



Report on Corporate Governance

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This Report is designed to provide a general and complete overview of Eni SpA's ("Eni") corporate governance system. In order to comply with applicable laws and listing standards, in keeping with the recommendations of Borsa Italiana SpA and of the relevant business associations, the Report also furnishes information regarding Eni's ownership, its compliance to the corporate governance codes established by institutional bodies and the relevant commitments to observe them, as well as the options that the company has made in implementing its governance. This Report is available at Eni's headquarters, published on Eni's website www.eni.it, in the Corporate Governance section, and sent to Borsa Italiana SpA according to set rules and deadlines.

Information provided in this Report regards the financial year 2008 as updated, except where specifically indicated, until March 13, 2009, the date of the Board's meeting that approved the 2008 draft annual report.

Eni: profile, structure, values

Profile

Eni is a major integrated energy company, present in 70 countries with nearly 79,000 employees, which operates in the oil and gas industry, power generation and marketing and oilfield services, construction and engineering. In these businesses it has a strong edge and leading international market positions. Every action of Eni is characterized by a strong commitment to sustainable development: valuing people, contributing to the development and wellbeing of communities where they operate, respecting the environment, investing in innovation,

pursuing energy efficiency and mitigating the risks of climate change. Eni's men and women have a passion for challenges, continuous improvement, excellence and give particularly value to the people, the environment and the integrity.

Organizational structure

Eni's organizational structure follows the traditional model of companies in which the Board of Directors is entrusted with the fullest power to manage the company in view of implementing and achieving the company's purpose, thus representing the central element of Eni's corporate governance system. Monitoring functions are entrusted to the Board of Statutory Auditors and accounting control is entrusted to external auditors appointed by the Shareholders' Meeting.

According to Eni's By-laws, the Board of Directors delegates some of its managing powers to the Chief Executive Officer and gives to the Chairman the power to identify and promote integrated projects and strategically relevant international agreements.

Eni's governance model, therefore, states a clear separation between the role of the Chairman and that of the CEO. According to Article 25 of Eni's By-laws, the Chairman and the CEO have both the legal representation of the company.

The Board of Directors has established three Board Committees, with advisory and consulting tasks: the Internal Control Committee, the Compensation Committee and the Oil-Gas Energy Committee.

The Board of Directors also appointed three Chief Operating Officers responsible for the three operational divisions of Eni SpA. These managers and most of Eni's Senior Vice-Presidents attend on a permanent basis in the Management Committee,

performing advising and support activities for the CEO. Certain organizational and management choices presented in this Report have been made in application of the US law to which Eni must comply due to the listing on the NYSE (New York Stock Exchange).

Code of Ethics

The Board of Directors of Eni has deemed it fundamental to provide a clear definition of the value system that Eni recognizes, accepts and upholds and the responsibilities that Eni assumes internally and externally in order to ensure that all business activities are conducted in compliance with laws, in a context of fair competition, with honesty, integrity, correctness and in good faith, respecting the legitimate interests of all stakeholders with which Eni relates on ongoing basis: shareholders, employees, suppliers, customers, commercial and financial partners, and the local communities and institutions of the Countries where Eni operates. These values are stated in the Code of Ethics and all the people working for Eni, without exception or distinction, starting from the management, are committed to observing and enforcing these principles within their function and responsibility. The belief of working for the advantage of Eni does not justify behaviours that are in contrast with such principles. The Guarantor for the Code of Ethics acts for the protection and promotion of these principles and every six months presents a report on the implementation of the Code to the Internal Control Committee, to the Board of Statutory Auditors and to the Chairman and the CEO, who reports on this to the Board of Directors. In its meeting of March 14, 2008, Eni's Board of Directors resolved to adopt the new Eni's Code of Ethics, replacing the previous version of 1998. The new Code has been updated to include regulatory developments, to better capture the issues of human rights and sustainability, to guarantee compliance with international best practices and to take into account the changes in Eni's organizational structure. The Code represents a general principle of Model 231, of which it is an integral part, that cannot be waived. The synergies between the Code of Ethics and Model 231 are also confirmed by the assignation of the role of Guarantor of the Code of Ethics to Eni's Watch Structure, established by Model 231. Similarly, each of Eni's subsidiaries assigns the function of Guarantor of the Code of Ethics to its Watch Structure.

The Code of Ethics is applied to all Eni's subsidiaries in Italy and abroad. Listed subsidiaries and the subsidiaries of the gas sector subject to unbundling regulation adopt the Code, adapting it – when necessary – to their peculiar features, consistently with their operational autonomy. The representatives appointed by Eni in the company bodies of associates, in consortia and in joint ventures promote the principles and contents of the Code within their own respective areas of competence. Eni's commitment to the dissemination of these principles is also strengthened by the establishment of a specific Team for the promotion of the Code of Ethics, entrusted with the dissemination of tools for understanding, interpreting and applying the Code through different initiatives, depending on the different stakeholders involved and addressed to stimulate feedback so that the Code can always be adapted to the sensitivity of the communities where Eni operates. The Code of Ethics is published on the Eni's website.

Information on ownership structure¹

Capital structure and main shareholders

Eni's capital is in the form of ordinary shares. The shares are indivisible and each share gives the right to one vote. Shareholders are entitled to attend and vote at the ordinary and extraordinary shareholders' meeting and they can exercise the right to participate in profits and any other right as provided by the law and subject to any applicable legal limitations.

Share capital issued at December 31, 2008, amounted to €4,005,358,876 fully paid and was represented by 4,005,358,876 ordinary shares, at a nominal value €1 each. In 1995 Eni issued a sponsored ADR (American Depositary Receipts) program directed to US investors. An ADR is a certificate issued by a US depository bank which represents shares of a non US company, held and traded on US stock markets. Each Eni's ADR is equal to two Eni's ordinary shares; Eni's ADRs are listed on the New York Stock Exchange.

Based on information available and received in accordance with article 120 of the Legislative Decree No.58 of February 24, 1998 ("TUF") and on Consob Decision No. 11971/1999, as of December 31, 2008, shareholders holding more than 2% of Eni's share capital were the following:

(1) Information on shareholding structure is provided in accordance with article 123-bis of Testo Unico della Finanza (Legislative Decree No. 58/1998). For the rules on the appointment and replacement of Directors, see the specific chapter "Board of Directors" below. Information on changes to Eni's By-Laws, as requested by article 123-bis of the Testo Unico della Finanza, the Company applies the ordinary rules, except for the information reported in the chapter on the special powers of the State below. Article 23.2 of Eni's By-laws entrusts the Board of Directors with the task to amend the By-laws in case of new laws.

Main shareholders

Shareholders	Shares held	% of capital
Ministry of Economy and Finance	813,443,277	20.31
Cassa Depositi e Prestiti SpA ^(a)	400,288,338	9.99
Eni SpA (own shares)	382,954,240	9.56

(a) Cassa depositi e prestiti SpA is controlled by the Ministry of Economy and Finance.

Shareholders by area

Shareholders	Number of shareholders	Number of shares	% of capital ^(a)
Italy	295,299	2,357,497,054	58.86
UK and Ireland	1,035	184,096,598	4.60
Other UE	4,148	460,037,433	11.49
USA and Canada	1,827	416,376,724	10.39
Rest of world	1,589	153,618,477	3.83
Own shares at the dividend date		360,801,934	9.01
Other		72,930,656	1.82
Total		4,005,358,876	100.00

(a) As of May 22, 2008, payment date of the balance dividend for fiscal year 2007 (ex-dividend date, May 19, 2008).

Shareholders by amount of shares held

Shareholders	Number of shareholders	Number of shares	% of capital ^(a)
>10%	1	813,443,277	20.31
3% - 10% ^(b)	2	570,823,315	14.25
2% - 3%	0	0	0
1% - 2%	7	452,855,109	11.31
0.5% - 1%	7	211,320,150	5.28
0.3% - 0.5%	10	156,627,517	3.91
0.1% - 0.3%	49	354,174,592	8.84
≤ 0.1%	303,822	1,012,382,326	25.27
Own shares at the dividend date		360,801,934	9.01
Other		72,930,656	1.82
Total		4,005,358,876	100.00

(a) At the payment date (May 22, 2008) of balance dividend for fiscal year 2007 (ex-dividend date, May 19, 2008).

(b) Afterwards, Intesa San Paolo Group reduced the percentage of shares held from 4.26% to 1.23%.

Shareholders' agreements

Eni is not aware of any pact involving shareholders as provided for by article 122 of TUF.

on the day preceding each purchase increased of 5%². At December 31, 2008, shares held in treasury by Eni amounted to 9.56% of Eni's share capital.

Treasury shares and powers of the Board of Directors

On April 29, 2008, Eni's Shareholders' meeting authorized the Board of Directors, under Article 2357 of Civil Code, the continuation of the program for the purchase of own shares for a further 18 months period and up to 400 million Eni's shares, nominal value €1, for an aggregate amount not exceeding €7,400 million, taking into account the number and amount of Eni's shares held in treasury as of April 29, 2008. The purchase price shall not be lower than the nominal value and not higher than the reference price recorded

Stock ownership limitation and voting rights restrictions

In accordance with Article 6 of Eni's By-laws and in accordance with the special provision of article 3 of Law Decree No. 332/1994 as converted into Law No 474/1994 ("Law No. 474 of 1994"), no shareholder can directly or indirectly own a shareholding higher than 3% of Eni's share capital; shares held above this limit do not allow to exercise the right to vote and other rights, except for the right to participate in profits. This limitation does not apply to shares held by the State, the

(2) For further details see the paragraph "Treasury shares purchased" of Eni's Annual Report, "Notes to the consolidated financial statements".

Public Entities or entities controlled by them. The law states in addition that this limitation is waived in case of a public offer to buy Eni's shares whereby the offeror will hold at least the 75% of share capital giving the right to vote on the appointment or revocation of the Board of Directors.

Special powers of the State (Golden Share)

Article 6.2 of Eni's By-laws, in accordance with the special law referred to Law No. 474 of 1994, attribute to the Minister of Economy and Finance, in agreement with the Minister of Economic Development, the following special powers to be used in compliance with the criteria indicated in the Decree of the President of the Council of Ministers of June 10, 2004 and, synthetically:

- a) opposition with respect to the acquisition of material shareholdings representing 3% of the share capital of Eni SpA having the right to vote at ordinary Shareholders' Meeting by people subject to ownership limitations³. Such opposition is required to be duly motivated and expressed within 10 days of the date of the notice to be filed by the Board of Directors at the time a request is made for registration in the Shareholders' register, when the transaction is considered prejudicial to vital interests of the State. Until the ten-day term is not lapsed, the voting rights and the non-asset linked rights connected with the shares representing the material shareholding should not be exercised. If the opposition power is exercised, by a duly motivated act in connection with the prejudice that may be caused by the operation to the vital interests of the Italian State, the purchaser can not exercise the voting rights and the other non-asset linked rights connected with the shares representing the material shareholding and must sell the relevant shares within one year. Failing to comply, the law court, upon request of the Minister of Economy and Finance, will order the sale of the shares representing a material shareholding according to the procedures set forth in Article 2359-ter of the Civil Code.
- b) opposition with respect to the subscription of shareholders' agreements or other arrangements (as defined by Article 122 of the TUF) whereby 3% or more of the share capital of Eni having the right to vote at ordinary Shareholders' Meetings is involved. In view of exercising the opposition power, the public authority responsible for regulating Italian securities and exchanges (Consob) communicates to the Minister of Economy and Finance any significant shareholders' agreement notified in accordance with

Article 122 of the TUF. The opposition power may be exercised within ten days as of the date of the notice by Consob. Until the ten-day term is not lapsed, the voting right and the other non-asset linked rights connected with the shares held by the shareholders who have subscribed the above mentioned agreements can not be exercised. If the opposition power is exercised through a duly motivated act in consideration of the prejudice that may be caused by said agreements to the vital interests of the Italian State, the shareholders agreements shall be null and void. If in the shareholders' meetings the shareholders who have signed shareholders' agreements behave as if those agreements disciplined by Article 122 of the TUF were still in effect, the resolutions approved with their vote, if determining for the approval, can be sued.

- c) veto power – duly motivated in connection with the prejudice to the interests of the State – with respect to shareholders' meeting resolutions to wind-up the company, to transfer the enterprise, to merger or to demerger, to transfer the headquarters of the company abroad, to change the company objects or to amend the By-laws cancelling or modifying any of the special powers described in this section (with reference to letters a), b), c) and the following letter d).
- d) appointment of a Board member without voting right in the Board resolutions.

The acts whereby these special powers are exercised may be sued by the legitimate subjects before the Regional Administrative Court of Lazio within 60 days.

Shares and equity instruments - Law No. 266 of December 23, 2005

Law No. 266 of December 23, 2005 (Budget Law for 2006) in Article 1, paragraphs 381 to 384, in order to promote the process of privatization and the diffusion among the public of shareholdings in companies in which the State holds significant stakes, introduced the option to include in the by-laws of such listed companies, like Eni, provisions for the issuance of shares, or securities bearing the same characteristics as shares, which give to the special meeting of their relevant holders, the right to request the issuance on their behalf of new shares, also at par value, or securities bearing the right to vote at both ordinary and extraordinary shareholders' meeting. The introduction of these norms in Eni's By-laws would entail the cancellation of the 3% threshold to individual shareholdings as contained in the mentioned Article 6.1 of Eni's By-laws. To date, Eni's By-laws doesn't contain this provision.

(3) The persons detailed in article 6.1 of Eni's By-laws.

Significant agreements which take effect, alter or terminate upon a change of control of Eni

Except for what explicitly indicated, Eni and its subsidiaries are not party to any material agreement that can be disclosed without serious prejudice to the company, that comes into force, is modified or expires in case of a change in the shareholders currently controlling Eni. Material agreements are deemed to be those that require to be examined and approved by the Board of Directors as they fall within the matters reserved to the Board itself.

In particular, the agreements that fall within this category concern: (i) the shareholders' agreement in place which includes Eni, Amorim Energia, and Caixa Geral de Depósitos for the joint management of Galp Energia SGPS SA. The agreement provides that in case of change of control of any participating company, the other partners have a call option to purchase the Galp shareholding held by the party whose controlling entity has changed; (ii) any expiry of the natural gas distribution licence of the subsidiary Distribuidora de Gas Cuyana SA, due to the provisions of Article 34 of Title VIII of Law 24.076 if the company were to be controlled by a shareholder that engages directly or through subsidiaries in the activities of production, storage or distribution of natural gas in Argentina.

Shareholders' Meeting and shareholders' rights

The Shareholders' Meeting resolves in the ways and on the issues set for by applicable law and Eni's By-laws in ordinary and extraordinary form. In particular, an ordinary meeting appoints and revokes directors and statutory auditors, approves financial statements within 120 days from the end of each fiscal year (December 31), while an extraordinary meeting approves changes in By-laws and extraordinary transactions, such as capital increases, mergers and demergers.

With the aim of facilitating the attendance of shareholders, according to Article 13 of the By-Laws, calls for meetings are published in the Official Gazette of the Italian Republic and in the "Il Sole 24 Ore", "Corriere della Sera" and "Financial Times" newspapers. In order to attend at a meeting, a shareholder must present a communication issued by financial intermediaries at least two business days prior to the date of the meeting in first call. The communication can be withdrawn, through the financial intermediaries, in which case the shareholder loses his right to participate. Eni's By-laws allow vote by mail and the collection of proxies in Articles 13 and 14.

Vote by mail can be revoked by express communication sent to the company at least one day before the

meeting. Persons that intend to attend the meeting as legal or voluntary representatives of other shareholders must present the documentation confirming their power to the proper office of the company according to the dates and forms indicated in the call for the meeting.

In addition, as provided by article 14 of Eni's By-laws, in order to simplify the collection of proxies issued by shareholders that are also employees of Eni and Group companies and members of associations of shareholders that comply with current regulations, Eni provides areas for communicating and collecting proxies to said associations in ways to be agreed from time to time with their legal representatives.

Shareholders representing alone or jointly one fortieth of the share capital may request, within five days from the publication of the call for meeting, an integration to the items on the agenda to be explicitly stated in the request, except for those matters reserved to the Board or based on projects.

On December 4, 1998, Eni approved a regulation for its shareholders' meetings, available on Eni's website, in order to guarantee an efficient deployment of meetings, in particular the right of each shareholder to express his opinion on the items in the agenda.

During shareholders' meetings, the Board of Directors provides wide disclosure on items examined and shareholders can request information on issues in the agenda. Information is provided within the limits of confidentiality, taking account of applicable rules regulating the matter of price sensitive information.

Adoption of the Corporate Governance Code of conduct of Borsa Italiana and adoption of Eni's Code

In its meeting of December 13, 2006, the Board of Directors resolved to adhere to the new Code of corporate governance adopted by Borsa Italiana on March 14, 2006 ("Borsa Italiana Code"⁴) reiterating its previous resolution of January 2, 2000. In view of that Eni, on the base of Borsa Italiana Code and with the aim of implement its provisions, has adopted its own code (the "Code" or "Eni Code"). Certain recommendations of the Borsa Italiana Code have been adapted to the specific setup of Eni, while certain others have been clarified thus strengthening Eni's corporate governance. The aim of the Code is to clearly and fully disclose Eni's corporate governance system based on the Borsa Italiana Code.

The Code takes into consideration the fact that Eni is a parent company, is not controlled by any other

(4) The Borsa Italiana Code is published at www.borsaitaliana.it.

company and is not subject to direction and co-ordination by any Italian or foreign entity (company or body); hence, all the principles expounded in the Borsa Italiana Code not consistent with this status have been adjusted to avoid misunderstanding among Eni's shareholders and other stakeholders.

Similarly, the Code considers that the By-Laws currently in force foresee a traditional administration and control model (removing the provisions about one-tier or a two-tier model of management and control system as foreseen in the Borsa Italiana Code), the separation of the roles of the Chairman and the CEO (making the appointment of a lead independent director unnecessary), and provides for specific rules on the appointment and composition of the Board of Directors and of the Board of Statutory Auditors.

In view of guaranteeing more transparency and understanding, the Eni Code directly makes specific choices where the Borsa Italiana Code leaves this option to listed companies, making further resolutions on these matters unnecessary (e.g., the choice not to re-allocate or modify the Board committees tasks, the choice to entrust internal control responsibilities to only one managerial position, the provision that the internal control manager refers also to the CEO and the choice not to entrust internal auditing activities to third parties).

Certain provisions of the Borsa Italiana Code regarding matters reserved to the Shareholders' Meeting were merely indicated or suggested by the Eni Code as the Board of Directors cannot resolve on matters reserved to the Shareholders' Meeting. Certain generic recommendations of the Borsa Italiana Code have been specified in the Eni Code, in particular criteria regarding the independence of directors, by clearly stating the levels of "supplementary remuneration", which jeopardizes the independence requirement, and the meaning of "close relatives".

The Eni Code establishes certain principles that enhance the level of governance recommended by the Borsa Italiana Code; in particular:

- in achieving the Company's purpose, the directors shall take into account the interests of all stakeholders as a guideline;
- directors with delegated powers are due to report their activity to the Board of Directors every two months, compared to the three-month period prescribed by the Borsa Italiana Code;
- the Board review can be performed with the support of a specialized external consultant, to ensure its objectiveness;
- directors and auditors shall hold their positions

- only as long as they deem to be able to dedicate the necessary time to diligently perform their duties;
- the number of members of Board committees mentioned by Eni Code (Internal Control Commission and Compensation Committee) shall be lower than the majority of Board members in order not to interfere with the Board's decision-making process;
- the Internal Control Committee's opinion on corporate rules introduced to ensure that all transactions carried out with related parties and transactions in which a director has an interest, are performed in a transparent way and according to the criteria of substantial and procedural fairness; furthermore, Internal Control Committee has a relevant role in the instruction of related parties transactions, as requested by principles and best practices regulating this matter;
- the proposal of appointment of the manager delegated to internal control to the Board of Directors is drafted by the CEO, in agreement with the Chairman, with the opinion of the Internal Control Committee, as determined by the Board of Directors decision of October 30, 2008 which also decided that the same procedure shall apply for the appointment of Internal Audit manager;
- at least two members of the Internal Control Committee must have adequate experience in accounting and finance (the Borsa Italiana Code foresees only one member with these skills).

The Board of Statutory Auditors was invited to expressly agree to the provisions of the Borsa Italiana Code on the Board of Statutory Auditors, and promptly adhered during its December 13, 2006 meeting.

Following the adoption of the Code, the Board of Directors approved several rules regarding the implementation and specifying of its provisions. In particular:

- the powers of the Board of Directors have been redefined: the Board maintains an absolute central role in Eni's corporate governance system, with wide responsibilities that encompass the definition of the organizational set-up of the parent company, its subsidiaries and internal control systems;
- the most important transactions of Eni and its subsidiaries, that require the approval of the Board of Directors, have been defined, including transactions with related parties and those ones where one or more directors have an interest on their own or third parties behalf;
- the Board of Directors has a central role in defining sustainability policies and approving the sustainability

- report, which is submitted also to the Shareholders' Meeting;
- the subsidiaries with strategic relevance have been identified;
 - the Board of Directors has expressed its opinion on the admissible maximum number of positions in other companies that can be held by Eni's directors to ensure a sufficient amount of time for the effective performance of their duties;
 - the principle of not interfering in the decision-making process has been applied to Eni listed subsidiaries (in Italy, Saipem SpA and Snam Rete Gas SpA), with the commitment, for Eni, to observe the Code provisions for listed company shareholders. The same principle has been subsequently applied also to subsidiaries that fall within regulations on unbundling which applies to companies managing gas infrastructures (in Italy, Snam Rete Gas, Italgas and Stogit) in line with the evolution of sector specific regulation.

Giving execution to Code provisions, for the first time in its meeting of March 16, 2007, confirming its previous decision in the meeting of October 30, 2008 the Board of Directors with the positive opinion of the Internal Control Committee, entrusted the Internal Audit Manager as manager delegated for the Internal control.

Eni's corporate governance model, therefore, complies with the provisions of the Borsa Italiana Code and foresees certain provisions intended to improve the level of corporate governance.

Eni's Code is published on Eni's website, www.eni.it in the section "Corporate Governance". The "Comment" included in the Borsa Italiana Code has not been published there, in order to not lengthen the document; however Eni took it into account in the implementation of provisions and criteria.

The Board of Directors

Composition

In accordance with Article 17 of Eni's By-laws, the Board of Directors is made up of three to nine members. The Shareholders' Meeting determines the number within said limits.

In accordance with By-laws, minority shareholders can appoint a number of representatives in the Board correspondent to three tenths of the members (rounded off in the event of a fractional number to the next higher number).

The Board of Directors presently in office is made up of nine members appointed by the Shareholders'

Meeting of June 10, 2008, for a three financial year term; their mandate expires with the Shareholders' Meeting convened to approve financial statements for fiscal year 2010.

The current Board of Directors is formed by the Chairman, Roberto Poli, the CEO, Paolo Scaroni, and directors, Alberto Clô, Paolo Andrea Colombo, Paolo Marchioni, Marco Reboa, Mario Resca, Pierluigi Scibetta and Francesco Taranto.

Roberto Poli, Paolo Scaroni, Paolo Andrea Colombo, Paolo Marchioni, Mario Resca and Pierluigi Scibetta were candidates included in the list of the Ministry for Economy and Finance.

Alberto Clô, Marco Reboa and Francesco Taranto were candidates included in the list presented by institutional investors.

Roberto Ulissi, the Group's senior vice president for Corporate Affairs and Governance, has been confirmed Secretary of the Board of Directors.

Appointment

In order to allow for the presence of representatives elected by minority shareholders, as provided for by Law No. 474/1994 and consistently with the TUF, Eni's By-laws provide that the directors having decisional power have to be elected through a list vote. According to article 17 of Eni's By-laws and the provisions of law No. 474 of 1994, shareholders representing at least 1% of voting shares, alone or together with other shareholders, and the Board of Directors have the right to present lists for the appointment of directors. Each shareholder can present or participate in presenting and voting for only one list.

Entities controlling a shareholder and companies controlled by a common entity are forbidden from presenting or otherwise concurring to the presentation of additional lists and from voting them, also through intermediaries or fiduciaries.

Lists, in which the independent candidates are clearly identified, are to be filed at Eni's headquarters at least ten days before the date set for the Shareholders' Meeting on first call (20 days in case of the Board of Directors presenting a list) and published in at least three national (two finance) newspapers in accordance with Law No. 474/2004. Lists must be also be filed with Borsa Italiana and published on Eni's website. All candidates must possess the honorability requirements as provided for by the applicable legislation. Filing a list is a pre-requisite for its validity together with filing of a professional curriculum of each candidate and statements in which each candidate accepts his candidature and attests the lack of situations of ineligibility or incompatibility and the possession

of the honorability and, in case, the independence requirements.

After the votes are cast, appointments take place by extracting seven tenths of directors from the majority list in the order in which they are listed and the remaining directors from the other lists that must not be directly or indirectly connected with the shareholders that filed or voted the list that collected the majority of votes.

The list vote is applied only when the whole Board is re-elected.

In case of appointment of directors that for whatever reason have not been voted according to the described procedure, the Shareholders' Meeting decides with the majorities set by the law, so that the composition of the Board complies with the law and Eni's By-laws.

As per Article 6, paragraph 2, letter d) of Eni's By-laws, the Minister for Economy and Finance, in agreement with the Minister of Economic Development, may appoint one member of the Board without voting rights in addition to those appointed by the Shareholders' Meeting.

The Ministers chose not to appoint such member.

Independence and honorability requirements, causes for ineligibility and incompatibility

The TUF provides that at least one member, or two members if the Board is composed by more than seven members must possess the independence requirements provided for statutory auditors of listed companies, as per article 148, paragraph 3, of same rule.

Article 17.3 of Eni's By-laws states that at least one member, if the Board is made up by up to five members, or three Board members, in case the Board is made up by more than five members, shall have those independence requirements. This rule actually increases the number of independent directors in Eni's Board, as compared to what is required by the law. In addition Eni's By-laws provide for a mechanism that supports Eni's voting system by ensuring in any case the presence of the minimum number of independent directors in the Board. Eni Code foresees further independence requirements, in line with the ones provided by the Borsa Italiana Code. The TUF, as implemented in article 17.3 of Eni's By-laws, provides that the persons acting as directors and general managers of listed companies shall possess the honorability requirements prescribed to members of control bodies of listed companies. Directors must comply with additional requirements specifically determined for them.

In accordance with Article 17.3 of Eni's By-laws, the Board periodically evaluates independence and honorability of directors and the absence of reasons for ineligibility and incompatibility. The Eni Code also provides for the Board of Statutory Auditors to verify the proper application of criteria and procedures adopted by the Board to evaluate the independence of its members.

In accordance with Article 17.3 of Eni's By-laws, should the independence and honorability requirements be impaired or cease that were declared or prescribed by the law or should reasons of ineligibility arise, the Board declares the termination of office of the member lacking said requirements and provides for his substitution or, alternatively, allows any impaired director to eliminate any reasons for incompatibility within a set deadline. Board members are expected to inform the company if they lose their independence and honorability requirements or of any reasons for ineligibility or incompatibility that might arise.

After their appointment, the Directors have presented their statements confirming they possess the requirements of honorability and independence and the Board has verified it, as provided for by the Eni Code and applicable laws.

On February 26, 2009 as part of the periodic assessment of each Board member's requirements provided by the law and Eni's By-laws, the Board of Directors assessed that all its members possess the honorability requirement, based on individual statements received. In addition, non executive directors Clò, Colombo, Marchioni, Reboa, Resca, Scibetta and Taranto have been deemed to be independent in accordance with applicable laws, Eni's By-laws and the Eni Code⁵. Director Clò has been confirmed as independent also under the Eni Code, although he has been holding his office for more than nine years, because he was appointed by minority shareholders (in particular institutional investors) and due to his outstanding professional expertise and independence of judgment.

The Board of Statutory Auditors has always verified, in the last occasion on its meeting of March 3, 2009, the proper application of criteria and procedures adopted by the Board to evaluate the independence of its members. A lead independent director has not been appointed in light of the clear distinction of functions between Chairman and CEO.

Attached tables detail the evaluations made by the Board.

(5) Although the Board's Chairman is a non executive director, he cannot be deemed independent under the Borsa Italiana Code, as he is also a top manager of the company (Application criterion 3.C.2).

Board's opinion on the matter of the admissible number of positions held by directors in other companies

In its meeting of June 11, 2008, the Board of Directors expressed its opinion on the matter of the admissible number of positions held by Directors in other companies, as required by the Eni Code, confirming the opinion of the preceding Board, as follows:

- an executive director should not hold: i) the position of executive director in any other Italian or foreign listed company, or in any finance, banking or insurance company or any company with a net equity exceeding €10 billion and ii) the position of non-executive director or statutory auditor (or member of any other advisory committee) in more than three of said companies;
- a non-executive director, should not hold further positions than the one held in Eni, as: i) executive director in more than one of the companies mentioned above and non-executive director or statutory auditor (or member of any other control body) in more than three of the mentioned companies, or as ii) non-executive director or statutory auditor in more than six of the mentioned companies.

All the positions held in Eni's subsidiaries are excluded for the purposes described above.

In case a director exceeds said limits in terms of positions held, he should timely inform the Board, who shall judge the situation taking into account the interest of the Company and call upon the interested director to make a decision on the matter. In any case, before accepting the office of director or statutory auditor (or member of any other control entity) of a company not related to Eni, the executive director informs the Board of Directors that evaluates its compatibility with his office at Eni and the interests of Eni. This rule applies also to the General Managers of Eni's divisions.

The Board's resolution on this matter is published on Eni's website in the Corporate Governance section. On the basis of available information, subsequently to the appointment of the Board and to the Board's meeting of February 26, 2009, the Board of Directors verified that the number of positions held in other companies by each Board member complies with the above mentioned limits⁶.

Positions held by directors in other Boards

Based on information received, as requested by Eni Code, follows information on positions held in other Boards of Directors or Boards of Statutory Auditors of companies

listed in regulated markets also outside Italy, financial, banking or insurance or large companies by members of Eni's Board of Directors. The personal and professional curriculum of Directors is available on Eni's website. In the attached table is reported the number of relevant position held by every member of the Board.

ROBERTO POLI

Chairman of Poli e Associati, Board member of Mondadori SpA, Fininvest SpA, Merloni Termosanitari SpA, Coesia SpA, Maire Technimont SpA, Perennius Capital Partners SGR SpA.

PAOLO SCARONI

Board member of Assicurazioni Generali SpA, LSEG plc (London Stock Exchange Group), Veolia Environment SA.

ALBERTO CLÔ

Board member of Atlantia SpA, Italcementi SpA, De Longhi SpA.

PAOLO ANDREA COLOMBO

Board member of Mediaset SpA, Interbanca SpA, Ceresio Sim, Versace SpA, Statutory Auditor of Aviva Vita SpA, Sirti SpA, A.Moratti Sapa, Humanitas Mirasole SpA, Credit Agricole Assicurazioni Italia SpA.

PAOLO MARCHIONI

Director of Consip SpA until June 2008

MARCO REBOA

Board member of Interpump Group SpA. Chairman of the Board of Statutory Auditors of Luxottica Group SpA and Mediobanca SpA, Statutory Auditor of Gruppo Lactalis SpA and Egidio Galbani SpA.

MARIO RESCA

Chairman of Finbieticola SpA, Confimprese. Vice president of McDonald's Development Italia Inc. Board member of Mondadori SpA, Finance Leasing SpA, ARFIN SpA.

PIERLUIGI SCIBETTA

Board member of Gestore del Mercato Elettrico SpA.

FRANCESCO TARANTO

Board member of Banca Carige SpA, Cassa di Risparmio di Firenze, Pioneer Global Asset Management SpA (Unicredito Group), Kedrios SpA, Alto Partners SGR.

(6) The preceding Board of Directors had been subjected to evaluation on February 15, 2008.

Role

The Board of Directors is entrusted with the fullest powers to achieve the Company's purpose.

On June 11, 2008, the Board of Directors appointed Mr Paolo Scaroni as Chief Executive Officer and General Manager and delegated to him all necessary powers for the administration of the Company, with the exception of those powers that cannot be delegated in accordance with current legislation and those retained exclusively by the Board of Directors on the matters regarding major strategic, operational and organizational decisions. These powers specify the role of the managing entity as provided for by the Eni Code.

In detail, the Board of Directors:

1. Establishes the Company and Group Corporate Governance system and rules. In particular, after consulting the Internal Control Committee, the Board approves the rules that ensure the substantial and procedural transparency and correctness of the transactions carried out with related parties and those in which a Director holds an interest, on his behalf or on behalf of third parties. The Board adopts a procedure for the management and disclosure to third parties of documents and information concerning the Company, having special regard to price sensitive information.
2. Establishes among its members one or more committees with advisory and consulting tasks, appoints their members, establishes their responsibilities, determines their compensation and approves their regulations.
3. Confers and revokes the powers of the CEO and the Chairman; establishes terms, limits and operating methods of the exercise of such powers and determines the compensation related to the powers, on the basis of proposals from the Compensation Committee and after consulting the Board of Statutory Auditors. The Board may issue instructions to the CEO and the Chairman and reserve to itself any operations that pertain to its powers.
4. Establishes the guidelines of the organizational, administrative and accounting set-up of the parent company, including the internal control system, the main subsidiaries and the Group; evaluates the adequacy of the organizational, administrative and accounting set-up designed by the CEO in particular with regard to the management of conflicts of interest.
5. Establishes, in particular, based on the recommendations of the Internal Control Committee, the guidelines of the internal control system, in order to ensure the identification, measurement, management and monitoring of the main risks faced by the Company and its subsidiaries. It evaluates adequacy, effectiveness and effective functioning of the internal control system managed by the Chief Executive Officer on an annual basis.
6. Establishes, based on the recommendation of the Chief Executive Officer, Company and Group strategic guidelines and targets, including Sustainability policies. It reviews and approves the Company's and Group's strategic, operational and financial plans and the strategic agreements to be entered by the Company. It examines and approves the Company's non-profit activities plan and approves unplanned expenditures that amount to more than € 500,000.
7. Examines and approves annual budgets for Eni's Divisions and the Company, as well as the Group's consolidated budget.
8. Examines and approves the Company's and Group's interim financial report and quarterly consolidated accounts, as per current regulations. Examines and approves the sustainability report, submitted also to the Shareholders' Meeting.
9. Receives from Board members with delegated powers, at every Board meeting or at least every two months, reports informing the Board of activities carried out in exercising the delegated powers as well as updates on activities carried out by the Group and on atypical or unusual transactions or transactions with related parties that were not previously submitted to the evaluation and approval of the Board. In particular, it receives a half-year report on the changes of approved capital projects indicated under no. 12, letters b) and c) on the basis of criteria defined by the Board itself.
10. Receives half-year updates on the Board committees' activities.
11. Evaluates the general performance of the Company and the Group, on the basis of information received from Board members with delegated powers, with particular attention to situations of conflicts of interest and compares results achieved as contained in the annual report and interim and quarterly reports, with the budget.
12. Evaluates and approves any transaction executed by the Company and its subsidiaries that have a significant impact on the company's results of operations and liquidity. Particular attention is

(7) Paolo Scaroni was appointed Chief Executive Officer and General Manager for the first time on June 1, 2005.

paid to situations in which Board members hold an interest on their own behalf or on behalf of third parties, and to related parties transactions. The Board ensures the principle of not interfering in the decision making process of the Group listed subsidiaries and subsidiaries subject to unbundling regulation. It also ensures the confidentiality of trade relations between said subsidiaries and Eni or third parties for the protection of the subsidiaries' interests.

Transactions with a significant impact on the company's results of operations and liquidity include the following:

- a) acquisition and disposal of investments, businesses and individual properties, contributions in kind, business combinations, mergers and demergers, winding-up, exceeding €100 million, notwithstanding Article 23.2 of the By-laws;
 - b) capital expenditures exceeding €300 million, or less if of particular strategic importance or particularly risky;
 - c) any exploration initiatives and portfolio operations in the E&P sector in new areas;
 - d) sale and purchase contracts relating to goods and services other than capital goods, for an amount exceeding €1 billion or a duration exceeding twenty years or gas supply contracts for at least 3 billion cubic meters per year for a ten-year term;
 - e) financing to entities other than subsidiaries: i) for amounts exceeding €200 million, if the amount is proportionate to the interest held or, ii) in any case, if in favour of non-related companies or the amount is not proportionate to the interest held;
 - f) issuing by the Company of personal and real guarantees to entities other than subsidiaries: i) for amounts exceeding €200 million, if in the interest of the Company or of Eni subsidiaries, or associates, as long as the guarantee is proportionate to the interest held or ii) in any case, if the guarantees are issued in the interest of associates and the amount is not proportionate to the interest held. In order to issue the guarantees indicated in section i) of letter f), if the amount ranges between €100 million and €200 million, the Board confers powers to the CEO and the Chairman, to be exercised jointly in case of urgency.
13. Appoints and revokes, on recommendation of the CEO and in agreement with the Chairman, the General Managers of Divisions and attributes powers to them. In case of Chief Executive Officer appointment as General Manager, the Chairman makes the proposal.

14. Appoints and revokes, on recommendation of the CEO and in agreement with the Chairman, and with the approval of the Board of Statutory Auditors, the Manager charged with preparing the Company's financial reports as per Legislative Decree No. 58/1998. Moreover the Board of Directors verifies the adequacy of his powers and resources in order to fulfil this task and the observance of relevant administrative and accounting procedures prepared by him.
15. Appoints and revokes, on recommendation of the CEO and in agreement with the Chairman, after consulting the Internal Control Committee, the person in charge of internal control and the Internal Audit Manager, determining his/her compensation in line with the Company's remuneration policies, and approves the guidelines set for those activities.
16. Ensures a person is identified as responsible for handling the relationships with the Shareholders.
17. Establishes, on the basis of the proposals received from the Compensation Committee, the criteria for top management compensation and implements the stock incentive plans approved by the Shareholders' Meeting.
18. Examines and decides on proposals submitted by the CEO with respect to voting powers and to the appointment of members of the management and control bodies of the main subsidiaries. With specific regard to the shareholders' meetings of listed companies of the Eni's Group, the Board ensures the observance of the Corporate Governance Rules regarding the shareholders' meetings.
19. Prepares the proposals to be submitted to the Shareholders' Meeting.
20. Examines and resolves on other matters that the CEO deems appropriate to submit to the Board because of their importance and sensitivity.

Pursuant to Article 23.2 of the By-laws, the Board resolves on: mergers by incorporation and proportional demergers of at least 90% of directly owned subsidiaries; establishment and winding up of branches; amendments to the By-laws in order to comply with applicable legislation.

During the fiscal year the Board can approve the distribution of interim dividends to shareholders, as per article 29.3 of Eni's By-laws.

The Board of Directors, in its meeting of June 30, 2008, has delegated to the Chairman, Roberto Poli, powers for researching and promoting integrated projects and strategic international agreements, as provided by article 24.1 of Eni's By-Laws.

In accordance with article 27 of Eni's By-laws, the Chairman chairs the Shareholders' Meeting, calls and chairs meetings of the Board of Directors and controls the application of decisions made by the Board.

On June 11, 2008 the Board of Directors determined that Saipem SpA, Snam Rete Gas SpA, Eni International BV and Polimeri Europa SpA are strategically relevant subsidiaries with reference to the approval of transactions mentioned in no. 12 above.

On January 22, 2009, the Board of Directors deemed adequate the organizational, administrative and accounting structure of the company, of its strategically relevant subsidiaries and of the Group. At the same date, it deemed adequate the powers and means conferred to the Manager in charge of the preparation of financial reports for performing his duties.

On February 12, 2009 the Board approved the guidelines for transactions in which a Director (or Statutory Auditor) has an interest and for related parties transactions, with the opinion of the Internal Control Committee, keeping account of most recent principles⁸.

On March 13, 2009 the Board deemed adequate, efficient and effectively functioning the internal control system of the company. At the same date the Board also verified, according to Article 154-bis TUF, that the administration and accounting procedures prepared by the Manager in charge of the preparation of the financial reports, have been duly respected.

On February 26, 2009, the Board also performed the Board review⁹.

Meetings and functioning

In its meeting of June 11, 2008, the Board of Directors approved internal rules for the calling and functioning of its meetings.

The Chairman convenes Board meetings, and, in agreement with the CEO, defines items on the agenda. Notice is sent to the Directors, Statutory Auditors and the Magistrate of the Court of Accounts within five days of the meeting's date¹⁰. Under particular circumstances and in case of urgency the Board may be convened at least 12 hours in advance.

Board members, Statutory Auditors and the Magistrate of the Court of Accounts receive in advance, adequate and thorough information on all items on the agenda, except for price sensitive items that are not communicated in advance.

During meetings, directors can meet managers of Eni and its subsidiaries in order to obtain information on specific matters of the agenda items. Eni's By-laws allow

meetings to be held by video or teleconference.

Based on the provisions of Article 2391 of the Civil Code and of the Eni Code, before discussing the items in agenda, each director is expected to inform the Board about any interest he might directly or indirectly have in the transactions or issues to be discussed, indicating its nature, terms, origin and extent. Transactions in which a director has an interest or to which he is a related party are regulated by internal guidelines as approved on February 12, 2009 by the Board of Directors, with the opinion of the Internal Control Committee.

In 2008, the Board of Directors met 19 times (of which 15 ordinary meetings and 4 extraordinary meetings) for an average duration of 2 hours and 40 minutes. The average attendance rate to Board meetings was 98.66%, the attendance rate of independent non-executive Board members was 98.54%. The attendance rate for the Board presently in office was 98% both for the delegated director and the independent delegated director. As concerns the current year, until March 13, 2009 the Board of Directors met 4 times, including the one held on March 13. Other 12 meetings are expected to be held until year end.

The general public is informed, with advance notice normally before the closing of the year, of the dates of meetings convened for the approval or review of annual, semi-annual, full-year preliminary accounts and quarterly accounts, as well as resolution and proposal of interim dividends and final dividends, and related ex-dividend and payment dates. The financial calendar is available on Eni's website.

The Eni Code provides that independent directors may hold meetings attended exclusively by non-executive independent members. This power was exercised in the meeting of January 22, 2009.

In the attached table, the percentage of attendance of each member of the Board to the Board of Directors' and Board committees' meetings is presented.

Board review

In line with international best practices and as provided for by the Eni Code and the Borsa Italiana Code, the Board of Directors performed, for the third time, its self assessment of size, composition and functioning and of the activities of the Board and Board committees.

The current Board performed its first review supported by a specialized consulting firm, Egon Zehnder, the same company of the preceding two years, to guarantee continuity and homogeneity of analyses.

Egon Zehnder's work was focused on: (i) size and

(8) Further details are found in the specific paragraph below.

(9) Further details are found in the specific paragraph below.

(10) Further details are found in the specific paragraph below.

composition, level of functioning and efficiency of the Board; (ii) identifying areas of improvement or weakness in the functionality and efficacy of the Board; (iii) efficiency of improvement actions decided after the previous Board review and the related level of satisfaction of Board members; (iv) assessing Eni's Board efficiency by benchmarking it against national companies of comparable size, complexity and scope. Consultants performed an in-depth interview of each member and presented the results to the Board of Directors, that discussed and confirmed them in its meeting of February 26, 2009. The review was substantially positive.

The Board in fact confirmed the positive elements and areas of excellence registered in the previous years, in particular: (i) efficient size; (ii) the transparency in presenting issues to the Board; (iii) the satisfying level of quantity and quality of information provided; (iv) excellent relations with top management and their availability to provide information; (v) valuable and accurate work performed by committees, in particular the Internal Control Committee; the Board also expressed its appreciation to the new Oil-gas Energy Committee.

Independent directors expressed interest and availability to provide an even more constructive support to the CEO and Chairman, also through separate meetings as provided for by the Eni Code.

Induction of Board Members

In line with the provisions of the Eni Code on the efficient and aware performance of his role by each Director, Eni prepared a training plan (induction) for the current Board of Directors, aimed at providing Board members, especially newly elected members with an in-depth knowledge of Eni's activities, business segments and organization as well as the competitive landscape and the role the Board is expected to play in relation to the company's specific features. This training plan is addressed also to the new Statutory Auditors, but all members of both Boards are invited to participate. The program was started on June 30, 2008 and included meetings dedicated to discussing the issues identified with Eni's top management and external consultants with well-known professional expertise. Main issues covered were: (i) responsibilities, duties, powers, composition and functioning of the Board of Directors; (ii) the energy and oil markets and competition analysis; (iii) the Company's organizational set-up; (iv) Eni's core businesses; (v) the Company's decision making process; (vi) sustainability

and management ethics; (vii) technological innovation. Specific sessions will be dedicated to the members of Board committees.

In addition to the induction program, all Board members are required to attend initiatives and training programs as part of an ongoing training. In this light, board meetings can be held also outside Eni's registered head-offices, also abroad, in order to improve knowledge of Eni's operating activities.

Remuneration

Board members' emoluments are determined by the Shareholders' Meeting; the Chairman and the CEO emoluments are determined by the Board of Directors, based on proposals of the Compensation Committee and after consultation with the Board of Statutory Auditors. On June 10, 2008 the Shareholders' Meeting resolved to determine the annual emolument of the Chairman in €265,000 and of Board members in €115,000, thus confirming emoluments structure and amounts defined in 2005. The Shareholders' Meeting also resolved a bonus to the Chairman and each Board member the amount of which is determined in accordance with Eni's position in the reference year, with reference to Eni's shares performance as compared with the performance of the seven largest international oil companies for market capitalization. The share performance takes account of the dividend paid. The bonus amounts to €80,000 or €40,000, and €20,000 or €10,000 for the Chairman and each Board member, respectively, depending on whether the performance of Eni shares is rated first or second, or third or fourth in the reference year, respectively. No bonus is paid in case Eni scores a position lower than the fourth one. In the meeting of March 14, 2008, the Board verified that Eni rated seventh in the mentioned positioning in 2007. In the meeting of June 11, 2008, the Board of Directors determined the additional element of remuneration for the Board members holding positions in Board's committees, with the exclusion of the Chairman and CEO, confirming their structure and amount as approved in 2006. This fee amounts to €30,000, and €20,000 for the position of chairman of a committee and of member of a committee, respectively. This amount decreases to €27,000 and €18,000 in case a member holds positions in more than one committee. The remuneration of the Chairman is made up of a fixed part and a bonus. The remuneration of the CEO, the General Managers and other key-managers¹¹ is made up of a base salary, an annual bonus, and long term incentives.

(11) These members together with the CEO and the General Managers are permanent members of Eni's Steering Committee.

The fixed part of the remuneration of the Chairman and the CEO is set taking into account the powers delegated to them by the Board.

The base salary of the three General Managers of the Company's divisions and of other key managers is set considering the positions held and their specific responsibilities, with reference to equivalent market levels as benchmarked against national and international companies of comparable size, complexity and scope in the oil and gas, industrial and service sectors. Moreover, base salaries are reviewed and adjusted on a yearly basis considering individual performance and career progression.

Management's bonuses are composed of monetary amounts that are paid yearly, based on the achievement of both financial, operational and strategic company targets and individual performance targets pertaining to each business or functional unit. The bonuses of the Chairman and CEO are determined based on the achievement of the Company's targets.

Bonuses paid in 2008 were determined with reference to Eni's targets for 2007 as approved by the Board of Directors on proposal of the Compensation Committee and defined consistently with the targets of the strategic plan and yearly budget. These targets include a set level of cash flow from operations (with a 30% weight), divisional operating performance (30%), achievement of certain strategic projects (20%) and corporate efficiency (20%). Results achieved have been assessed assuming a constant trading environment and have been verified by the Compensation Committee and approved by the Board of Directors on March 14, 2008. Based on these results, bonuses equalled 115% of the target level, within an interval ranging from 85% to 130% of said pay-out level.

In March 2006, the Board of Directors approved a new long-term incentive scheme for senior managers of Eni and its subsidiaries (excluding listed subsidiaries), as proposed by the Compensation Committee. This new

scheme is intended to motivate more effectively and retain managers, linking incentives to targets and performance achieved in a tighter way than previous incentives schemes. This new incentive scheme applies to the 2006-2008 three year period and is composed of a deferred monetary incentive, linked to the achievement of certain business growth and operating efficiency targets, replacing the previous stock grant plan, and of a stock option incentive focused on the achievement of certain targets of total shareholder return.

This scheme is intended to balance the monetary and stock-based elements of the remuneration, as well as link financial and operating results to share performance in the long term. The deferred monetary incentive granted in 2008 is paid after three years from grant depending on the achievement of the annual EBITDA targets preset for the 2008-2010 period. EBITDA results are assessed by comparing actual results with set targets under a constant trading environment for each year. Stock options granted in 2008 can be exercised after three years from the grant in a percentage depending on the performance of Eni shares measured in terms of Total Shareholder Return¹² as compared to that achieved by a panel of major international oil companies over the 2008-2010 three-year period. At the end of every three year period, the results of the long term incentive schemes will be reviewed by the Compensation Committee and approved by the Board of Directors.

The CEO, being the General Manager of the company, is entitled to take part to both schemes.

On June 10, 2008, the Shareholders' Meeting resolved that the Company continues to apply the insurance policy already authorized in May, 25 2006, in favour of the Board members and statutory auditors, for risks associated with the execution of the respective tasks. The table below set forth the break-down of remuneration for 2008.

Upon expiry of the contract as employee of Eni, the CEO

	Chairman	CEO	Divisional General Managers	Other managers with strategic responsibility
Base salary	69%	30%	42%	41%
Bonuses (linked to performance)	31%	27%	21%	29%
Long term incentive (linked to performance)*		43%	37%	30%
Total	100%	100%	100%	100%

* Evaluation of the deferred bonus (discounted) and the fair value of stock options assigned for target result.

in his quality of General Manager of the parent company is entitled to receive an indemnity that is accrued along the service period. The indemnity is determined by taking into account social security contribution rates and post-retirement benefit computations applied to the CEO base salary and 50% of the bonuses earned as a Director. Taking into account that the CEO has been appointed on June 11, 2008, a provision of €134,139.23 has accrued in 2008. A sum of €644,179.60 corresponding to the global amount accrued over the preceding three-year period of office was paid. In case the work contract of the CEO is terminated at or before the expiry of his office, the CEO will receive a termination payment, in addition to other termination elements, equal to €3,200,000 plus an amount corresponding to the average performance bonus earned in the three-year period 2008-2010 in lieu of notice thus waiving both parties from any obligation related to notice. This payment is not applicable in case the work contract is terminated upon due cause, death or resignation from office other than as a result of a reduction in powers currently attributed to the CEO.

Remuneration earned by members of the Board of Directors, Statutory Auditors, General Managers, and other managers with strategic responsibilities

Pursuant to Article 78 of Consob Decision No. 11971 of May 14, 1999, and to its subsequent modifications, remuneration earned by members of the Board of Directors, Statutory Auditors, General Managers and other managers with strategic responsibilities is reported in the table below. Remuneration earned by

managers who held a position in 2007 for a fraction of the year is reported too.

Pursuant to Consob decisions:

- in the column "Emoluments for service at Eni SpA" are reported fixed fees paid to non-executive and executive directors, fixed fees paid to Directors attending the Committees formed by the Board of Directors, and fees paid to Statutory Auditors. Fixed fees earned by the Chairman and the CEO include also fees earned for the powers delegated to them by the Board;
- in the column "Non-cash benefits" are reported amounts referring to all fringe benefits, including insurance policies;
- in the column "Bonuses and other incentives" are reported the portion of fees linked to performances which was awarded in the year to both non-executive directors and executive directors, and the portion of salaries linked to performances which was awarded in the year to the CEO, the General Managers of Eni's divisions and other managers with strategic responsibilities;
- in the column "Salaries and other elements" are reported base salaries and elements associated to salary paid to the CEO, the General Managers of Eni's divisions and other managers with strategic responsibilities, and indemnities paid upon termination of the employment contract. Referring to the Statutory Auditors, fees paid for positions held on the Board of Statutory Auditors in Eni's subsidiaries are also reported.

(thousand euro)

Name	Position	Term of office	Expiry date of the position ^(a)	Emoluments for service at Eni SpA	Non-cash benefits	Bonuses and other incentives ^(b)	Salaries and other elements	Total
Board of Directors								
Roberto Poli	Chairman	01.01 - 12.31	04.2011	768	18	345		1,131
Paolo Scaroni	CEO	01.01 - 12.31	04.2011	430	17	1,267	1,363 ^(c)	3,077
Alberto Clò	Director	01.01 - 12.31	04.2011	157				157
Paolo Andrea Colombo ^(d)	Director	06.10 - 12.31	04.2011	64				64
Renzo Costi ^(e)	Director	01.01 - 06.09		85				85
Dario Fruscio ^(f)	Director	01.01 - 01.30		19				19
Paolo Marchioni	Director	06.10 - 12.31	04.2011	64				64
Marco Pinto ^(e)	Director	01.01 - 06.09	04.2011	85				85
Marco Reboa	Director	01.01 - 12.31	04.2011	157				157
Mario Resca	Director	01.01 - 12.31	04.2011	143				143
Pierluigi Scibetta	Director	01.01 - 12.31	04.2011	149				149
Francesco Taranto	Director	06.10 - 12.31	04.2011	64				64
Board of Statutory Auditors								
Paolo Andrea Colombo ^(e)	Chairman	01.01 - 06.09		51			33 ^(g)	84
Ugo Marinelli	Chairman	06.10 - 12.31	04.2011	64				64
Filippo Duodo ^(e)	Auditor	01.01 - 06.09		35			71 ^(h)	106
Roberto Ferranti ⁽ⁱ⁾	Auditor	06.10 - 12.31	04.2011	44				44
Edoardo Grisolia ^{(e) (i)}	Auditor	01.01 - 06.09		35				35
Luigi Mandolesi	Auditor	06.10 - 12.31	04.2011	44				44
Tiziano Onesti	Auditor	06.10 - 12.31	04.2011	44			40 ^(l)	84
Riccardo Perotta ^(e)	Auditor	01.01 - 06.09		35			32 ^(m)	67
Giorgio Silva	Auditor	01.01 - 12.31	04.2011	80			24 ⁽ⁿ⁾	104
General Managers								
Stefano Cao	Exploration & Production	01.01 - 07.31 ^(o)			1	2,294 ^(p)	3,825 ^(q)	6,120
Claudio Descalzi	Exploration & Production	08.01 - 12.31 ^(r)			1		268	269
Domenico Dispenza	Gas & Power	01.01 - 12.31			1	856 ^(s)	710	1,567
Angelo Caridi	Refining & Marketing	01.01 - 12.31			2	268	565	835
Other managers with strategic responsibilities ^(t)								
					12	3,137	6,475 ^(u)	9,624
				2,617	52	8,167	13,406	24,242

(a) The term of position ends with the Meeting approving financial statements for the year ending December 31, 2010.

(b) Based on performance achieved in 2007.

(c) Including the base salary of €1 million paid to the CEO, in his quality of General Manager, indemnities and other elements for a total amount of €363,000 accrued along the service period (from 2005 to 2008), net of the indemnities described under the paragraph "post-retirement benefit of the directors".

(d) Chairman of the Board of Statutory Auditors until June 9, 2008.

(e) In office until the Shareholders' Meeting approving financial statements for the year ending December 31, 2007.

(f) On January 30, 2008 Dario Fruscio resigned from the Board of Directors.

(g) Includes the compensation obtained as Chairman of the Board of Statutory Auditors of Saipem and EniServizi.

(h) Includes the compensation obtained as Statutory Auditor in Snamprogetti SpA and in Polimeri Europa and as Chairman of the Board of Statutory Auditors of CEPAV Uno and Cepav Due.

(i) Compensation for the service is paid to the Ministry for Economy and Finance.

(l) Includes the compensation obtained as Chairman of the Board of Statutory Auditors of AGI and Servizi Aerei.

(m) Includes the compensation obtained as Chairman of the Board of Statutory Auditors of Snam Rete Gas SpA.

(n) Includes the compensation obtained as Statutory Auditor in Snamprogetti SpA and as Chairman of the Board of Statutory Auditors of TSKJ Italia Srl.

(o) In office until July 31, 2008.

(p) Includes the pro-quota portion of deferred bonus awarded for the 2006-2008 three-year period.

(q) Includes indemnities paid upon termination.

(r) Appointed on August 1, 2008.

(s) Includes long term incentives awarded by Snam Rete Gas in 2005, for the position of Chairman of Snam Rete Gas held until December 23, 2005.

(t) Managers, who during the year with the CEO and the General Managers of Eni divisions, have been member of the Eni Directors Committee (8 managers).

(u) Includes indemnities paid upon termination.

Deferred bonus awarded to the CEO, the General Managers and managers with strategic responsibilities

The deferred bonus scheme approved for the 2006-2008 three-year period provides for the award of a basic monetary bonus to be paid after three years from grant according to a variable amount equal to a percentage ranging from 0 to 170% of the amount established for

the target performance in relation to the performances achieved in a three-year period as approved by the Board of Directors.

The following table sets out the basic bonus awarded in the year 2008 to the CEO and to the General Managers of Eni's Divisions, and the total amount awarded to the Company's managers with strategic responsibilities.

(thousand euro)

Name		Deferred bonus awarded
Paolo Scaroni	CEO and General Manager of Eni	1,023
Stefano Cao ^(a)	General Manager of the E&P Division	494
Claudio Descalzi ^(b)	General Manager of the E&P Division	215
Domenico Dispenza	General Manager of the G&P Division	385
Angelo Caridi	General Manager of the R&M Division	312
Other managers with strategic responsibilities ^(c)		1,732 ^(d)

(a) Position held until July 31, 2008.

(b) Appointed on August 1, 2008.

(c) No. 8 managers.

(d) Including the deferred bonus granted by Saipem to a manager with strategic responsibilities, appointed in Eni on August 1, 2008.

Stock options and other share-based compensation

STOCK GRANTS

In 2003 Eni started a stock grant incentive scheme intended to motivate and retain managers. The scheme provided the offering of treasury shares purchased under Eni's buy back program for no consideration to a number of Eni managers who achieved corporate and individual targets. The scheme applied to the three year-period 2003-2005 and was subsequently discontinued. In 2008 residual grants were exercised corresponding to 893,400 shares. No grants were outstanding as of 2008 year-end.

STOCK OPTIONS

Eni's stock based compensation provides for the award of options at no consideration to purchase treasury shares to managers of Eni and its subsidiaries as defined in the Article 2359 of the Civil Code holding positions of significant responsibility for achieving the Company's profitability targets or are otherwise strategically important.

The stock option scheme provides that grantees have the right to purchase treasury shares in a 1 to 1 ratio, with a strike price calculated as the arithmetic average of official prices registered on the Mercato Telematico Azionario in the month preceding award or, if greater, as the average carrying cost of treasury shares held by Eni as of the date preceding the award.

On May 25, 2006, the Shareholders' Meeting approved

the 2006-2008 stock option scheme and authorized the Board of Directors to make available a maximum amount of 30 million treasury shares (equal to 0.749% of the share capital) for the stock option plan.

This stock option plan foresees three annual awards. Unlike previous schemes, the 2006-2008 stock option plan introduced a performance condition upon which options can be exercised. At the end of each vesting period with a three-year duration, the Board of Directors determines the number of exercisable options, in a percentage ranging from 0% to 100% of the total amount awarded for each year of the scheme, depending on the performance of Eni shares measured in terms of Total Shareholder Return as compared to that achieved by a panel of major international oil companies in terms of market capitalization. Each year of the scheme, the Board of Directors approved: (i) the yearly award; (ii) its regulation; and (iii) the criteria to identify eligible managers. The Board of Directors delegated to the CEO the task to identify eligible managers by the end of each year covered by the scheme. Options may be exercised upon fulfilment of all conditions after three years from the award and within the next three years. Under this plan, 7,415,000 options were awarded pertaining to 2008 with a strike price of €22.540.

At December 31, 2008, a total of 20,593,500 options were outstanding for the purchase of an equal amount of ordinary shares nominal value €1 of Eni SpA, carrying an average strike price of €23.540.

The following is a summary of stock option activity for the years 2007 and 2008:

	2007			2008		
	Number of shares	Weighted average exercise price(€)	Market price ^(a) (€)	Number of shares	Weighted average exercise price(€)	Market price ^(a) (€)
Options as of 1 January	15,290,400	21.022	25.520	17,699,625	23.822	25.120
New options granted	6,128,500	27.451	27.447	7,415,000	22.540	22.538
Options exercised in the period	(3,028,200)	16.906	25.338	(582,100)	17.054	24.328
Options cancelled in the period	(691,075)	24.346	24.790	(975,100)	24.931	19.942
Options outstanding as of 31 December	17,699,625	23.822	25.120	23,557,425	23.540	16.556
of which exercisable at 31 December	2,292,125	18.440	25.120	5,184,250	21.263	16.556

(a) Market price relating to new rights assigned, rights exercised in the period and rights cancelled in the period corresponds to the average market value (arithmetic average of official prices recorded on Mercato Telematico Azionario in the month preceding: (i) the date of assignment; (ii) the date of the recording in the securities account of the managers to whom the options have been assigned; (iii) the date of the unilateral termination of employment for rights cancelled). Market price of shares referring to options as of the beginning and the end of the year, is the price recorded at December 31.

Further information on stock options is furnished in Note 31 to the Consolidated Financial Statements. The following table presents the amount of stock

options awarded to Eni's CEO, General Managers and other managers with strategic responsibilities.

Name	CEO and General Manager of Eni	General Manager E&P Division	General Manager E&P Division	General Manager G&P Division	General Manager R&M Division	Other managers with strategic responsibilities ^(e)
	Paolo Scaroni ^(b)	Stefano Cao ^(c)	Claudio Descalzi ^(d)	Domenico Dispenza	Angelo Caridi	
Options outstanding at the beginning of the period:						
- number of options	1,953,000	406,500	178,500	232,500	269,500 ^(e)	30,500
- average exercise price (euro)	24.165	24.655	24.713	25.159	3.988	22.509
- average maturity in months	63	62	62	60	61	67
Options granted during the period:						
- number of options	634,500	-	85,500	147,500	120,000	-
- average exercise price (euro)	22.540	-	22.540	22.540	22.540	-
- average maturity in months	72	-	72	72	72	-
Options exercised at the end of the period:						
- number of options	-	-	-	-	127,500 ^(e)	-
- average exercise price (euro)	-	-	-	-	3.530	-
- average market price at date of exercise (euro)	-	-	-	-	4.095	-
Options expired during the period:						
- number of options	-	206,375	-	-	-	-
Options outstanding at the end of the period:						
- number of options	2,587,500	200,125	264,000	380,000	142,000 ^(e)	150,500
- average exercise price (euro)	23.767	24.060	24.009	24.142	4.399	22.534
- average maturity in months	55	51	55	56	54	65

(a) No. 8 managers.

(b) The assignment to the CEO have been integrated by a monetary incentive to be paid after three-year in relation to the performance of Eni shares, and is equal to 96,000 options granted in 2006, with a strike price of € 23.100 and 80,500 options granted in 2007, with a strike price of €27.451.

(c) In office until July 31, 2008.

(d) Appointed on August 1, 2008.

(e) Options on Snam Rete Gas shares: assigned by the company to Domenico Dispenza who held the position of Chairman of Snam Rete Gas until December 23, 2005.

(f) Options on Saipem shares: assigned by the company to Angelo Caridi who held the position of CEO of Snamprogetti until August 2, 2007.

(g) Options on Saipem shares.

Overall remuneration of key management personnel

Remuneration of persons responsible of key positions in planning, direction and control functions of Eni Group companies, including executive and non-executive directors, general managers and other managers holding strategic responsibilities amounted to €25 million for 2008 consisting of: (i) fees and salaries for €17 million; (ii) post-employment benefits for €1 million; (iii) other long term benefits for €3 million; and (iv) fair value of stock option for €4 million.

Board Committees

The Board has instituted three internal committees, two of which as provided for by the Eni Code, with advisory and consulting tasks: a) the Internal Control Committee, b) the Compensation Committee and c) the Oil-Gas Energy Committee. Their composition, tasks and functioning are defined by the Board of Directors, with specific regulations, in respect of the criteria established by the Eni Code.

The committees provided by the Eni Code (the Internal Control Committee and the Compensation Committee) are made up of at least three members and in no case by a number higher than the majority of Board members. All committees must be composed exclusively of non executive directors, the majority of whom independent. For performing their functions the committees can access all necessary company information and functions, receive adequate funding and can be supported by external consultants, under the terms determined by the Board. External persons can participate to their meetings when expressly invited, according to specific items on the agenda. The Chairman of the Board of Statutory Auditors, or a designated Auditor as substitute, always attends the meetings of the Internal Control Committee. The secretaries of each committee is responsible for preparing the minutes of meetings.

In its meeting of June 11, 2008, the Board appointed the following non executive directors, all of them independent, as members of the Committees:

- Internal Control Committee: Marco Reboa (Chairman) Paolo Marchioni, Pierluigi Scibetta and Francesco Taranto;
- Compensation Committee: Mario Resca (Chairman), Alberto Clô, Paolo Andrea Colombo and Francesco Taranto;
- Oil-Gas Energy Committee: Alberto Clô (Chairman), Paolo Andrea Colombo, Marco Reboa, Mario Resca and Pierluigi Scibetta.

The Eni Code, in line with the Borsa Italiana Code, foresees that the Board of Directors considers the creation of a "Nominating Committee", with special reference to those systems characterized by a high degree of fragmentation of the ownership structure, in case the Board itself would register some possible difficulties, for the shareholders, to submit appointment proposals. This Committee has not been created in consideration of the shareholding characteristics of Eni and of the list vote system provided for the appointments of directors by Shareholders' Meeting, according to the existing laws and By-laws provisions.

Internal Control Committee

In 2008, the Internal Control Committee¹³ convened 18 times, with an average attendance rate of 92%, and reviewed the following items:

- (i) the 2007 audit activities report and the 2008 audit plan and its periodic progress;
- (ii) the 2007 audit activities report and 2008 audit plan prepared by the internal audit functions of Saipem and Stogit functions;
- (iii) outcomes of planned and unplanned Eni's internal audit activities, as well as results of monitoring activities on progresses made by operating units in implementing planned remedial actions in order to eliminate deficiencies highlighted by internal audit activities with special attention to specific issues;
- (iv) outcomes from Eni's internal auditing interventions as specifically required by Eni's control bodies;
- (v) the periodic reports concerning complaints collected;
- (vi) the report on Eni's internal control system prepared by the Manager delegated for the internal control and the compliance with the independence requirements of this Manager;
- (vii) the future role, tasks and responsibilities of the Manager delegated for the internal control and of Eni's Internal Audit function and the guidelines approved by the Board of Directors concerning internal audit activities;
- (viii) updating of the Eni's Internal Audit operating handbook;
- (ix) disclosures of information or notification regarding certain inquiries conducted by both Italian or foreign judicial and administrative authorities with reference to crimes or other kind of infringements which might – even potentially

(13) For details on the functions of this Committee see Internal Control System below.

- involve Eni and all its subsidiaries, in Italy or abroad, and their directors and employees;
- (x) disclosures on the development of pending litigation;
- (xi) the essential features of the 2007 Eni's financial statements, on consolidated and individual basis, through meetings with top level representatives of Eni and its subsidiaries administrative functions, and with Chairmen (or others members) of Boards of Statutory auditors and responsible partners from independent audit companies for each subsidiary; accounting treatment adopted for specific transactions; the draft 2008 interim consolidated report prepared on the basis of the EU transparency directive and relevant opinion of external auditors confirming the compliance of this report with IAS 34;
- (xii) procedures and systems used for evaluating, classifying and reporting hydrocarbon reserves;
- (xiii) the essential features of Eni's Annual Report on Form 20-F, progress on implementation of SOA activities and updating on programs and controls for 2008 to prevent and detect frauds;
- (xiv) the report on the administrative and accounting setup of the Manager responsible for the preparation of the Company's financial report and the report on the internal control system over financial reporting;
- (xv) the implementation plan regarding Article 36 of Consob Decision n.16191/07;
- (xvi) the report on the internal control system, that was included in the Corporate Governance section of the 2007 Annual Report;
- (xvii) guidelines on financial statements auditing, the report on audit reports for 2007 prepared by external auditors, auditing strategies for 2007 and 2008;
- (xviii) updating of Eni's Model 231 and the periodic report presented on activities performed by the company Watch Structure, also by meetings with its members as provided for the new version of Model 231 approved by Eni's Board of Directors in March 2008;
- (xix) update on Eni's guideline for management and control of financial risk;
- (xx) information on Circular No. 330 of October 14, 2008 concerning Group's procedures for the procurement of works, goods and services. The main aspects of a company's project of process reengineering (BPR) concerning group procurement and updating of the procedures for reviewing suppliers selection following detection of illegal behaviours;
- (xxi) periodic report in the procedure for the ascertainment of alleged illicit behaviour on the part of Eni employees, as per Circular No. 301 of December 14, 2007;
- (xxii) information of Circular No. 305 of December 20, 2007 concerning dissemination and reception of laws and regulations;
- (xxiii) review of the draft report of directors under Article 2433-bis of the Civil Code on interim dividends for 2008;
- (xxiv) information on the development plan of Eni Trading & Shipping activities;
- (xxv) logical-operational flows of Eni communication activities.

Compensation Committee

The Committee, established by the Board of Directors in 1996, is entrusted with proposing tasks on the matters of compensation of the Chairman and the CEO as well as the Board Committees members, and examined the indication of the CEO, on the following: (i) long term incentive plans including stock-based compensation; (ii) criteria for the compensation of the managers with strategic responsibilities; (iii) the setting of objectives and the assessment of results of performance and incentive plans.

In 2008, the Compensation Committee met 4 times with a 100% attendance, and accomplished the following: (i) examined the 2007 results and the objectives for 2008 in view of defining annual and long term incentives; (ii) reviewed the bonuses of the Chairman and CEO based on 2007 performance; (iii) reviewed the benchmarks for the managers with strategic responsibilities remuneration and the criteria of the annual remuneration policy; (iv) remuneration and rules applying to the CEO and General Manager Paolo Scaroni and remuneration for the powers delegated to the Chairman; (v) the implementation of the long term incentive plans for the year 2008 and relevant grants to the CEO.

Oil-Gas Energy Committee

The Oil-Gas Energy Committee (OGEC) is responsible for monitoring the evolution and the scenario of international energy markets and, in particular, for analysing, also comparatively, the dynamics of competitive context that characterises the different energy sources (including alternative ones) and the positioning, performance and business models of the main players in the sectors of interest for Eni's activities. OGEC has proposing and consulting functions towards the Board of Directors, especially for assessing Eni's strategic plans and the consistency of the actions

adopted in long term plans. In 2008 OGEC met 7 times with a 91% participation of its members. All directors are invited to the meetings.

The first issue discussed was the situation of world hydrocarbon reserves – crucial topic for the oil & gas industry – analysing also upstream capital expenditure worldwide, the performance of competitors, as well as the situation and projects of Eni. Then the attention was on the competitive landscape in energy sector, focussing on the Exploration & Production and Gas & Power businesses. In the last quarter of the year, OGEC has analysed the dynamics of the energy markets – particularly oil and gas – influenced by the world economic and financial crisis and by the recent approval of a new Energy Policy for Europe, evaluating its possible impact on Eni's strategic plan.

General Managers

In accordance with Article 24 of Eni's By-laws, the Board of Directors can appoint one or more general managers defining their powers on proposal of the CEO in agreement with the Chairman, after ascertaining the honorability requirements provided by the law. The Board periodically reviews the honorability of General Managers, on the basis of their statements; any default in said requirements entails immediate termination of office.

General Managers must also observe what resolved by the Board of Directors on the issue of the admissible number of positions held in other companies, with reference to the same internal rules provided for the CEO. The Board of Directors has appointed three General Managers responsible of Eni's three operating divisions:

- Claudio Descalzi, General Manager of the Exploration & Production division¹⁴;
- Domenico Dispenza, General Manager of the Gas & Power division;
- Angelo Caridi, General Manager of the Refining & Marketing division.

In its meeting of February 26, 2009, the Board of Directors, based on the statements presented, verified that the General Managers possess the honorability requirements and respect the limits to the number of position held in accordance with internal rules.

Board of Statutory Auditors

Tasks

The Board of Statutory Auditors, in accordance with the TUF, monitors: (i) the observance of laws and of Eni's By-laws; (ii) the respect of the principles of correct administration, the adequacy of the company's organizational structure, with regard to competence, of its internal control system and financial reporting system as well as the reliability of the latter in fairly representing the company's transactions; (iii) the actual implementation of corporate governance rules foreseen by the Borsa Italiana Code to which the company adheres; (iv) the adequacy of instructions conveyed by the company to its subsidiaries to ensure fulfilment of reporting obligations provided by applicable laws. According to the TUF, the Board of Statutory Auditors drafts a motivated proposal regarding the appointment of the principal external auditors and their fee to be submitted to the Shareholders' Meeting for approval. In accordance with the Eni Code, the Board of Statutory Auditors monitors the independence of the principal external auditors, verifying both the compliance with the provisions of applicable laws and regulations governing the matter, and the nature and extent of services other than the audit services provided to Eni group companies also through entities belonging to the auditors' network. The report provided for Article 153 TUF, and attached to the Annual Report, describes the results of the supervisory activity performed. The Board of Directors, in its meeting of March 22, 2005, in accordance with the provision of Stock Exchange Commission (SEC) for non-US companies listed on US stock exchanges, elected the Board of Statutory Auditors to fulfil the role performed by the Audit Committee in US companies under the Sarbanes-Oxley Act (SOA) and SEC rules, within the limits set by Italian legislation, from June 1, 2005. On June 15, 2005, the Board of Statutory Auditors approved its chart for carrying out the tasks attributed to the audit committee under mentioned US laws and regulations¹⁵. This chart is published on Eni's website.

Composition and appointment

The law prescribes that a board of statutory auditors has no less than three members and no less than two substitutes.

(14) Claudio Descalzi was appointed on July 30, 2008 and substituted Stefano Cao.

(15) The chart was amended on March 30, 2007, taking into account changes introduced by Legislative Decree No. 303 of 2006 on Article 159, paragraph 1 of, TUF, and by the Eni's Code, as well as to take into account the variations adopted in the organization structure, in respect to the one existing on June 15, 2005, when the previous chart was approved.

Eni's By-laws foresees that the Board of Statutory Auditors is composed of five auditors and two alternate auditors, appointed by the Shareholders' Meeting for a three-year term. They may be reappointed.

Like the directors and in accordance with applicable regulations, the statutory auditors are appointed by means of a list vote as provided for by Eni's By-laws. Nominees are numbered progressively. At least two auditors and one substitute are elected from lists presented by minorities.

In particular, shareholders representing individually or jointly at least 1% of the share capital are entitled to present lists. Each shareholder can present or combine to the presentation of only one list and can vote only one list. Subjects controlling it, controlled by it or under joint control cannot present or combine to the presentation or vote other lists, not even through nominees or trust companies.

Eni applies the special norms provided for by Law No. 474 of 1994 as concerns timing and modes for filing lists which are slightly different from rules adopted by Consob Decision n.11971/99. Eni, however, endorses Consob rules as well and implemented them in its By-laws (article 28) on a voluntary basis in order to favour transparency in appointment procedures.

The lists of candidates include information on the shareholders presenting the list, declarations made by the candidates on the possession of honorability, expertise and independence requirements prescribed by applicable regulation and a professional resume of each candidate. Lists must be filed at the company's headquarters at least 10 days before the date of the Shareholders' Meeting on first call and are published in three national newspapers, two of which shall be financial newspapers. Lists are also filed with Borsa Italiana and published on Eni's website.

Appointment procedures are the same as in the case of Directors.

The voting list procedures apply only when the whole Board is renewed. When one auditor elected from the majority list resigns, he is replaced by the candidate for alternate auditor on the same list. The same takes place in the other lists.

According to Article 28.2 of Eni's By-laws in accordance with TUF, the Shareholders' Meeting shall elect Chairman of the Board of Statutory Auditors a member elected from a list other than the one obtaining the majority of votes.

On June 10, 2008, Eni's Shareholders' Meeting appointed the following statutory auditors for a three-year period and however until the Shareholders' Meeting approving financial statements for fiscal year 2010: Ugo Marinelli (Chairman), Roberto Ferranti, Luigi

Mandolesi, Tiziano Onesti and Giorgio Silva. Francesco Bilotti and Pietro Alberico Mazzola are alternate auditors. The same Meeting also determined the yearly compensation of the Chairman of the Board of Statutory Auditors and each auditor amounting to €115,000 and €80,000 respectively in addition to reimbursement of expenses necessary for the fulfilment of the task. Roberto Ferranti, Luigi Mandolesi, Tiziano Onesti and Francesco Bilotti were candidates in the list presented by the Ministry for Economy and Finance; Ugo Marinelli, Giorgio Silva and Pietro Alberico Mazzola were candidates in the list presented by institutional investors. The personal and professional curriculum of these auditors is published on Eni's website in the Corporate Governance section.

Expertise, honorability and independence, reasons for ineligibility and incompatibility

As stressed in the Code, the statutory auditors shall act with autonomy and independence also towards the shareholders who elected them.

In accordance with the TUF, statutory auditors shall possess specific requirements of independence, and the professional and honorability requirements as prescribed by a regulation of the Minister of Justice. As for professional qualifications of the candidates, Article 28 of Eni's By-laws, in line with the said Decree of the Minister of Justice, foresees that the professional requirements can also be acquired with at least three years of professional experience or by teaching business law, business administration and finance, as well as at least a three year experience in a managerial position in geological or engineering businesses.

Eni's auditors are all chartered auditors.

Until coming into force of new Consob regulation on this matter, Eni's By-laws prohibited the appointment as statutory auditor of persons that were already statutory auditors or members of the supervisory board or members of the management control committee of at least five companies in regulated markets other than listed subsidiaries of Eni SpA. In light of that, appointed auditors communicated to the Company their positions in other entities and subsequently the Board of Statutory Auditors verified compliance with the limit on the number of other positions held in other entities by its members as provided by Eni's By-laws.

As of June 30, 2008, accordingly with the By-laws provisions, statutory auditors may assume positions in governing or controlling bodies in companies other than Eni within the limits set by the mentioned Consob regulation. In September 2008 Eni's statutory auditors communicated to Consob their compliance with said limits.

Statutory auditors declared consequently to possess independence, honorability and expertise requirements as foreseen by the applicable law. In compliance with the Eni Code prescriptions designed to ensure that auditors are independent subsequently to their appointment based also on the Code provisions for the same matter in the case of directors, the Board of Statutory Auditors in its meeting of January 21, 2009 verified that all its members possess such requirements (independence, honorability and expertise) and the Board of Directors in its meeting of February 26, 2009 verified this certification.

Further Auditors' appointments

Based on information received, positions held by the members of Eni's Board of Statutory Auditors are the following¹⁶:

UGO MARINELLI

Chairman of the Board of Statutory Auditors of Energie Rinnovabili SpA and its subsidiary SER1 SpA.

ROBERTO FERRANTI

Statutory Auditor of Sogei SpA.

LUIGI MANDOLESI

Chairman of the Board of Statutory Auditors of Procter & Gamble Holding Srl and Edf EN Italia SpA.

TIZIANO ONESTI

Chairman of the Board of Statutory Auditors of Gruppo Editoriale L'Espresso SpA, Finegil Editoriale SpA, PM & Partners SpA SGR. Auditor of Euler Hermes SIAC SpA, Ford Italia SpA, Mazda Italia SpA.

GIORGIO SILVA

Chairman of the Board of Statutory Auditors of: Hewlett Packard Italiana Srl, Auditor of Alitalia SpA, AirOne SpA, Luxottica SpA, RCS Mediagroup SpA, and SIA/SSB SpA.

Meetings and functioning

Statutory auditors receive information on all issues on the agenda of the Board of Directors at the same time as the Directors. The Board of Directors and CEO report at least every quarter and when a meeting of the Board of Directors is called on the activity performed and on the main transactions regarding the operational, economic and financial management of the company and its subsidiaries, as per Article 23.3 of Eni's By-laws. In line with the provisions of the Eni Code, an auditor

who has an interest, either own or on behalf of third parties, in a certain transaction of the issuer, shall inform the Board of Directors and the other auditors. These transactions and transaction in which auditors are related parties have been regulated in guidelines on transaction in which a director (or statutory auditor) has an interest and transaction with related parties, approved by the Board of Directors, with the opinion of the Internal Control Committee, on February 12, 2009. Meetings can be held by video or telephone conference. In 2008, the Board met 22 times, of these 12 with reference to the Board presently in office. Average duration of meetings was 3 hours and 30 minutes. In 2008 attendance rate was 95% of its members and 93% at Board of Directors' meetings. The current Board showed attendance rate of 98.4% of members in its own meetings and 92.8% at Board of Directors' meetings. The table attached at the end of this section indicates, the percentage of participation of each auditor to the Board of Auditors meetings.

Internal Control System

The internal control system is the set of rules, procedures and organizational structures aimed at making possible a sound and correct management of the company consistent with the established goals, through adequate identification, measurement, management and monitoring of the main risks. An effective internal control system contributes to safeguard the company's assets, the efficiency and effectiveness of business transactions, the reliability of financial information, the compliance with laws and regulations.

The system is subject to periodic assessment and updating in order to steadily guarantee its ability to preside over the main areas of corporate risk according to the typical issues of each operating segment and organizational structure, ready to take account of any new law or regulation¹⁷.

Internal control rules, processes and structures are integrated by Eni's Code of Ethics which states that Eni's governing and controlling bodies and employees at every organizational level shall comply with behavioural standards of legitimacy from a formal and substantial standpoint when executing their tasks. The Code also affirms the values of transparency of financial reporting and spreading of a control oriented attitude. Eni is aware that investors trust that Eni's bodies, management and employees observe the rules of the internal control system.

(16) For further details see list of positions included in the Report of the Statutory Auditors prepared under Article 153 TUF.

(17) For further information on the surveillance activities on the company's internal control and administrative accounting systems entrusted to the Board of Statutory Auditors, also as Audit Committee under US laws, see paragraph "Board of Statutory Auditors – Tasks" above and "Manager entrusted with the preparation of financial reports – Information flows" below

Within its corporate operations, in order to guarantee effective and sound management, consistently with set strategies and objectives, Eni is committed to support a pre-emptive approach to risks and orienting management's choices and activities with a view to reducing the probability of negative events and their impact. To this end, Eni adopts strategies of risk management depending on their type such as, mainly, financial and industrial risks, compliance/regulatory risks as well as strategic and operational risks, such as country risks in oil and gas activities and risks related to the exploration for and production of hydrocarbons. The modes by which management identifies, assesses, manages and monitors the specific risks associated with company operations are regulated by internal guidelines, rules, procedures and organizational tools included in the Company's body of rules and procedures that are permeated with a culture of risk management designed to limit the possible impact of corporate risks and preside over their containment. In addition, the development of risk assessment programs for specific areas concurs in further strengthening management's sensitivity to risk management and contributes to improvements and efficacy of decision making processes.

Board of Directors

The Board of Directors plays a central role in internal control by defining the basic aspects of the organizational, administrative and accounting structure of the company, the main subsidiaries and the Group. In this light, based on assessments and proposals from the Internal Control Committee, it designs the guidelines for the company's internal control system so as to ensure that the company and its subsidiaries risks are correctly identified, measured, managed and monitored. In the definition of these guidelines the Board applies the industry's standards taking into account reference models and domestic and international best practices. The qualifications of Board members guarantee that the issue of control is properly addressed, also with the help of specific training on the matter of risk management and internal controls of Eni's Group companies provided to new appointed Board members as mentioned above in the specific paragraph on induction¹⁸. The Board of Directors assesses the adequacy, effectiveness and proper functioning of the internal control system compared to the Company's size, complexity and scope, once a year with the support of the Internal Control Committee. In its meeting of

March 13, 2009, the Board examined the report of the Internal Control Committee of March 11, 2009 and the assessment of internal control it contained – based on evidence acquired in the reference period on the questions examined, as well as the assessments contained in the reports presented, respectively, by the Internal Audit Manager and by the Manager charged with preparing financial reports – and, based even on the results of that report, assessed that the company's internal control system is adequate, efficient and effectively operating.

Internal Control Committee

The Internal Control Committee was established in Eni in 1994 and is entrusted with advisory and consulting tasks in respect of the Board in the matter of internal control system. It is composed exclusively of independent directors, provided with the professional qualification required by the Eni Code¹⁹ and reports to the Board at least every six months at the date of the approval of the annual and semi-annual financial statements on the activity performed as well as on the adequacy of the internal control system.

The Committee performs the following main tasks:

- assesses in conjunction with the Manager charged with preparing financial reports and the External Auditors the proper use of accounting principles and their homogeneity for the preparation of the consolidated financial statements;
- on request of the CEO, expresses opinions on specific aspects concerning identification of main company risks and designing, implementing and managing the internal control system;
- monitors the activities of the internal audit function and therefore examines the integrated audit plan, the annual budget, the periodical Internal Audit reports on activities performed and their outcomes;
- in order to express its opinion on the adequacy of the internal control system, assesses: i) the outcomes of internal audit reports and the evidence deriving from monitoring activities on improvement actions on control systems planned after the audits are performed; ii) evidence resulting from periodic reports on monitoring activities on the company's internal control system over financial reporting; iii) reports from the Board of Statutory Auditors and individual Statutory Auditors also for what concerns investigation activities performed by the internal control department on whistleblowing, also in anonymous form; iv) evidence from reports and

(18) For further details see chapter "Induction of Board members" above.

(19) Unlike the Code of Borsa Italiana, the Eni Code requires that at least two (and not only one) Board members have adequate expertise in accounting and financial matters.

- management letters of External Auditors²⁰;
- v) reports of the Watch Structure also in its capacity of Guarantor of the Code of Ethics; vi) evidence from reports of the Manager charged with preparing financial reports and of the Manager responsible for internal audit; vii) as well as review and investigations from third parties;
- performs any other task attribute to it by the Board of Directors, in particular expresses an opinion on the internal guidelines for the substantial and procedural correctness of transactions with related parties, playing a relevant role in the analysis and in the final decision process of said transactions, as well as those where a director has an interest of his or third parties behalf.

The activities of the Internal Control Committee in 2008 are described in the dedicated paragraph above.

CEO

The CEO is entrusted by the Board of Directors with the task of overseeing the functioning of the internal control system. To this end, he identifies the major corporate risks and, in implementing the guidelines on the internal control system approved by the Board, provides to their design, implementation and management. The CEO is also entrusted with monitoring the overall efficacy and efficiency of the internal control system, seeing that it is adapted to the company's operations and applicable laws. With reference to internal control over financial reporting, these tasks are performed in line with the tasks attributed by the law to the Manager charged with preparing financial reports²¹.

Management

The CEO and/or the General Managers of Eni's divisions, under the powers entrusted to them by the Board, assign to managers of their respective areas tasks, responsibilities and powers for ensuring an efficient and effective internal control in the performance of their respective activities and in the pursuit of the relevant business objectives.

Manager responsible of internal control and Internal Audit

A primary role in the monitoring and assessment process of the internal control system is performed by the Manager responsible of internal control, who in Eni is also Internal Audit Manager, given the substantial identity of operational areas and synergies between the two roles.

Manager responsible of internal control

The Manager responsible of internal control is primarily entrusted with the task of: i) monitoring that the internal control system is always adequate and fully operating, ii) expressing an opinion on its adequacy. The Board of Directors, on proposal of the CEO, in agreement with the Chairman of the Board and after opinion of the Internal Control Committee, appointed for the first time on March 16, 2007 and at last confirmed on October 30, 2008, as Manager responsible for internal control the Internal Audit Manager of Eni, Rita Marino. The Board defines the remuneration of this Manager consistently with corporate policies. This Manager does not hold any responsibility over operating areas, has direct access to the information required for performing her duties, has adequate means for performing her duties and reports, through the Internal Control Committee, to the Board of Directors, as well as to the Board of Statutory Auditors and the CEO, with periodic reports.

On March 11, 2009, the Manager presented her annual report on internal control (covering the period from January 1 to December 31, 2008) and, in such context, expressed her evaluation of its adequacy, based on the outcomes of the monitoring activities performed by Eni's Internal Audit function, by the managers responsible of internal control in Eni's listed subsidiaries and by the Internal Audit departments of subsidiaries either subject to the unbundling regulation or to surveillance of the Bank of Italy.

Internal Audit department

The Internal Audit department provides to the CEO and, through the Internal Control Committee, to the Board of Directors and also to the Board of Statutory Auditors, as Audit Committee under the SOA, audits, analyses, assessments and recommendations on the design and functioning of the internal control system of the company and the Group, in order to promote its efficiency and efficacy.

The Internal Audit department performs its tasks on account of Eni SpA and of those subsidiaries in which the company holds the majority of the voting capital, except for listed subsidiaries and subsidiaries either subject to unbundling regulations or subject to the surveillance of the Bank of Italy. Those subsidiaries have their own Internal Audit departments.

(20) Eni entrusted to the Board of Statutory Auditors the role of Audit Committee under the SOA and therefore of assessing the proposals of external auditors and the monitoring of their activity.

(21) See details in the chapter on the Manager charged with preparing financial reports, below.

Guidelines on Internal Audit issued by the Board of Directors

Within the development process aimed at the constant improvement of the Company's internal control system, Eni's Board of Directors on October 30, 2008 and December 17, 2008 issued guidelines on Internal Audit, to define its aims, scope and functioning in line with landmark best practices. In this light and also with the aim of consolidating the independence of Internal Audit functions, the Board: (i) redefined the procedures for the appointment/revocation of the Internal Audit Manager, adapting them to what the Eni's Code foresees for the Manager in charge of internal control, given the current coincidence of the two roles; (ii) outlined the reporting duties of the Internal Audit function, determining that its Manager reports to the CEO, as person in charge of the monitoring of the functioning of the internal control system and attributing to the Internal Control Committee the task of monitoring Internal Audit activities (reporting also to the Board of Statutory Auditors, as Audit Committee under the SOA); (iii) attributed to the Internal Control Committee the task of yearly evaluate the persistence of honorability, competence and expertise requirements provided for the Internal Audit Manager, as well as the absence of any causes of incompatibility, and of give an opinion to the Board of Directors, on the structure of the remuneration of the Internal Audit Manager proposed by the CEO consistently with corporate policies.

Tasks, powers and means of the Internal Audit function

The Internal Audit function receives powers and means adequate for performing its tasks in full operational independence, also in terms of free management of assigned financial resources, of adequate and professionally skilled human resources and fullest access to data, information and documentation of the company and its subsidiaries.

Under this organizational model, while ensuring the pursuing of the necessary standards in terms of independence and objectivity, competence and professional diligence, in accordance with the provisions of the most respected international standards for the sector and of the Code of Ethics, the Internal Audit department performs the following tasks:

- (i) execution of audit activities in the field of operational, financial and compliance audit focusing matters related to Legislative Decree No. 231/01, thus implementing the sanctioned annual plan of Internal Audit activities that is prepared with a top-down-risk-based approach and approved together with the budget of the department by the Board of Directors and, as regards the specific aspects of Legislative Decree No. 231/2001, by the

Watch Structure;

- (ii) unplanned Internal Audit activities decided upon request of the bodies of internal control system and top management of the company;
- (iii) monitoring of the corrective actions designed to take account of Internal Audit's outcomes;
- (iv) organizing and monitoring the preparation and running of information flows to receive complaints (also anonymous), keeping an updated file of such complaints and preparing relevant investigations under current Company rules and procedures;
- (v) monitoring activities provided for by Model 231 and independent monitoring activities performed for financial reporting as explained below.

Information flows from the Internal Audit function

The Internal Audit function provides systematic periodic information flows (brief quarterly reports and full half-year reports) on the outcomes of its activities addressed to control bodies and top management, to allow them to perform their duties in terms of assurance and assessment of the internal control system.

It also promptly informs the CEO and control bodies of any default of the internal control system and of any circumstance that could impair its independence.

Manager charged with preparing financial reports and internal control over financial reporting

Appointment of the Manager charged with preparing financial reports

In accordance with article 24 of Eni's By-laws and as provided by Article 154-bis TUF, the Board of Directors, under proposal of the CEO in agreement with the Chairman and with the mandatory opinion of the Board of Statutory Auditors, appoints a Manager charged with preparing financial reports. The appointed person must be chosen, in line with By-laws provisions, among persons who for at least three years have exercised:

- a) administration or control activities or directive tasks in companies listed on regulated stock exchanges in Italy or other European Union countries or other countries member of OECD with a share capital amounting to not less than two million euro, or
- b) audit activities in the companies mentioned in letter a) above, or
- c) professional activities or teaching activities in universities in the finance or accounting sectors, or
- d) managerial functions in public or private bodies in the finance, accounting or control sectors.

Tasks, powers and means of the Manager charged with preparing financial reports

Under applicable laws, this Manager is responsible of internal controls over financial reporting and at this aim

designs the administrative and accounting procedures for the preparation of periodic financial reporting and any other kind of financial information, confirming in a certification, to be signed with the CEO, on the parent company's annual financial statements, and in the Group interim and annual consolidated financial statements their adequacy and effective application, during the periods of reference of the mentioned financial reports.

In accordance with Article 154-bis TUF, the Board of Directors supervises so that this Manager has adequate powers and means to carry out the tasks given to him, as well as on the actual observance of relevant administrative and accounting procedures.

In its meeting of July 30, 2008, the Board of Directors, with the approval of the Board of Statutory Auditors, appointed Eni's Chief Financial Officer, Alessandro Bernini²², as Manager charged with preparing financial reports, verifying the adequacy, to fulfil the tasks given, of the financial resources assigned, to use alone or in conjunction with the CEO, as well as of the granted means in terms of organizational structures, management and information systems and internal controls.

In its meeting of January 22, 2009 the Board of Director assessed the means available to the CFO in his quality of Manager charged with preparing financial reports as adequate and in its meeting on March 13, 2009 assessed the compliance with internal procedures designed by the Manager in accordance with applicable laws.

Guidelines over financial reporting

The Manager's activity is based on the Guidelines on internal control over financial reporting approved by the Board of Directors on June 20, 2007, defining rules and methodologies on the design, implementation and maintenance of the internal control system over Eni's financial reporting, as well as on the evaluation of the system's effectiveness.

These guidelines have been designed in accordance with the provisions of the mentioned article 154-bis TUF and of the Sarbanes-Oxley Act of 2002 (SOA) which Eni has to comply with as its securities are listed on the New York Stock Exchange (NYSE).

Such control system was designed in accordance with two fundamental principles:

- to extend control to all the levels of the organizational structure, consistently with the operating task entrusted to each level;
- sustainability of controls in the long term, so as to ensure that the performance of controls is

increasingly integrated in and compatible with operating needs; for this purpose, specific controls have been selected in order to identify such critical controls as to mitigate the level of risk.

The objectives of the internal control system have been defined consistently with applicable provisions of US rules distinguishing two systemic components:

- disclosure controls and procedures (DC&P);
- internal control over financial reporting (ICFR).

Disclosure controls and procedures are designed to ensure that information required to be disclosed by the company in its reports is collected and communicated to Eni's management, including Eni's CEO and CFO, as appropriate to allow assessed and timely decisions regarding required disclosure.

Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

Eni's internal control over financial reporting has been designed to be consistent with the Internal Control-Integrated Framework created and published by the Committee of Sponsoring Organizations of the Tradeway Commission and comprises five interrelated components: control environment, risk assessment, control activities, information and communication, and monitoring. Such components in relation to their own features operate at entity level (Group, business segment, divisions, subsidiary) and/or at a process level, including both operational and financial administration process (transaction, evaluation processes and closing the books).

Internal controls are designed and established based on a risk assessment process with a top-down approach whereby certain organizational departments, processes and activities are deemed to bear a risk of negligent errors or fraud which could have a material impact on financial statements. Risks are assessed in terms of probability of occurrence and potential negative impact and scored based on quantitative and qualitative benchmarks under the assumption of absence of controls. A specific risk assessment focuses fraud risks leading to the design of adequate anti-fraud actions and controls. In accordance with Italian listing standards as per article 36 of the Consob Decision n.16191/07, certain subsidiaries incorporated in non EU countries fall within the scope and application of internal controls.

Management has developed its own assessment

(22) The current Manager started his office on August 1, 2008, substituting Mr Mangiagalli that had been appointed on June 20, 2007

procedures to evaluate the design of Eni's internal control over financial reporting and its operating effectiveness. To that end, management has implemented ongoing monitoring activities entrusted to managers who are responsible of conducting primary processes or activities, and separate evaluations have been entrusted to Eni's Internal Audit department. This department operates according to a preset plan of interventions defining scope and objectives of each intervention, in line with agreed audit procedures, as communicated by the Manager charged with financial reports.

Information flows

Outcomes from all monitoring activities are periodically described in a report on the state of internal control system, that involves all levels of Eni's organizational structure, and foster an ongoing improvement process, with the aims to keep in line the system with the Group evolution and to increase its efficiency.

Based on these reports, the Manager charged with preparing financial reports prepares a report on the efficacy of the control system that is shared with the CEO, presented to the Internal Control Committee and then submitted to the Board of Directors, in occasion of the approval of full year and half year draft financial statements, in order to allow the Board the performance of its monitoring activities and assessment on internal controls. The report is also presented to the Board of Statutory Auditors, as Audit Committee under the SOA.

Watch Structure and Model 231

According to Italian laws regarding the "Liability of legal entities for unlawful breach of administrative regulation triggered by crimes" as defined in Legislative Decree No. 231 of June 8, 2001, legal entities, among them corporations, may be considered liable and therefore subject to sanctions in the form of a fine or a legally-imposed way for crimes committed or attempted in Italy and abroad on their behalf or to their advantage. Legal entities can adopt organizational, management and control systems adequate for preventing such crimes.

In its meetings of December 15, 2003 and January 28, 2004 the Eni's Board of Directors approved a "Model for organizational, management and control according to Legislative Decree No. 231/2001" and established a relevant Watch Structure. In its meeting of June 7, 2007 the Board of Directors resolved to change the composition of the Watch Structure, originally comprising three members, by including two external

members, one of them appointed as chairman of the Watch Structure.

Internal members of the Company's Watch Structure are Eni's senior Vice-Presidents for Legal Affairs, Human Resources and Internal Audit or their direct reports. Subsequently, due to new laws enlarging the field of application of Legislative Decree No. 231, the CEO provided for the implementation of three Addenda, dedicated to Crimes with terrorist aims or intended to subvert democracy and crimes against individuals, market abuse, protection of savings and discipline of financial market, and transnational crimes, respectively. On March 14, 2008 the Board of Directors approved a complete updating of the Model 231 intended to adapt it to changes in Eni's organizational set-up, recent developments in courts' decisions, studies on this matter and legal framework evolution, experience gained from the actual application of the model, including experiences made in legal proceedings, the practice of Italian and foreign companies in these kinds of models, outcomes of audit and control activities²³. The synergies with the Code of Ethics as integral part and general principle of the model 231 are highlighted by the appointment of the Watch Structure as Guarantor for the Code of Ethics. Similarly, subsidiaries appoint their Watch Structures as Guarantors for the Code of Ethics.

The Watch structure monitors the efficacy and adequacy of Model 231, reports on the implementation of model 231, approve the annual budget of supervision activities and reports the emergence of any issues and on the outcomes of activities performed in executing its tasks. In order to ensure timely and effective responsiveness, adequate and complete information flows have been implemented to communicate relevant and material information to the Watch Structure who in turn reports to the Chairman, the CEO, who in turn informs the Board of Directors while reporting on exercise of delegated powers, the Internal Control Committee and the Board of Statutory Auditors. Training and/or communication activities are performed that are tailored to the recipients including third parties or the market. Eni's Model 231 represents a collection of principles and the reference point for subsidiaries, to which it is transmitted so that they can adopt and/or update their respective models and establish their own watch structures. Group listed companies and companies subject to unbundling adopt their own model, adapting it, when necessary, to the scope and complexity of their activity keeping account of their management autonomy. Representatives nominated by

(23) Currently the scope of Legislative Decree 231/2001 comprises: (i) crimes against the public administration and against public trust; (ii) company crimes; (iii) crimes related to the subversion of democracy and financing of terrorism, (iv) crimes against persons, (v) market abuse (misuse of sensitive company information and market manipulation), (vi) crimes against persons as per law No. 7 of 2006, (vii) transnational crimes, (viii) unintentional murder, serious or very serious injury procured in violation of laws regulating prevention of accidents on the workplace and protection of health and safety on the workplace, (ix) grafting, recycling and use of moneys and assets from illicit sources.

Eni in the management bodies of associates, consortia and joint ventures promote the principles and contents of Model 231 in their respective areas.

Control functions are foreseen (for standard, general and specific issues) in order to organize the specific activities of crime prevention in accordance with Legislative Decree No. 231/2001, and, as provided by the law, a discipline system has been introduced to sanction any violation of Model 231.

Model 231 is updated following new laws approval or in case of periodic updates connected to changes in the company organization or in the event of relevant violations. The CEO established a multifunctional team ("Team 231") in charge with preparing update proposals. The Model 231 and the Code of Ethics are published on Eni's website, www.eni.it.

External Auditors

As provided for by Italian law, the auditing of financial statements is entrusted to external auditors registered on the register held by Consob. The principal external auditor is appointed by the Shareholders' Meeting on reasoned proposal of the Board of Statutory Auditors.

Eni's external auditor, PricewaterhouseCoopers SpA, was appointed for the first time on June 1, 2001 and was reappointed by the Shareholders' Meeting of May 28, 2004 for a term of three financial years.

The Shareholders' Meeting of May 24, 2007 resolved to renew the appointment for the 2007-2009 period in accordance with Legislative Decree No. 303/2006, as it did not yet complete the maximum nine financial year engagement allowed by the law.

Financial statements of Eni's subsidiaries are also audited, mainly by PricewaterhouseCoopers. In order to express its opinion on Eni's consolidated financial statements, PricewaterhouseCoopers took the responsibility of the audit activities performed on those subsidiaries whose financial statements are reviewed by other auditors, representing, however, a negligible part of Eni's

consolidated assets and revenues.

In performing their activities external auditors have access to information, to electronic and on paper, data, to files and other evidence as well as to the assets of the company and its subsidiaries.

The internal framework for the application, in Eni's Group, of audit standards is represented by the Regulation for the audit of financial statements adopted by the Board of Directors on April 3, 2008.

This regulation incorporates the new provisions provided for the many laws and regulations recently approved in the last years (such as the Law on the protection of savings, L.n. 262/2005, and the Legislative Decree n. 303/2006 that changed the TUF) and rules approved by securities and exchange commissions Authorities (such as Consob and SEC).

The regulation contains the general reference principles of appointment and revocation, disciplines relations between the principal external auditors and secondary auditors, independence and causes of incompatibility, responsibilities and disclosure duties of external auditors, regulation of information flows towards the company, Consob and SEC.

In order to preserve the independence of external auditors as reaffirmed recently by enacted regulations, Eni's internal rules provide a monitoring system for "non-audit" services, prescribing in particular that the Eni's principal external auditor and its affiliates must not be engaged for services other than audit and audit-related services. This provision can be waived under rare and motivated circumstances with regard to certain services that are not prohibited by Consob and SOA and that can be awarded subject to approval by the Board of Directors of companies involved, upon favorable opinion of their respective Board of Statutory Auditors and of Eni's Board of Statutory Auditors in case of services not provided by specific laws. Eni's Board of Statutory Auditors must be informed of all engagements of the principal external auditors by Eni's Group companies.

Principal accountant fees and services	2006	2007	2008
(€ thousand)			
Audit fees	22,240	26,383	27,962
Audit-related fees	166	169	152
Tax fees	303	81	46
All other fees	6	120	1
	22,715	26,753	28,161

Italian Court of Accountants

Eni's accounts are subject also to the review of the Italian Court of Accountants, in order to protect the financial interests of the State. The relevant activity is performed by the Magistrate delegated to control, Lucio Todaro Marescotti (alternate Amedeo Federici),

as decided on July 19-20, 2006, by the Governing Council of the Italian Court of Accounts.

The Magistrate delegated to control attends the meetings of the Board of Directors, the Board of Statutory Auditors and the Internal Control Committee.

Transactions in which a director has an interest and transactions with related parties

Pending the emission of implementing provisions of Article 2391-*bis* of the Italian Civil Code, with a decision of February 12, 2009, Eni's Board of Directors, with the opinion of the Internal Control Committee, approved the internal guidelines on transactions in which a director (or statutory auditor) has an interest and on transactions with related parties, with the aim to ensure the observance of transparency and of procedural and substantial fairness principles required, for the mentioned transaction, by the said Civil Code provision and by the Borsa Italiana Code²⁴.

Eni, in agreement with the general principles anticipated by Consob, introduced them in its procedure, keeping account of the best practice too. In particular in its guidelines the Board:

- identified, based on predetermined criteria, main transactions with related parties ("relevant transactions"), as such reserved to its sole responsibility;
- reserved a special role to independent directors, by engaging the Internal Control Committee in the assessment and decision making process of these transactions. The Committee plays also a relevant role in transactions that are not reserved to the Board;
- strengthened an in-depth process of review and assessment of all transactions with related parties, irrespective of allocation of decision-making powers, in order to guarantee transparency and substantial and procedural fairness. The same kind of transparency must be observed also in the subsequent decision making process.

Therefore, these guidelines define Eni's Group policy on these matters.

Amounts and types of trade and financial transactions with related parties and their impact on consolidated results and cash flow, and on the Group's assets and liquidity are reported in Note 19 to the consolidated financial statements.

As provided for by the Eni Code, these guidelines also regulate the transactions in which a Director and Statutory Auditor has an interest, in particular:

- Eni's directors and statutory auditors shall disclose periodically any personal interest with respect to the parent company in Eni and its subsidiaries and shall timely inform the Board of Directors and the Board of Statutory Auditors on transactions in which they have an interest that may be irrelevant to the Company's purposes;
- Directors who disclosed above mentioned interests

should usually not take part in discussions and decisions on such transactions, also leaving the meeting when the decision is made;

- In any case, all transactions in which a director or a statutory auditor has an interest are considered material to the Company and are subject to the strengthened review process with express opinion of the Internal Control Committee.

The text of these guidelines is published on Eni's internet site in the section on Corporate Governance.

Significant differences in Corporate Governance Practices as per Section 303 A.11 of the New York stock Exchange Listed Company Manual

Corporate governance. Eni's organizational structure follows the traditional Italian model of companies which provides for two main separate corporate bodies, the Board of Directors and the Board of Statutory Auditors to whom management and monitoring duties are respectively entrusted.

This model differs from the US unitary model which provides for the Board of Directors as the sole corporate body responsible for management and for audit committee established within the same Board for monitoring.

Below is a description of the most significant differences between corporate governance practices followed by US domestic companies under the NYSE standards and those followed by Eni.

INDEPENDENT DIRECTORS

NYSE standards. Under NYSE standards listed US companies' Boards must have a majority of independent directors. A director qualifies as independent when the Board affirmatively determines that such director does not have a material relationship with the listed company (and its subsidiaries), either directly, or indirectly. In particular, a director may not be deemed independent if he/she or an immediate family member has a certain specific relationship with the issuer, its auditors or companies that have material business relationships with the issuer (e.g. he/she is an employee of the issuer or a partner of the auditor). In addition, a director cannot be considered independent in the three-year "cooling-off" period following the termination of any relationship that compromised a director's independence.

Eni standards. In Italy, the law for listed companies states that at least one member, or two members if the Board is

(24) Until the approval of said guidelines, relevant transactions with related parties (excluding standard ones) – as identified according to IAS 24 and according to the specific internal financial reporting regulation of July, 4 2006 and of December, 20 2007 – have been submitted to the Board of Directors, even if their amount was lower than the indicated threshold.

composed by more than seven members, must possess the independence requirements provided for Statutory Auditors of listed companies. In particular, a director may not be deemed independent if he/she or an immediate family member has relationships with the issuer that could influence their autonomous judgment, with its directors or with the companies in the same group of the issuer. Eni's By-laws increases the number and states that at least one member, if the Board is made up by up to five members, or three Board members, in case the Board is made up by more than five members, shall have the independence requirement. Eni's Code foresees further independence requirements, in line with the ones provided by the Code on Corporate Governance issued by the Italian authority for exchange (Borsa Italiana Code), that recommends that the Board of Directors includes an adequate number of independent non-executive directors in the sense that they do not maintain, nor have recently maintained, directly or indirectly, any business relationships with the issuer or persons linked to the issuer, of such a significance as to influence their autonomous judgment.

In accordance with Eni's By-laws, the Board of Directors periodically evaluates independence of directors. Eni's Code also provides for the Board of Statutory Auditors to verify the proper application of criteria and procedures adopted by the Board of Directors to evaluate the independence of its members.

The results of the assessments of the Board shall be communicated to the market.

In accordance with Eni's By-laws, should the independence requirements be impaired or cease or the minimum number of independent directors diminish below the threshold set by Eni's By-laws, the Board declares the termination of office of the member lacking said requirements and provides for his substitution. Board members are expected to inform the company if they lose their independence requirements or any reasons for ineligibility or incompatibility that might arise.

MEETINGS OF NON EXECUTIVE DIRECTORS

NYSE standards. Non-executive directors, including those who are not independent, must meet at regularly scheduled executive sessions without management. In addition, if the group of non-executive directors includes directors who are not independent, independent directors should meet separately at least once a year.

Eni standards. Neither Eni's non-executive Directors nor

Eni's independent Directors must meet separately, under the Code's corporate governance rules.

AUDIT COMMITTEE

NYSE standards. Listed US companies must have an audit committee that satisfies the requirements of Rule 10A-3 under the Securities Exchange Act of 1934 and that complies with the further provisions of the Sarbanes-Oxley Act and of Section 303A.07 of the NYSE Listed Company Manual.

Eni standards. In its meeting of March 22, 2005, Eni's Board of Directors, making use of the exemption provided by Rule 10A-3 for non-US private issuers, has identified the Board of Statutory Auditors as the body that, starting from June 1, 2005, is performing the functions required by the SEC rules and the Sarbanes-Oxley Act to be performed by the audit committees of non-US companies listed on the NYSE (see paragraph "Board of Statutory Auditors" earlier). Under Section 303A.07 of the NYSE listed Company Manual audit committees of US companies have further functions and responsibilities which are not mandatory for non-US private issuers and which therefore are not included in the list of functions shown in the paragraph referenced above.

NOMINATING/CORPORATE GOVERNANCE COMMITTEE

NYSE standards. US listed companies must have a nominating/corporate governance committee (or equivalent body) composed entirely of independent directors that are entrusted, among others, with the responsibility to identify individuals qualified to become board members and to select or recommend director nominees for submission to the Shareholders. Meeting, as well as to develop and recommend to the Board of Directors a set of corporate governance guidelines.

Eni standards. This provision is not applicable to non-US private issuers. The Corporate Governance Code backed by Borsa Italiana allows listed companies to have within the Board of Directors a committee for directors' nominees proposals, above all when the Board of Directors detects difficulties in the shareholders' submission of nominees proposals, as could happen in publicly owned companies. Eni has not set up a nominating committee, considering the nature of its shareholding as well as the circumstance that, under Eni's By-laws, directors are appointed by the Shareholders. Meeting based on lists presented by shareholders or by the Board of Directors.

Shareholder and investor relations

In concert with the launch of its privatization process, Eni adopted a communication policy, confirmed by the Code of Ethics, aimed at promoting an ongoing dialogue with institutional investors, shareholders and the markets to ensure systematic dissemination of exhaustive, complete, and timely information on its activities, with the sole limitation imposed by the confidential nature of certain information. Information on annual and quarterly reports, on four year strategic plans and other relevant events and operations is made available to investors, markets and the press in the form of press releases, regular meetings and conference calls with institutional investors, the financial community and the press, and is timely released to the public also by Eni's website.

Starting in 2009, top management presentations to the financial markets on quarterly and annual results and four year strategic plans are broadcast in real time on Eni's internet site.

Eni thus provides also to retail investors the chance to follow the most relevant events in real time, providing also a simultaneous translation into Italian of the events that take place in English. The presentations and conference calls are available on the website for a few days after the event took place²⁵. Within the month of December Eni disseminates and publishes on its Internet site its financial calendar, detailing main events for the following year. The pages "Eni and the stock market" in the Investor Relations section of Eni's website (http://www.eni.it/en_IT/investor-relation/eni-stock-markets) are continuously updated with information on dividends, prices and trends of Eni as benchmarked against the performance of its peers and the main market indices.

Eni also publishes all its annual and quarterly reports, press releases, its Report, Code and procedures concerning corporate governance, its By-laws, the information to shareholders and bondholders, shareholders' and bondholders' meetings agenda and proceedings of meetings. Documents are free and can be requested also filling in the relevant form on Eni's website (http://www.eni.it/en_IT/documentation).

In accordance with applicable laws and provisions of Eni's By-laws, Eni is preparing a project addressed to retail shareholders in order to stimulate their interest and activity. In the past few years the need emerged for companies to respect the rights of shareholders but also to become active and help them exercise their rights by providing easily accessible and understandable communications and stimulating their participation to corporate life.

The company intends moreover to respond to the requests emerged in past shareholders' meetings of greater engagement of shareholders.

The idea of presenting Eni to its shareholders in a simple and understandable way led to the preparation of a specific section of Eni's internet site dedicated to direct communication containing also a handbook for shareholders and to conceiving dedicated initiatives. Specific functions in Eni hold relations with investors, shareholders and the press.

As provided by Eni's Code, relations with investors and the financial community are held by the Investor Relations manager. Information is available on Eni's website and can be requested by sending an e-mail to investor.relations@eni.it

Relations with the press are held by the press manager. Relations with shareholders are held by the Corporate Secretary office. Information is available on Eni's website and can be requested by sending an e-mail to segreteria.societaria.azionisti@eni.it or calling the toll-free number 800.940.924 (Outside Italy 800.11.22.3456).

Handling of company information

Communication of documents and privileged information to markets

On February 28, 2006, Eni's Board of Directors updated the "Procedure for the disclosure of information to the market concerning Group activities" approved on December 18, 2002. The procedure acknowledges Consob Guidelines and the "Guidelines for information to the market" issued in June 2002 by the Ref Forum on company information and those included in the laws implementing the European Directive on Market Abuse, defines the requirements for disclosure to the public of price sensitive events (materiality, clarity, homogeneity, information symmetry, consistency and timeliness) and the information flows for acquiring data from Group companies and providing adequate and timely information to the Board and the market on price sensitive events.

It also contains sanctions applied in case of violation of its rules in accordance with the crimes identified and sanctioned by the new Law on the protection of savings (L.n. 262/2005). Eni's Code of Ethics defines confidentiality duties upheld by Group employees relating to the treatment of sensitive information.

Directors and auditors ensure the confidentiality of documents and information acquired in performing their tasks and observe the procedure adopted by Eni for the internal treatment of these information and documents, and for their timely disclosure to the market.

This procedure has been updated on September 29, 2006, to take into consideration the Consob interpretation expressed on March 28, 2006. The procedure is published on Eni's website.

(25) Eni intends to foster a dialogue with shareholders and institutional investors, aimed at favoring the widest participation of shareholders to Shareholders' Meetings and also to the main events of corporate life, making the exercise of their rights effortless.

Register of the persons having access to privileged information

On February 28, 2006, the Board of Directors approved a procedure for establishing and maintaining a register of persons with a right to access to Eni's privileged information, as provided for by Article 115-bis TUF.

The procedure implementing Consob Decision n.11971/99 states: (i) terms and procedures for the recording and possible cancellation of the persons that, due to their professional activity or tasks performed on behalf of Eni, have regular or occasional access to privileged information; (ii) terms and procedures to inform said persons of their recording or cancellation and relevant reasons.

The procedure is in force from April 1, 2006 and was updated on September 29, 2006 to take into account the Consob position expressed on March 28, 2006.

The procedure is published on Eni's website.

Internal Dealing

On February 28, 2006, the Board of Directors approved the "Internal dealing procedure" for the identification of relevant persons and the communication of transactions

involving securities issued by Eni SpA and its listed subsidiaries made by these persons, replacing effective April 1, 2006, the Internal Dealing Code approved by the Board on December 18, 2002.

The procedure implements the provisions of Article 114, paragraph 7 TUF.

Eni's procedure, implementing Consob Decision n. 11971/99: (i) identifies relevant persons; (ii) defines the transactions involving securities issued by Eni SpA; (iii) determines the terms and conditions for the disclosure to the public of such information. The procedure states that managers having regular access to privileged information, during specific periods of the year (blocking periods), are not allowed to buy or sell shares. The same principle has been introduced by a specific procedure approved on December, 23, 2008, with reference to the company purchasing and selling operations on shares issued by Eni SpA or other securities connected to such shares.

The Internal Dealing procedure was updated on September 29, 2006 to take into account the Consob position expressed on March 28, 2006. The procedure is published on Eni's website.

Follow the tables included in the "Handbook for the preparation of the report on corporate governance" issued by Assonime and Emittente Titoli SpA in March 2004.

Structure of the Board of Directors and its Committees

Members	Board of Directors					Internal Control Committee		Compensation Committee		International Oil Committee	
	executive	non executive	independent	%attendance	other appointments ^(a)	members	%attendance	members	%attendance	members	%attendance
Chairman											
Roberto Poli		X		100	3						
CEO											
Paolo Scaroni	X			100	3						
Directors^(b)											
Alberto Cló ^(*)		X	X	95	3			X	100	X	100
Dario Fruscio (until January 30, 2008)		X	X	100							
Marco Pinto (until June 10, 2008)		X		100							
Renzo Costi (until June 10, 2008)		X	X	100							
Paolo Andrea Colombo (from June 10, 2008)		X	X	100	5			X	100	X	100
Paolo Marchioni (from June 10, 2008)		X	X	100		X	100				
Marco Reboa ^(*)		X	X	100	3	X	100			X	86
Mario Resca		X	X	89	3			X	100	X	71
Pierluigi Scibetta		X	X	100		X	72			X	100
Francesco Taranto ^(*) (from June 10, 2008)		X	X	100	4	X	100	X	100		
Number of meetings in 2008											
				19			18		4		7
of which 11 held by the Board appointed on June 10, 2008.											

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

(b) Referring to Directors appointed on June 10, 2008, the percentage of attendance was determined based on the numbers of meetings held during the membership.

(*) Appointed by the minority list.

Board of Statutory Auditors

	% attendance Meeting of the Board of statutory Auditors	% attendance Meeting of the Board of Directors	Number of other appointments^(a)	Total number of appointments^(b)
Members				
Chairman				
Ugo Marinelli ^(*) (from June 10, 2008)	100	100	1	5
Paolo Andrea Colombo (until June 9, 2008)	100	100		
Auditors				
Roberto Ferranti (from June 10, 2008)	92	64	1	2
Luigi Mandolesi (from June 10, 2008)	100	100	1	11
Tiziano Onesti (from June 10, 2008)	100	100	2	19
Giorgio Silva ^(*)	100	100	3	16
Filippo Duodo (until June 9, 2008)	100	88		
Edoardo Grisolia (until June 9, 2008)	60	75		
Riccardo Perotta (until June 9, 2008)	100	100		
Number of meetings in 2008	22	19		

(*) Appointed by the minority list.

(a) Including Eni SpA in accordance with article 144-quinquiesdecies of "Regolamento Emittenti Consob".

(b) Including listed companies in accordance with article 144-quinquiesdecies of "Regolamento Emittenti Consob".

For presenting a list a shareholder or group of shareholders must hold at least 1% of voting shares in an ordinary shareholders' meeting.

Other information to be disclosed under the Self-discipline Code (with regard to the Self Discipline Code published by Borsa Italiana in 2002)

	Yes	No
System of delegated powers and transactions with related parties		
The Board of Directors delegated powers defining:		
a) limitations	X	
b) exercise	X	
c) periodicity of information	X	
The Board of Directors reserved examination and approval of relevant transactions (including transactions with related parties)	X	
The Board of Directors defined guidelines for identifying relevant transactions	X	
Such guidelines are described in the report	X	
The Board of Directors defined procedures for examination and approval of transactions with related parties	X	
Such procedures are described in the annual report	X	
Procedures for the latest appointment of Directors and Statutory Auditors		
List of candidate directors were deposited at least 10 days before the date set for appointment	X	
Lists were accompanied by sufficient information on candidates	X	
Candidates to the role of director disclosed information that qualified them as independent	X	
Lists of candidate auditors were deposited at list 10 days before the date set for appointment	X	
Lists were accompanied by sufficient information on candidates	X	
Meetings		
The Company approved regulations of meetings	X	
The regulations are attached to the report (indication of where to find it online is provided)	X	
Internal Control		
The company appointed persons responsible for internal control	X	
Such persons do not report to managers of operating divisions	X	
Internal office responsible of internal control (art. 9.3 of the code)		Internal Audit
Investor relations		
The company appointed an investor relations manager	X	
Information on investor relations manager (telephone, address, e-mail) and unit:		

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