15<sup>th</sup> March 2018 and resulted in a performance score of 134 points on the measurement scale used, the target and maximum performance of which are 100 and 150 points, respectively.

Table 12 shows the weightings and performance level achieved for each target.

The verification of targets was conducted net of exogenous variables (e.g. oil and gas prices and the euro-dollar exchange rate), using the variance analysis method predetermined and approved by the Remuneration Committee.

TABLE 12 - PAYMENT OF STI 2018 (ANNUAL PORTION) - 2017 TARGETS

PERFORMANCE PARAMETERS	% WEIGHT	MIN 70	BUDGET 100	MAX 130	OVER PERFORMANCE 150	PERFORMANCE SCORE	WEIGHTED SCORE
<b>i. Economic and financial results</b>	<b>25.0</b>						<b>37.2</b>
EBT (Earning Before Tax) adjusted	12.5	●	●	●	△	150.0	18.7
Free cash flow	12.5	●	●	●	△●	148.0	18.5
<b>ii. Operating performance and sustainability of economic results</b>	<b>25.0</b>						<b>26.8</b>
Hydrocarbon production	12.5	●△	●	●	●	80.0	10.0
Exploration resources	12.5	●	●	△	●	134.1	16.8
<b>iii. Environmental sustainability and human capital</b>	<b>25.0</b>						<b>33.7</b>
Severity Incident Rate (SIR)	12.5	●	●	●	△	150.0	18.7
CO <sub>2</sub> emissions/UPS production	12.5	●	△	●	●	120.0	15.0
<b>iv. Efficiency and financial strength</b>	<b>25.0</b>						<b>36.3</b>
ROACE (Return On average Capital Employed) adjusted	12.5	●	●	●	△	150.0	18.8
Net Debt/EBITDA adjusted	12.5	●	●	●	△●	140.0	17.5
<b>TOTAL</b>	<b>100.0</b>						<b>134.0</b>

The following are the main actions that led to achieving the results.

- EBT: performance was achieved through the improvement of operations particularly in the mid-downstream sector, and reduction of costs – particularly in the upstream sector – and of general and administrative expenses.
- Free cash flow: this performance was achieved by improving operations and efforts to optimize working capital.
- Hydrocarbon production: performance was penalised by the shutdown of Val d'Agri, unplanned shutdowns in Norway, Kazakhstan and in the United State and the increase in bunkering and sabotage in Nigeria.
- Exploration resources: exploration resources were added, particularly in Mexico, Egypt and Indonesia, totalling 1.0 billion BOE.
- Severity Incident Rate (SIR), a total recordable incident rate per employee and contractor for millions of worked hours, which weighs injuries on the basis of severity: it declined by 56% compared with 2016, consolidating the trend of improvement recorded in recent years, also compared to the positioning of our competitors.
- CO<sub>2</sub> emissions/operated upstream production: indicator has fallen 3% compared with 2016 thanks to a reduction in fugitive emissions, to energy-efficiency efforts, and to flaring-down projects.
- ROACE: performance was achieved by improving economic results, including the reduction of the tax rate.
- Debt-to-EBITDA: performance was achieved by improving financial results.

#### DEFERRED MONETARY INCENTIVE (DMI) PLAN 2015-2017

##### 2015 DMI vested

On 15<sup>th</sup> March 2018, the Board of Directors, as verified and proposed by the Remuneration Committee, approved 2017 EBT for Eni at the maximum performance level, resulting in an annual multiplier of 170%.

Therefore, given the already verified results of 2015 and 2016, a three-year average multiplier of 170% is to be applied to incentives awarded in 2015 for payment in 2018.

Table 13 shows the performance levels achieved during the vesting period.

TABLE 13 - VESTED DMI 2015 - EBT 2015-2017

Target EBT (billion €)	Multiplier 2015	Multiplier 2016	Multiplier 2017	Final multiplier for payment 2018
EBT ≥ budget+0.5	170%	170%	170%	170% (3-year average)
budget ≤ EBT < budget+0.5	130%	130%	130%	
budget -0.6 ≤ EBT < budget	70%	70%	70%	
EBT < budget-0.6	0%	0%	0%	

## REMUNERATION PAID AND/OR AWARDED IN 2017

In this section, we describe the remuneration paid and/or awarded in 2017 to the Chairman of the Board of Directors, to Non-Executive Directors, to the Chief Executive Officer and General Manager, and to other Managers with strategic responsibilities in accordance with the 2017 Remuneration Policy and in relation to the performance achieved during the period in which they held their respective roles. Remuneration paid/awarded in 2017 is shown in the tables of Section II.

#### CHAIRMAN OF THE BOARD OF DIRECTORS

##### EMMA MARCEGAGLIA

##### Fixed remuneration

The Chairman was paid the following amounts: (i) up to 12<sup>th</sup> April 2017, the prorated amount of fixed remuneration for the role and for the delegated powers, approved respectively by the Shareholders' Meeting on 8<sup>th</sup> May 2014 and by the Board of Directors on 28<sup>th</sup> May 2014; (ii) since 13<sup>th</sup> April 2017, the prorated amount of fixed remuneration for the role and for the delegated powers, approved respectively by the Shareholders' Meeting on 13<sup>th</sup> April 2017 and by the Board of Directors on 19<sup>th</sup> June 2017.

For details of remuneration paid, see Table 1 in the section "Fixed remuneration".

##### Non-monetary benefits

The Chairman, in accordance with the resolution of the Board of Directors of 28<sup>th</sup> May 2014 and 19<sup>th</sup> June 2017, was granted

a life insurance policy and a permanent disability insurance policy covering injury or illness contracted in the workplace or elsewhere.

### NON-EXECUTIVE DIRECTORS

The Non-Executive Directors were paid the fixed remuneration approved by the Shareholders' Meeting on 8<sup>th</sup> May 2014 and confirmed by the Shareholders' Meeting on 13<sup>th</sup> April 2017 in the amount of €80 thousand gross. Non-Executive Directors were also paid the prorated amount of additional remuneration payable for participation on Board Committees, as approved by the Board of Directors on 12<sup>th</sup> March 2015 for remuneration up to 12<sup>th</sup> April 2017 and on 13<sup>th</sup> April 2017 for remuneration subsequent to that date, in line with the 2017 remuneration policies.

These are detailed in Table 1 under the section "Remuneration for participation on the Committees".

### CHIEF EXECUTIVE OFFICER AND GENERAL MANAGER CLAUDIO DESCALZI

#### Fixed remuneration

The Chief Executive Officer and General Manager was paid the following: (i) up to 12<sup>th</sup> April 2017, the prorated amount of fixed remuneration approved by the Board of Directors on 28<sup>th</sup> May 2014; (ii) since 13<sup>th</sup> April 2017, the prorated amount of fixed remuneration approved by the Board of Directors on 19<sup>th</sup> June 2017.

For details of remuneration paid, see Table 1 in the section "Fixed remuneration" above.

#### 2017 Annual Monetary Incentive

For the 2017 AMI Plan, the Chief Executive Officer and General Manager was paid an annual gross variable incentive of €1,674 thousand in 2017 in relation to 2016 performance (124 points) as approved by the Board of Directors on 28<sup>th</sup> February 2017 and as shown in Tables 1 and 2.

#### 2012-2014 Deferred Monetary Incentive

In 2017 the Chief Executive Officer and General Manager received the Deferred Monetary Incentive awarded in 2014, in his capacity as COO of the E&P Division, in the amount of €465 thousand in relation to the final multiplier verified over the vesting period (123%) as approved by the Board of Directors on 28<sup>th</sup> February 2017.

#### 2015-2017 Deferred Monetary Incentive

The Chief Executive Officer and General Manager was awarded a gross deferred monetary incentive of €864 thousand in 2017 in relation to the 2016 EBT performance, as approved by the Board of Directors on 28<sup>th</sup> February 2017.

#### 2014-2016 Long-Term Monetary Incentive

In 2017, the Chief Executive Officer and General Manager was paid the Long-Term Monetary Incentive awarded in 2014 in the amount of €729 thousand, in relation to the final multiplier verified over the vesting period (54%) as approved by the Board of Directors on 19<sup>th</sup> June 2017.

#### 2017-2019 Long-Term Equity-based Incentive Plan

In 2017, the Chief Executive Officer and General Manager was awarded 177,968 Eni shares in 2017 as approved by the Board of

Directors on 26<sup>th</sup> October 2017. The number of shares awarded was determined based on the percentage of 150% to be applied to total fixed remuneration and the award price of €13.4856, calculated in accordance with the parameters of the plan.

#### Non-monetary benefits

In line with the resolutions of the Board of Directors of 28<sup>th</sup> May 2014 and 19<sup>th</sup> June 2017, the Chief Executive Officer and General Manager was granted a life insurance policy and a permanent disability insurance policy covering injury or illness contracted in the workplace or elsewhere, as well as, in compliance with the provisions of Italy's national collective bargaining agreement and the supplementary company agreements for Eni senior managers, the enrolment in the supplementary pension plan (FOPDIRE) and supplementary health plan (FISDE), together with a company car for business and personal use.

#### Summary of remuneration paid to the CEO/GM

Table 7 provides a summary of all remuneration paid in 2017 to Claudio Descalzi in relation to his role as Chief Executive Officer and General Manager and to his previous role as COO of the E&P Division (which he held until 8<sup>th</sup> May 2014).

TABLE 14 - SUMMARY OF REMUNERATION PAID TO THE CEO/GM IN 2017 (amounts in euro thousands)

Role	Fixed remuneration	Variable remuneration	Benefits	Total
Chief Executive Officer <sup>1</sup> and General Manager	1,537 <sup>3</sup>	2,403	15	3,955
COO E&P Division <sup>2</sup>		465		465
<b>Total remuneration</b>	<b>1,537</b>	<b>2,868</b>	<b>15</b>	<b>4,420</b>

(1) Since 9<sup>th</sup> May 2014.

(2) Until 8<sup>th</sup> May 2014.

(3) Equal to the sum of the pro-rata amounts of fixed remuneration for the 2014-2017 and 2017-2020 terms.

### MANAGERS WITH STRATEGIC RESPONSIBILITIES

#### Fixed remuneration

In 2017, within the context of the annual salary review process envisaged for all managers, selective adjustments were made to fixed remuneration for current Managers with strategic responsibilities, in cases of promotion to more senior levels, or in line with necessary market-driven adjustments. The total gross value of fixed remuneration paid in 2017 to Managers with strategic responsibilities is shown in Table 1 in the chapter "Compensation paid in 2017", under the item "Fixed compensation".

#### 2017 Annual Monetary Incentive

In 2017, annual variable incentives were paid to Managers with strategic responsibilities in accordance with the Remuneration Policy and based on performance achieved in 2016.

In particular, the incentive is linked to performance against a range of metrics related to business and sustainability objectives (safety, environmental protection, stakeholder

relations), as well as relevant individual targets, consistent with the provisions of the Eni Strategic Plan. The total gross value of the incentives paid in 2017 to Managers with strategic responsibilities is shown in Table 2 in the chapter "Compensation paid in 2017", under the item "Bonus for the year - payable/paid".

#### *2012-2014 Deferred Monetary Incentive Plan*

Managers with strategic responsibilities were paid deferred monetary incentives awarded in 2014, on the basis of the final multiplier verified in the vesting period (123%), approved by the Board of Directors on 28<sup>th</sup> February 2017. The total gross value of the incentives paid in 2017 to Managers with strategic responsibilities is shown in Table 2 in the chapter "Compensation paid in 2017", under the item "Bonus for previous years - payable/paid".

#### *2015-2017 Deferred Monetary Incentive Plan*

Managers with strategic responsibilities were granted deferred monetary incentive awards on the basis of the 2016 EBT results, approved by the Board of Directors on 28<sup>th</sup> February 2017, as proposed by the Remuneration Committee in accordance with the 2017 Remuneration Policy. The total gross value of the awards granted to Managers with strategic responsibilities in 2017 is shown in Table 2 in the chapter "Compensation paid in 2017", under the items "Bonus for the year - deferred".

#### *2014-2017 Long-Term Monetary Incentive Plan*

Managers with strategic responsibilities were paid in 2017 long-term monetary incentives awarded in 2014, on the basis of the final multiplier verified in the vesting period (54%), approved by the Board of Directors on 19<sup>th</sup> June 2017. The total gross value of the award paid to Managers with strategic responsibilities is shown in Table 2 in the chapter "Compensation paid in 2017", under the items "Bonus for the year - deferred" and "Bonus for previous years - payable/paid".

#### *2017-2019 Long-Term Share-based Incentive Plan*

In accordance with the resolution of the Board of Directors at its meeting of 26<sup>th</sup> October 2017, managers with strategic responsibilities were granted the first award for the Plan. The aggregate number of shares awarded to managers with strategic responsibilities is shown in Table 3 of the chapter "Remuneration paid in 2017", under the item "Eni shares awarded during the year".

#### *Severance indemnity for end-of-office or termination of employment*

During 2017, Managers with strategic responsibilities who accepted enhanced voluntary termination offers were paid, in addition to amounts due under legal and contractual obligations, additional amounts defined in line with company policy on early retirement. The total gross value of the indemnities paid for terminations during 2017 and the related impacts on the Incentive Plans in effect are shown in the chapter "Compensation paid in 2017", respectively in Table 1 under the item "Severance indemnity for termination of office or termination of employment"

and in Table 2 under item "Bonus for previous years - no longer payable" (note 5).

#### *Non-monetary benefits*

For Managers with strategic responsibilities, in line with provisions in Italy's national collective bargaining agreement and supplementary corporate agreements for Eni managers, the Policy Guidelines provide for enrolment in the supplementary pension plan (FOPDIRE) as well as in the supplementary health plan (FISDE), life and disability insurance cover, together with a company car for business and personal use.

## **INCENTIVES VESTED AND PAYABLE AND/OR AWARDABLE IN 2018**

This section describes the incentives vested and payable and/or awardable in 2018 to the Chief Executive Officer and General Manager and to other Managers with strategic responsibilities in relation to the verification of 2017 performance.

### **CHIEF EXECUTIVE OFFICER AND GENERAL MANAGER CLAUDIO DESCALZI**

#### *2018 Annual Monetary Incentive and Short-Term Incentive Plan with deferral*

With reference to the Remuneration Policy in force during the period from 1<sup>st</sup> January to 31<sup>st</sup> December 2017, the following incentives vested in favour of the Chief Executive Officer and General Manager:

- 2014-2017 term, up to 12<sup>th</sup> April 2017, the Board of Directors, on 28<sup>th</sup> May 2014, approved the procedures and parameters for determining the variable remuneration of the Chief Executive Officer and General Manager, corresponding to target and maximum levels of 100% and 130% of fixed remuneration of €1,350,000, determined on the basis of a performance scale of 85-130 points. Therefore, in relation to the performance achieved in 2017 (134 points, reduced to 130 as the maximum applicable score), is payable an annual incentive of €491 thousand, calculated pro rata for the period from 1<sup>st</sup> January 2017 to 12<sup>th</sup> April 2017.
- 2017-2020 term, starting 13<sup>th</sup> April 2017, the Board of Directors, on 19<sup>th</sup> June 2017, approved the procedures and parameters for determining the variable remuneration of the Chief Executive Officer and General Manager, corresponding to target and maximum levels of 100% and 150% of fixed remuneration of €1,600,000 euro, determined on the basis of a performance scale of 85-150 points and divided into a portion payable in the year and a deferred portion equal, respectively, to 65% and 35% of the total incentive. Therefore, in relation to the performance achieved in 2017 (134 points), is payable an annual portion of €1,506 thousand, in addition to a deferred portion awardable of €811 thousand, calculated pro rata for the period from 13<sup>th</sup> April 2017 to 31<sup>st</sup> December 2017.

#### *2015-2017 Deferred Monetary Incentive*

The incentive awarded in 2015, payable in 2018, vested in favour of the Chief Executive Officer and General Manager in the amount of €1,469 thousand, determined on the basis of the final multiplier verified over the vesting period (170%), as approved by the Board of Directors on 15<sup>th</sup> March 2018.

## MANAGERS WITH STRATEGIC RESPONSIBILITIES

### *2018 Short-Term Incentive with deferral*

The incentives payable/awardable in 2018 based on performance achieved in 2017 vested in favour of the Managers with strategic responsibilities, in the aggregate amounts that will be disclosed in the 2019 Remuneration Report. More specifically, these incentives were related to company performance and a series of business targets, sustainability targets (i.e. safety, environmental protection, relations with stakeholders), and individual targets assigned in

relation to the scope of responsibilities of the given role, in line with the provisions of Eni's Strategic Plan.

### *2015-2017 Deferred Monetary Incentive*

The incentive awarded in 2015, payable in 2018, vested in favour of the Managers with strategic responsibilities, determined on the basis of the final multiplier verified over the vesting period (170%), as approved by the Board of Directors on 15<sup>th</sup> March 2018. The total aggregate amount of such incentives will be published in 2019 Remuneration Report.

## Remuneration paid in 2017

### TABLE 1 - Remuneration paid to Directors, Statutory Auditors, to the Chief Executive Officer and General Manager and to other Managers with strategic responsibilities

The table below reports the remuneration paid to Directors, Statutory Auditors, the Chief Executive Officer and General Manager and, in aggregate form, Managers with strategic responsibilities<sup>37</sup>. The remuneration received from subsidiaries and/or associates, except that waived or paid to the company, are shown separately. All parties who filled these roles during the period are included, even if they only held office for a fraction of the year.

In particular:

- the column labelled "Fixed Remuneration" reports fixed remuneration and fixed salary from employment due for the year (on an accrual basis), gross of social security contributions and taxes to be paid by the employee. Details of the compensation are provided in the notes, and any indemnities or payments with reference to the employment relationship are indicated separately;
- the column labelled "Remuneration for participation on Committees" reports (on an accrual basis) the compensation due to Directors for participation in Committees established by the Board. In the notes, compensation for each Committee in which each Director participates is indicated separately;
- the column labelled "Variable non-equity remuneration" under the item "Bonuses and other incentives" shows the incentives paid during the year due to rights vested following the assessment and approval of related performance results by relevant corporate bodies, in accordance with that specified, in greater detail, in the Table "Monetary incentive plans for the Chief Executive Officer and General Manager and other Managers with strategic responsibilities";
- the column labelled "Profit-sharing" does not show any figures since no profit-sharing mechanisms are in place;
- the column labelled "Benefits in kind" reports (on an accrual and taxability basis) the value of any fringe benefits awarded;
- the column labelled "Other remuneration" reports (on an accrual basis) any other remuneration deriving from other services provided;
- the column labelled "Total" reports the sum of the amounts of all the previous items;
- the column labelled "Fair value of equity compensation" reports the relevant fair value for the year related to the existing stock option plans, estimated in accordance with the international accounting standards that allocate the related cost in the vesting period;
- the column labelled "Severance indemnity for end-of-office or termination of employment" reports indemnities accrued, even if not yet paid, for terminations that occurred during the financial year, or in relation to the end of term in office and/or employment.

[37] The statutory conditions for disclosure on an individual basis have not been met.

TABLE 1 - REMUNERATION PAID TO DIRECTORS, STATUTORY AUDITORS, TO THE CHIEF EXECUTIVE OFFICER AND GENERAL MANAGER AND TO OTHER MANAGERS WITH STRATEGIC RESPONSIBILITIES (AMOUNTS IN EURO THOUSANDS)

First name and surname	Note	Position	Period for which the position was held	Expiration of office <sup>(*)</sup>	Variable non-equity remuneration					Total	Fair value of equity-based remuneration	Severance indemnity for end of office or termination of employment	
					Fixed remuneration	Participation in Committees	Bonuses and other incentives	Profit sharing	Non-monetary benefits				Other remuneration
<b>Board of Directors</b>													
Emma Marcegaglia	(1)	Chairman	01.01 - 12.31	2020	426 <sup>(a)</sup>						426		
Claudio Descalzi	(2)	Chief Executive Officer and General Manager	01.01 - 12.31	2020	1,537 <sup>(a)</sup>		2,403 <sup>(b)</sup>		15 <sup>(c)</sup>		3,955	40	
Andrea Gemma	(3)	Director	01.01 - 12.31	2020	80 <sup>(a)</sup>	119 <sup>(b)</sup>					199		
Pietro Angelo Guindani	(4)	Director	01.01 - 12.31	2020	80 <sup>(a)</sup>	75 <sup>(b)</sup>					155		
Karina Litvack	(5)	Director	01.01 - 12.31	2020	80 <sup>(a)</sup>	73 <sup>(b)</sup>					153		
Alessandro Lorenzi	(6)	Director	01.01 - 12.31	2020	80 <sup>(a)</sup>	98 <sup>(b)</sup>					178		
Diva Moriani	(7)	Director	01.01 - 12.31	2020	80 <sup>(a)</sup>	112 <sup>(b)</sup>					192		
Fabrizio Pagani	(8)	Director	01.01 - 12.31	2020	80 <sup>(a)</sup>	61 <sup>(b)</sup>				21 <sup>(c)</sup>	162		
Alessandro Profumo	(9)	Director	01.01 - 04.13	2017	23 <sup>(a)</sup>	11 <sup>(b)</sup>					34		
Domenico Livio Trombone	(10)	Director	04.13 - 12.31	2020	57 <sup>(a)</sup>	47 <sup>(b)</sup>					104		
<b>Board of Statutory Auditors</b>													
Matteo Caratozzolo	(11)	Chairman	01.01 - 04.12	2017	23 <sup>(a)</sup>					110 <sup>(b)</sup>	133		
Rosalba Casiraghi	(12)	Chairman	04.13 - 12.31	2020	57 <sup>(a)</sup>						57		
Enrico Maria Bignami	(13)	Statutory auditor	04.13 - 12.31	2020	50 <sup>(a)</sup>						50		
Paola Camagni	(14)	Statutory auditor	01.01 - 12.31	2020	70 <sup>(a)</sup>					100 <sup>(b)</sup>	170		
Alberto Falini	(15)	Statutory auditor	01.01 - 04.12	2017	20 <sup>(a)</sup>					93 <sup>(b)</sup>	113		
Marco Lacchini	(16)	Statutory auditor	01.01 - 04.12	2017	20 <sup>(a)</sup>						20		
Andrea Parolini	(17)	Statutory auditor	04.13 - 12.31	2020	50 <sup>(a)</sup>						50		
Marco Seracini	(18)	Statutory auditor	01.01 - 12.31	2020	70 <sup>(a)</sup>					97 <sup>(b)</sup>	167		
<b>Other Managers with strategic responsibilities<sup>(**)</sup></b>	(19)	<i>Remuneration in the company that prepares the Financial Statements Remuneration from subsidiaries and associates</i>			8,794		8,267		200	155	17,416	63	70
				Total	8,794 <sup>(a)</sup>		8,267 <sup>(b)</sup>		200 <sup>(c)</sup>	155 <sup>(d)</sup>	17,416	63	70 <sup>(e)</sup>
					<b>11,677</b>	<b>596</b>	<b>10,670</b>		<b>215</b>	<b>576</b>	<b>23,734</b>	<b>103</b>	<b>70</b>

**Note**

[\*] The term of office expires with the Shareholders' Meeting approving the Financial Statements for the year end in 31<sup>st</sup> December 2019.

[\*\*] Managers who were permanent members of the Company's Management Committee during the year together with the Chief Executive Officer, or who reported directly to the CEO (nineteen managers).

**(1) Emma Marcegaglia - Chairman of the Board of Directors**

(a) The amount includes: (i) the fixed remuneration of €90 thousand set by the Shareholders' Meeting on 8<sup>th</sup> May 2014 and confirmed by the Shareholders' Meeting on 13<sup>th</sup> April 2017; (ii) pro-quota of fixed remuneration for the delegated powers approved by the Board for the 2014-2017 and 2017-2020 terms, equal to €41.9 and €293.8 thousand, respectively.

**(2) Claudio Descalzi - Chief Executive Officer and General Manager**

(a) The amount includes: (i) the pro-rata fixed remuneration for the position of Chief Executive Officer for the 2014-2017 and 2017-2020 terms, coming to €155.8 and €430 thousand respectively; (ii) the pro-rata fixed remuneration for the position of General Manager for the 2014-2017 and 2017-2020 terms, coming to €194.3 and €757.1 thousand, respectively. To this amounts are to be added the indemnities due for transfers, in Italy and abroad, in line with the provisions of the relevant national collective labour agreement for senior managers and the Company's complementary agreements for an amount of €17.7 thousand.

(b) The amount includes the annual variable incentive of €1,674 thousand and the Long-Term Monetary Incentive of €729 thousand assigned in 2014 and paid in 2017 in relation to the performance targets achieved during the 2014-2016 vesting period. To this amount is added the Deferred Monetary Incentive assigned in 2014, for the position of COO of the E&P Division, paid in 2017 for an amount of €465 thousand in relation to performance targets achieved during the 2014-2016 vesting period.

(c) The amount includes the taxable value of insurance and welfare coverage, complementary pensions and the car for business and personal use.

**(3) Andrea Gemma - Director**

(a) The amount corresponds to the fixed remuneration set by the Shareholders' Meeting on 8<sup>th</sup> May 2014 and confirmed by the Shareholders' Meeting of 13<sup>th</sup> April 2017.

(b) The amount includes the pro-rata remuneration set by the Board of Directors for participating in the Committees for the 2014-2017 and 2017-2020 terms, and in particular: €47.2 thousand for participating in the Control and Risk Committee; €35.8 thousand for the Compensation Committee; €5.7 thousand for Sustainability and Scenarios Committee; €30.1 thousand for the Nomination Committee.

**(4) Pietro Angelo Guindani - Director**

(a) The amount corresponds to the fixed remuneration set by the Shareholders' Meeting on 8<sup>th</sup> May 2014 and confirmed by the Shareholders' Meeting of 13<sup>th</sup> April 2017.

(b) The amount includes the pro-rata remuneration set by the Board of Directors for participating in the Committees for the 2014-2017 and 2017-2020 terms, and in particular: €33.6 thousand for participating in the Compensation Committee; €41.5 thousand for the Sustainability and Scenarios Committee.

**(5) Karina Litvack - Director**

(a) The amount corresponds to the fixed remuneration set by the Shareholders' Meeting on 8<sup>th</sup> May 2014 and confirmed by the Shareholders' Meeting of 13<sup>th</sup> April 2017.

(b) The amount includes the pro-rata remuneration set by the Board of Directors for participating in the Committees for the 2014-2017 and 2017-2020 terms, and in particular: €36.8 thousand for participating in the Control and Risk Committee; €5.7 thousand for the Compensation Committee; €30.7 thousand for the Sustainability and Scenarios Committee.

- [6] **Alessandro Lorenzi - Director**  
 (a) The amount corresponds to the fixed remuneration set by the Shareholders' Meeting on 8<sup>th</sup> May 2014 and confirmed by the Shareholders' Meeting of 13<sup>th</sup> April 2017.  
 (b) The amount includes the pro-rata remuneration set by the Board of Directors for participating in the Committees for the 2014-2017 and 2017-2020 terms, and in particular: €67.2 thousand for participating in the Control and Risk Committee; €30.8 thousand for the Compensation Committee.
- [7] **Diva Moriani - Director**  
 (a) The amount corresponds to the fixed remuneration set by the Shareholders' Meeting on 8<sup>th</sup> May 2014 and confirmed by the Shareholders' Meeting of 13<sup>th</sup> April 2017.  
 (b) The amount includes the pro-rata remuneration set by the Board of Directors for participating in the Committees for the 2014-2017 and 2017-2020 terms, and in particular: €47.2 thousand for participating in the Control and Risk Committee; €30.8 thousand for the Compensation Committee; €34.3 thousand for the Nomination Committee.
- [8] **Fabrizio Pagani - Director**  
 (a) The amount corresponds to the fixed remuneration set by the Shareholders' Meeting on 8<sup>th</sup> May 2014 and confirmed by the Shareholders' Meeting of 13<sup>th</sup> April 2017.  
 (b) The amount includes the pro-rata remuneration set by the Board of Directors for participating in the Committees for the 2014-2017 and 2017-2020 terms, and in particular: €33.6 thousand for participating in the Sustainability and Scenarios Committee ; €27.2 thousand for the Nomination Committee.  
 (c) The amount corresponds to the pro-rata remuneration for the office of Chairman of the Advisory Board for oil&gas.
- [9] **Alessandro Profumo - Director**  
 (a) The amount corresponds to the pro-rata annual fixed remuneration until 13<sup>th</sup> April 2017, set by the Shareholders' Meeting on 8<sup>th</sup> May 2014.  
 (b) The amount includes the pro-rata remuneration set by the Board of Directors for participating in the Committees for the 2014-2017, and in particular: €5.7 thousand for participating in the Sustainability and Scenarios Committee and €5.7 thousand for the Nomination Committee.
- [10] **Domenico Livio Trombone - Director**  
 (a) The amount corresponds to the pro-rata annual fixed remuneration set by the Shareholders' Meeting on 13<sup>th</sup> April 2017.  
 (b) The amount includes the pro-rata remuneration set by the Board of Directors for participating in the Committees for the 2017-2020 term, and in particular: €25.1 thousand for participating in the Sustainability and Scenario Committee; €21.5 thousand for the Nomination Committee.
- [11] **Matteo Caratuzzolo - Chairman of the Board of the Statutory Auditors**  
 (a) The amount corresponds to the pro-rata annual fixed remuneration until 13<sup>th</sup> April 2017, set by the Shareholders' Meeting on 8<sup>th</sup> May 2014.  
 (b) The amount includes remuneration for serving as Statutory Auditor on the Boards of subsidiaries or associated companies and in particular: €45 thousand as Chairman of the Board of Statutory Auditors of Eni Fuel SpA; €19.5 thousand as Chairman of the Board of Statutory Auditors of Eni Adfin; €45 thousand as Chairman of TTPC SpA.
- [12] **Rosalba Casiraghi - Chairman of the Board of the Statutory Auditors**  
 (a) The amount corresponds to the pro-rata annual fixed remuneration since 13<sup>th</sup> April 2017, set by the Shareholders' Meeting.
- [13] **Enrico Maria Bignami - Statutory Auditor**  
 (a) The amount corresponds to the pro-rata annual fixed remuneration set by the Shareholders' Meeting on 13<sup>th</sup> April 2017.
- [14] **Paola Camagni - Statutory Auditor**  
 (a) The amount corresponds to the fixed remuneration set by the Shareholders' Meeting on 8<sup>th</sup> May 2014 and confirmed by the Shareholders' Meeting of 13<sup>th</sup> April 2017.  
 (b) The amount includes remuneration for serving as Statutory Auditor on the Boards of subsidiaries or associated companies and in particular: €19.5 thousand as Chairman of the Board of Statutory Auditors of AGI SpA; €27 thousand as Chairman of the Board of Statutory Auditors of Eni East Africa SpA; €23.3 thousand as Statutory Auditor of Syndial; €30 thousand as Auditor of Eni Angola SpA.
- [15] **Alberto Falini - Statutory Auditor**  
 (a) The amount corresponds to the pro-rata annual fixed remuneration until 13<sup>th</sup> April 2017, set by the Shareholders' Meeting on 8<sup>th</sup> May 2014.  
 (b) The amount includes remuneration for serving as Statutory Auditor on the Boards of subsidiaries or associated companies and in particular: €45 thousand as Chairman of the Board of Statutory Auditors of Eni Angola SpA; €18 thousand as Chairman of the Board of Statutory Auditors of Eni Timor Leste SpA; €30 thousand as Auditor for TTPC SpA.
- [16] **Marco Lacchini - Statutory Auditor**  
 (a) The amount corresponds to the pro-rata annual fixed remuneration until 13<sup>th</sup> April 2017, set by the Shareholders' Meeting on 8<sup>th</sup> May 2014.
- [17] **Andrea Parolini - Statutory Auditor**  
 (a) The amount corresponds to the pro-rata annual fixed remuneration set by the Shareholders' Meeting on 13<sup>th</sup> April 2017.
- [18] **Marco Seracini - Statutory Auditor**  
 (a) The amount corresponds to the fixed remuneration set by the Shareholders' Meeting on 8<sup>th</sup> May 2014 and confirmed by the Shareholders' Meeting of 13<sup>th</sup> April 2017.  
 (b) The amount includes remuneration for serving as Statutory Auditor on the Boards of subsidiaries or associated companies and in particular: €27 thousand as Chairman of the Board of Statutory Auditors of LNG Shipping SpA; €27 thousand as Chairman of the Board of Statutory Auditors of Ing. Luigi Conti Vecchi; €30 thousand as Statutory Auditor of Eni Fuel SpA; €13 thousand as Statutory Auditor of Eni Adfin SpA.
- [19] **Other Managers with strategic responsibilities**  
 (a) The amount of €8,794 thousand for Gross Annual Salary is supplemented by the indemnities owed for transfers, in Italy and abroad, in line with the provisions of the relevant national collective labour agreement and with the Company's additional agreements, as well as other indemnities related to employment for a total of €437 thousand.  
 (b) The amount includes the payment of €2,946 thousand related to the deferred and long-term monetary incentives assigned in 2014 for performance targets achieved in the 2014-2016 vesting period, as well as the pro-rata amounts of the long-term Incentive Plans (DMI and LTMI), paid upon consensual termination as defined in the respective Plan Regulations.  
 (c) The amount includes the taxable value of insurance and welfare coverage, complementary pensions and the car for business and personal use.  
 (d) Amounts due to for the positions held by Managers with strategic responsibilities in the Supervisory Body established under the Company's Model 231 and the Manager responsible for the preparation of the Company's financial statements.  
 (e) The amount includes severance payments and early retirement incentives paid in relation to employment termination.

**TABLE 2 - Monetary incentive plans for the Chief Executive Officer and General Manager and for other Managers with strategic responsibilities**

The table below reports, by name, the variable monetary incentives, both short and long-term, envisaged for the Chief Executive Officer and General Manager and, at an aggregate level, other Managers with strategic responsibilities including all individuals who filled these roles during the period, even if for only a fraction of the year.

The column labelled “Bonus for the year” details:

- under the item “payable/paid,” the short-term variable incentive award paid during the year based on verification by relevant Company bodies that performance met the objectives defined for the previous year;
- under the item “deferred,” the amount of the base incentive award granted during the year in line with the Monetary Incentive Plan with deferral;
- under the item “deferral period”, the duration of the vesting period for the deferred incentive awards granted in the year;

The column labelled “Bonus for previous years details:

- under the item “no longer payable,” the long-term incentive awards no longer payable in relation to verified performance conditions for the vesting period or incentives that expired due to events relating to employment relationships as envisaged in the Plan Rules;
- under the item “payable/paid,” the long-term incentives paid during the year, accruing on the basis of verification of the performance conditions for the vesting period, or the incentive amounts paid due to events relating to employment relationships as envisaged in the Plan Rules;
- under the item “still deferred”, incentives assigned in previous years that have not yet vested, in line with previous long-term incentive plans.

The column labelled “Other Bonuses” details incentives paid on a one-off extraordinary basis related to the achievement of particularly important results or projects during the year.

The total of the amounts under the item “payable/paid” in the columns “Bonus for the year”, “Bonus for previous years” and “Other Bonuses” is the same as that indicated in the “Bonuses and other incentives” column in Table 1.

**TABLE 2 - MONETARY INCENTIVE PLANS FOR THE CHIEF EXECUTIVE OFFICER AND GENERAL MANAGER AND FOR OTHER MANAGERS WITH STRATEGIC RESPONSIBILITIES (AMOUNT IN EURO THOUSANDS)**

First name and surname	Position	Plan	Bonus for the year		Bonus for previous years			Other bonuses
			payable/paid	deferred	deferral period	no longer payable	payable/paid <sup>(1)</sup>	
Claudio Descalzi	Chief Executive Officer and General Manager <sup>(2)</sup>	2017 Annual Monetary Incentive Plan BoD 28 <sup>th</sup> February 2017	1,674					
		2017 Deferred Monetary Incentive Plan BoD 28 <sup>th</sup> February 2017		864	3 years			
		2016 Deferred Monetary Incentive Plan BoD 17 <sup>th</sup> March 2016						864
		2016 Long-Term Monetary Incentive Plan BoD 15 <sup>th</sup> September 2016						1,350
		2015 Deferred Monetary Incentive Plan BoD 12 <sup>th</sup> March 2015						864
		2015 Long-Term Monetary Incentive Plan BoD 17 <sup>th</sup> September 2015						1,350
		2014 Long-Term Monetary Incentive Plan Assignment: BoD 17 <sup>th</sup> September 2014 Payment: BoD 19 <sup>th</sup> June 2017				621 <sup>(3)</sup>	729	
<b>Total</b>			<b>1,674</b>	<b>864</b>		<b>621</b>	<b>729</b>	<b>4,428</b>
Other Managers with strategic responsibilities <sup>(4)</sup>		2017 Annual Monetary Incentive Plan BoD 28 <sup>th</sup> February 2017	5,320					
		2017 Deferred Monetary Incentive Plan BoD 28 <sup>th</sup> February 2017		3,834	3 years			
		2016 Deferred Monetary Incentive Plan BoD 17 <sup>th</sup> March 2016				38 <sup>(5)</sup>	40 <sup>(6)</sup>	2,930
		2016 Long-Term Monetary Incentive Plan BoD 15 <sup>th</sup> September 2016				76 <sup>(5)</sup>		3,338
		2015 Deferred Monetary Incentive Plan BoD 12 <sup>th</sup> March 2015						2,529
		2015 Long-Term Monetary Incentive Plan BoD 17 <sup>th</sup> September 2015				57 <sup>(5)</sup>	33 <sup>(6)</sup>	2,588
		Deferred Monetary Incentive Plan 2014 Assignment: BoD 17 <sup>th</sup> March 2014 Payment: BoD 28 <sup>th</sup> February 2017						1,564
2014 Long-Term Monetary Incentive Plan Assignment: BoD 17 <sup>th</sup> September 2014 Payment: BoD 19 <sup>th</sup> June 2017				1,200 <sup>(3)</sup>	1,310			
<b>Total</b>			<b>5,320</b>	<b>3,834</b>		<b>1,371</b>	<b>2,947</b>	<b>11,385</b>
			<b>6,994</b>	<b>4,698</b>		<b>1,992</b>	<b>3,676</b>	<b>15,813</b>

(1) Payment relating to the deferred monetary incentive and the long-term monetary incentive awarded in 2014.

(2) In 2017, Claudio Descalzi, with regard to his previous position of COO of the E&P Division held until 8<sup>th</sup> May 2014, received the amount of €465 thousand, relating to the deferred monetary incentive assigned in 2014, calculated in relation to the performance achieved in the 2014-2016 vesting period.

(3) Amount no longer payable, equal to the difference between the incentive assigned in 2014 and that paid in 2017.

(4) Managers who were permanent members of the Company's Management Committee during the year, together with the Chief Executive Officer and who reported directly to the CEO (nineteen managers).

(5) Pro-rata amount that is no longer payable, following the termination of employment relationship, in relation to the vesting period expired, as provided for in the Plan Regulation.

(6) Pro-rata amount paid, following the consensual termination of employment relationship, in relation to the vesting period expired, as provided for in the Plan Regulation.

### TABLE 3 - Incentive plans based on financial instruments, other than stock options, for the Chief Executive Officer and General Manager and for other Managers with strategic responsibilities

The table below shows, for the equity-based incentive plan, the shares awarded to the Chief Executive Officer and General Manager and the aggregate numbers awarded to the other Managers with strategic responsibilities (including all individuals who covered such positions for any period of time during the year). In particular:

- the column "Financial instruments awarded in previous years and not vested during the year" shows the type, number and vesting period of any financial instruments awarded in previous years and not yet vested;
- the column "Financial instruments awarded during the year" shows the type, number, total fair value, vesting period, award date, and market price on that date for financial instruments awarded during the year;
- the column "Financial instruments vested during the year and not granted" shows the type and number of any financial instruments awarded and no longer grantable based on verification of performance during the vesting period, or of any financial instruments awarded and not grantable due to events relating to employment relationships as envisaged in the Plan Rules;
- the column "Financial instruments vested during the year and grantable" shows the type, number and value on the vesting date of any financial instruments awarded and vested during the year and grantable based on the verification of performance during the vesting period, or the amounts due to events relating to employment relationships as envisaged in the Plan Rules;
- the column "Financial instruments for the year" shows the fair value of the financial instruments awarded and still in existence solely for the portion related to the year, which is also shown in Table 1 in the column "Fair value of equity-based remuneration".

TABLE 3 - INCENTIVE PLANS BASED ON FINANCIAL INSTRUMENTS, OTHER THAN STOCK OPTIONS, FOR THE CHIEF EXECUTIVE OFFICER AND GENERAL MANAGER AND OTHER MANAGERS WITH STRATEGIC RESPONSIBILITIES

First name and surname	Position	Plan	Financial instruments awarded in previous years and not vested during the year		Financial instruments awarded during the year				Financial instruments vested during the year and not assigned	Financial instruments vested during the year and grantable		Financial instruments for the year
			Number of Eni shares	Vesting period	Number of Eni shares	Fair value at award date (thousands of euros)	Vesting period	Award date	Market price on award date (euro)	Number of Eni shares	Number of Eni shares	Value at date of vesting
Claudio Descalzi	Chief Executive Officer and General Manager	2017 Equity-based Long-Term Incentive Plan 2017 BoD 26 <sup>th</sup> October 2017			177,968	1,422	3 years	26/10/2017	13.92			40
<b>Total</b>					<b>177,968</b>	<b>1,422</b>						<b>40</b>
<b>Other Managers with strategic responsibilities<sup>(1)</sup></b>		2017 Equity-based Long-Term Incentive Plan 2017 BoD 26 <sup>th</sup> October 2017			285,491	2,281	3 years	30/11/2017	13.81			63
<b>Total</b>					<b>285,491</b>	<b>2,281</b>						<b>63</b>
					<b>463,459</b>	<b>3,703</b>						<b>103</b>

(1) Managers who were permanent members of the Company's Management Committee during the year, together with the Chief Executive Officer and who reported directly to the CEO (eighteen managers).

## Shareholdings held

The table below reports, under Article 84-quater, fourth paragraph, of the Consob Issuers Regulation, the shareholdings in Eni SpA and its subsidiaries that are held by Directors, Statutory Auditors, Chief Operating Officers, and other Managers with strategic responsibilities, as well as by their spouses from whom they are not legally separated, and their children under eighteen years of age, directly or through subsidiaries, trust companies, or intermediaries, as recorded in the register of shareholders

communications received and other information sources.

The table includes all parties who meet this description for all or part of the reporting period.

The number of shares (all "ordinary") is indicated, for each company held, by name, for Directors, Statutory Auditors, Chief Operating Officers of Eni Divisions and, at an aggregate level, for the other Managers with strategic responsibilities. The individuals indicated hold title to the shareholdings.

**TABLE 4 - Shareholdings held by Directors, Statutory Auditors, the Chief Executive Officer and General Manager and other Managers with strategic responsibilities**

First name and surname	Position	Affiliated company	Number of shares held as at 31.12.2016	Number of shares purchased	Number of shares sold	Number of shares held as at 31.12.2017
<b>Board of Directors</b>						
Emma Marcegaglia	Chairman	Eni SpA	34,270	0	0	34,270
		Eni SpA <sup>(1)</sup>	45,000	0	0	45,000
		Eni SpA <sup>(2)</sup>	7,654	523	437	7,740
Claudio Descalzi	Chief Executive Officer and General Manager	Eni SpA	39,455	0	0	39,455
<b>Board of Statutory auditors</b>						
Marco Lacchini <sup>(3)</sup>	Statutory Auditor	Eni SpA <sup>(2)</sup>	5,000	0	0	5,000
<b>Other Managers with strategic responsibilities<sup>(4)</sup></b>		<b>Eni SpA</b>	<b>171,559</b>	<b>0</b>	<b>0</b>	<b>171,559</b>

(1) Bare ownership.

(2) Asset management.

(3) In office until 13<sup>th</sup> April 2017.

(4) Managers who were permanent members of the Company Management Committee during the year together with the Chief Executive Officer and who reported directly to the CEO (nineteen managers, of which fifteen held shares in Eni SpA and its subsidiaries).

## Annex under Article 84-bis of Consob Issuer Regulation - 2017 Implementation of the 2017-2019 Long-Term Share Incentive Plan (LTI)

With reference to the 2017-2019 Long-Term Share Incentive Plan approved by the ordinary Shareholders' Meeting on 13<sup>th</sup> April 2017, subject to the conditions and purposes set out in the Information

Document available on the website, the following table shows details of the 2017 Plan assignment, in accordance with Art. 84-bis (Annex 3 A, schedule 7) of the Consob Issuer Regulations.

**TABLE NO. 1 OF SCHEDULE 7 OF ANNEX 3A OF REGULATION NO. 11971/1999  
REMUNERATION PLANS BASED ON FINANCIAL INSTRUMENTS**

First name and surname or category	Position  (to be specified only for individuals listed by name)	FRAME 1							
		FINANCIAL INSTRUMENTS OTHER THAN STOCK OPTIONS							
		Section 2 Newly instruments awarded based on the decision of the competent body in charge of the implementation of the resolution of the Shareholders' Meeting							
		Date of shareholders' resolution	Type of financial instruments	Number of financial instruments	Award date	Purchase price of the instruments	Market price on award date (euro)	Vesting period	
Claudio Descalzi	CEO and General Manager Eni SpA	13 <sup>th</sup> April, 2017	Eni shares	177,968 <sup>(1)</sup>	26/10/17	n.a.	13.92	3 years	
Antonio Massimiliano Baldassarre	Managing Director Agip Karachaganak BV	13 <sup>th</sup> April, 2017	Eni shares	3,522	30/11/17	n.a.	13.81	3 years	
Massimo Bechi	CEO Eni Deutschland GmbH	13 <sup>th</sup> April, 2017	Eni shares	2,781	30/11/17	n.a.	13.81	3 years	
Claudio Brega	CEO EniServizi SpA	13 <sup>th</sup> April, 2017	Eni shares	7,749	30/11/17	n.a.	13.81	3 years	
Guido Brusco	Managing Director Eni Angola Production BV	13 <sup>th</sup> April, 2017	Eni shares	4,486	30/11/17	n.a.	13.81	3 years	
Paolo Campelli	Managing Director Eni Mozambique Engineering Ltd	13 <sup>th</sup> April, 2017	Eni shares	3,374	30/11/17	n.a.	13.81	3 years	
Stefano Carbonara	Managing Director Eni Myanmar BV	13 <sup>th</sup> April, 2017	Eni shares	1,075	30/11/17	n.a.	13.81	3 years	
Fabio Cavanna	Managing Director IEOC Production BV	13 <sup>th</sup> April, 2017	Eni shares	3,559	30/11/17	n.a.	13.81	3 years	
Andrea Cecchinato	Chairman and CEO Ing. Luigi Conti Vecchi SpA	13 <sup>th</sup> April, 2017	Eni shares	1,631	30/11/17	n.a.	13.81	3 years	
Alberto Chiarini	CEO Eni gas e luce SpA	13 <sup>th</sup> April, 2017	Eni shares	14,831	30/11/17	n.a.	13.81	3 years	
Marco Coccagna	CEO Eni Corporate University SpA	13 <sup>th</sup> April, 2017	Eni shares	4,894	30/11/17	n.a.	13.81	3 years	
Fabrizio Cosco	CEO Eni Finance International SA	13 <sup>th</sup> April, 2017	Eni shares	1,261	30/11/17	n.a.	13.81	3 years	
Fabrizio Dassogno	Chairman and CEO Tigàz DSO	13 <sup>th</sup> April, 2017	Eni shares	3,893	30/11/17	n.a.	13.81	3 years	
Carmine De Lorenzo	Managing Director Eni Venezuela BV	13 <sup>th</sup> April, 2017	Eni shares	4,078	30/11/17	n.a.	13.81	3 years	
Daniel Fava	Directeur General Eni Gas & Power France SA	13 <sup>th</sup> April, 2017	Eni shares	3,819	30/11/17	n.a.	13.81	3 years	
Daniele Ferrari	CEO Versalis SpA	13 <sup>th</sup> April, 2017	Eni shares	16,314	30/11/17	n.a.	13.81	3 years	
Lorenzo Fiorillo	Directeur Général Eni Congo SA	13 <sup>th</sup> April, 2017	Eni shares	3,856	30/11/17	n.a.	13.81	3 years	
Ernesto Formichella	CEO Banque Eni SA	13 <sup>th</sup> April, 2017	Eni shares	3,745	30/11/17	n.a.	13.81	3 years	
Gabriele Franceschini	President and Chief Executive Officer Eni US Operating Co Inc	13 <sup>th</sup> April, 2017	Eni shares	4,116	30/11/17	n.a.	13.81	3 years	
Alessandro Gelmetti	Managing Director Eni South Africa BV	13 <sup>th</sup> April, 2017	Eni shares	2,484	30/11/17	n.a.	13.81	3 years	
Andrea Giaccardo	Managing Director Eni Algeria Production BV	13 <sup>th</sup> April, 2017	Eni shares	1,928	30/11/17	n.a.	13.81	3 years	
Salvatore Giammetti	General Director 000-Eni Energhia	13 <sup>th</sup> April, 2017	Eni shares	3,596	30/11/17	n.a.	13.81	3 years	
Giorgio Guidi	Managing Director Eni Pakistan Ltd	13 <sup>th</sup> April, 2017	Eni shares	2,188	30/11/17	n.a.	13.81	3 years	
Philip Duncan Hemmens	Managing Director EniNorge AS	13 <sup>th</sup> April, 2017	Eni shares	4,235	30/11/17	n.a.	13.81	3 years	
Massimo Maria Insulla	Vice Chairman & Managing Director Nigerian Agip Oil Company Ltd	13 <sup>th</sup> April, 2017	Eni shares	3,967	30/11/17	n.a.	13.81	3 years	
Salvatore Ippolito	CEO Agenzia Giornalistica Italia SpA	13 <sup>th</sup> April, 2017	Eni shares	3,152	30/11/17	n.a.	13.81	3 years	

(1) Number of shares awarded with resolution of the Board of Directors of 26<sup>th</sup> October 2017.

**TABLE NO. 1 OF SCHEDULE 7 OF ANNEX 3A OF REGULATION NO. 11971/1999  
REMUNERATION PLANS BASED ON FINANCIAL INSTRUMENTS**

First name and surname or category	Position  (to be specified only for individuals listed by name)	FRAME 1							
		FINANCIAL INSTRUMENTS OTHER THAN STOCK OPTIONS							
		Section 2 Newly instruments awarded based on the decision of the competent body in charge of the implementation of the resolution of the Shareholders' Meeting							
		Date of shareholders' resolution	Type of financial instruments	Number of financial instruments	Award date	Purchase price of the instruments	Market price on award date (euro)	Vesting period	
Giuseppe La Scola	Chairman & General Manager Versalis Pacific Trading (Shanghai) CO Ltd	13 <sup>th</sup> April, 2017	Eni shares	3,411	30/11/17	n.a.	13.81	3 years	
Vincenzo LaroCCA	CEO Syndial SpA	13 <sup>th</sup> April, 2017	Eni shares	9,047	30/11/17	n.a.	13.81	3 years	
Franco Magnani	CEO Eni Trading & Shipping SpA	13 <sup>th</sup> April, 2017	Eni shares	11,197	30/11/17	n.a.	13.81	3 years	
Giuseppe Moscato	Directeur General EniTunisia BV	13 <sup>th</sup> April, 2017	Eni shares	4,004	30/11/17	n.a.	13.81	3 years	
Antonio Panza	Chairman & Managing Director di Eni North Africa BV	13 <sup>th</sup> April, 2017	Eni shares	8,898	30/11/17	n.a.	13.81	3 years	
Biagio Pietrarroia	Managing Director Agip Caspian Sea BV	13 <sup>th</sup> April, 2017	Eni shares	3,522	30/11/17	n.a.	13.81	3 years	
Marcello Poidomani	Chairman Versalis France SAS	13 <sup>th</sup> April, 2017	Eni shares	4,597	30/11/17	n.a.	13.81	3 years	
Stefano Quartullo	CEO Eni France Sàrl	13 <sup>th</sup> April, 2017	Eni shares	2,558	30/11/17	n.a.	13.81	3 years	
Francesca Rinaldi	Managing Director Eni UK Ltd	13 <sup>th</sup> April, 2017	Eni shares	1,743	30/11/17	n.a.	13.81	3 years	
Damian Robinson	Chairman and CEO Eni Trading & Shipping Inc	13 <sup>th</sup> April, 2017	Eni shares	3,197	30/11/17	n.a.	13.81	3 years	
Giancarlo Ruiu	Managing Director Eni Ghana E&P Ltd	13 <sup>th</sup> April, 2017	Eni shares	2,076	30/11/17	n.a.	13.81	3 years	
Mauro Russo	Chairman and CEO Eni Iberia SLU	13 <sup>th</sup> April, 2017	Eni shares	2,558	30/11/17	n.a.	13.81	3 years	
Loris Tealdi	Managing Director Eni Iraq BV	13 <sup>th</sup> April, 2017	Eni shares	3,485	30/11/17	n.a.	13.81	3 years	
Luciano Maria Vasques	Chairman and CEO EniProgetti SpA	13 <sup>th</sup> April, 2017	Eni shares	4,709	30/11/17	n.a.	13.81	3 years	
Umberto Vergine	Managing Director Eni International BV	13 <sup>th</sup> April, 2017	Eni shares	16,722	30/11/17	n.a.	13.81	3 years	
Marco Volpati	Managing Director Eni International Resources Ltd	13 <sup>th</sup> April, 2017	Eni shares	2,929	30/11/17	n.a.	13.81	3 years	
Other managers with strategic responsibilities Eni <sup>(2)</sup>	15 managers	13 <sup>th</sup> April, 2017	Eni shares	245,299	30/11/17	n.a.	13.81	3 years	
Other managers	301 managers	13 <sup>th</sup> April, 2017	Eni shares	1,100,607	30/11/17	n.a.	13.81	3 years	

(2) Other managers who, at time of award and together with the Chief Executive Officer, were permanent members of the Company's Management Committee or reported directly to the CEO.



Eni SpA

**Headquarters**

Piazzale Enrico Mattei, 1 - Rome - Italy

Capital Stock as of December 31, 2017: € 4.005.358.876,00 fully paid

Tax identification number 00484960588

**Branches**

Via Emilia, 1 - San Donato Milanese (Milan) - Italy

Piazza Ezio Vanoni, 1 - San Donato Milanese (Milan) - Italy

**Publications**

Financial Statement pursuant to rule 154-ter paragraph 1 of Legislative Decree No. 58/1998

Integrated Annual Report

Annual Report on Form 20-F for the Securities and Exchange Commission

Fact Book (in Italian and 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)

Eni in 2017 - Summary Annual Review (in English)

Eni For 2017 - Sustainability Report (in Italian and English)

**Internet home page**

[www.eni.com](http://www.eni.com)

**Rome office telephone**

+39-0659821

**Toll-free number**

800940924

**e-mail**

[segreteria.societaria.azionisti@eni.com](mailto:segreteria.societaria.azionisti@eni.com)

**Investor Relations**

Piazza Ezio Vanoni, 1 - 20097 San Donato Milanese (Milan)

Tel. +39-0252051651 - Fax +39-0252031929

e-mail: [investor.relations@eni.com](mailto:investor.relations@eni.com)

**Layout and supervision**

K-Change - Rome

**Printing**

Tipografia Facciotti - Rome - Italy

