



MISSION

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

Countries of activity

EUROPE

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

AFRICA

Algeria, Angola, Cameroon, Congo, Côte D'Ivoire, Egypt, Equatorial Guinea, Gabon, Ghana, Libya, Mali, Morocco, Mozambique, Nigeria, Tunisia

ASIA AND OCEANIA

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

AMERICAS

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

Corporate Governance and Shareholding Structure Report

This Report is intended to provide a general and complete overview of the corporate governance system adopted by Eni.

Fulfilling the applicable legal and regulatory duties¹, in accordance with the guidelines and recommendations of Borsa Italiana S.p.A. ("Borsa Italiana") – the company responsible for the organisation and management of the Italian stock exchange – and the most representative trade associations, the Report contains information regarding ownership structures and compliance with the Corporate Governance Code promoted by Borsa Italiana, giving reasons for the choices made in the application of corporate governance principles, as well as practices actually applied.

Borsa Italiana's Corporate Governance Code is accessible to the public at www.borsaitaliana.it².

The text of this Report is also available at the registered office, published in the "Corporate Governance" section of the Company's website³ and forwarded to Borsa Italiana according to the procedures and by the deadlines required by applicable regulations.

The information contained in this Report relates to the financial year 2009 and has been updated, in respect of certain matters, as of March 11, 2010, the date of the Board of Directors' meeting that approved it together with the Directors' report, the consolidated financial statements and the draft financial statements for the financial year 2009.

Eni: profile, structure and values

Profile

Eni is an integrated energy company with operations in more than 77 countries and a workforce of approximately 78,400 people. It operates in industries ranging from oil and natural gas to the generation and sale of electricity, from petrochemicals and engineering to construction, all of them sectors in which it has excellent skills and strong global market positions.

All of Eni's actions are characterised by a strong commitment to sustainable development: making the most of people's skills, contributing to the development and well-being of the communities in which it works, respecting the environment, investing in technical innovation, pursuing energy efficiency and lowering the risks of climate change are objectives shared by the corporate bodies, management and employees.

All of Eni's men and women have a passion for challenges, continuous improvement and excellence, and above all they believe in the fundamental role played by the individual, the environment, integrity and the values established by the Code of Ethics.

Because of this, constant attention is paid to ensuring good governance.

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

¹ Article 123-bis of Legislative Decree No. 58/1998 ("Consolidated Law on Finance") and article 89-bis of Consob Resolution No. 11971/99 and subsequent amendments ("Consob Regulations on Issuers").

² At the following address: http://www.borsaitaliana.it/borsaitaliana/ufficio-stampa/comunicati-stampa/2006/codiceautodisciplina.en_pdf.htm.

³ At the following address: http://www.eni.com/en_IT/governance/report-on-corporate-governance/report-on-corporate-governance.shtml

Governance structure

The corporate governance structure of Eni follows the traditional model, which assigns corporate management to the Board of Directors, the linchpin of the organisational system, supervisory functions to the Board of Statutory Auditors and auditing of the accounts to the audit firm appointed by the Shareholders' Meeting.

In compliance with the provisions of the By-laws, the Board appoints a Chief Executive Officer (CEO), to whom it assigns the management of the Company, with the exception of some matters which it reserves for itself, and assigns proxies to the Chairman to identify and promote integrated projects and strategically important international agreements.

The chosen model therefore establishes a clear distinction between the functions of the Chairman and those of the CEO, pursuant to article 25 of the By-laws, both of them retain representative powers for the Company.

The Board of Directors has created three internal committees with consulting and advisory functions: the "Internal Control Committee", "Compensation Committee" and "Oil-Gas Energy Committee". Furthermore, on a proposal made by the CEO, in agreement with the Chairman, it has appointed three General Managers (Chief Operating Officers) to head the three operating Divisions of Eni⁴.

The Board of Directors, on a proposal made by the CEO, in agreement with the Chairman, subject to the prior approval of the Board of Statutory Auditors, has appointed the Company's Chief Financial Officer as the Officer in charge of preparing financial reports.

The Chief Operating Officers and the Chief Financial Officer, together with the Chief Corporate Operations Officer and the Executives which directly report to the CEO (Senior Executive Vice President of the Company) are permanent members of the Management Committee, which advises and supports the CEO.

Some of the organizational and management choices highlighted in the Report have been made in order to fulfill US legal requirements, with which the Company has been required to comply following its listing on the New York Stock Exchange ("NYSE").

Code of Ethics

The Board of Directors believes it is fundamentally important that the values and principles which guide Eni are clearly defined, both internally and externally, in order to ensure that all company activities are implemented in compliance with the relevant laws and in a context of fair competition, honesty, integrity, fairness and good faith as well as in accordance with the legitimate interests of all the stakeholders with which Eni comes into contact on a daily basis: shareholders, employees, suppliers, customers, commercial and financial partners, as well as local communities and institutions within the countries in which Eni operates.

These values are embedded in the new Eni Code of Ethics, approved by the Board of Directors at its meeting held on March 14, 2008 to replace the previous Business Conduct Code of 1998. The Code of Ethics fulfils the evolution of the regulatory framework, expands on the issues of human rights and sustainability, ensures compliance with international best practices and updates references in relation to Eni's new organisational structure. Everyone working for Eni, from the corporate bodies and management downwards, is specifically committed to complying and ensuring compliance with these principles in the context of their duties and responsibilities. Under no circumstances may the conviction that one is acting for the benefit of Eni justify behavior which conflicts with these principles. The Guarantor of the Code of Ethics defends and promotes these principles and presents a report on the implementation of the Code, on a half-yearly basis, to the Internal Control Committee as well as to the Board of Statutory Auditors, the Chairman and the CEO, who in turn report to the Board. With specific reference to corporate governance issues, the new Code refers to the main corporate governance rules contained in the Corporate Governance Code adopted by Eni⁵, highlighting relations with shareholders and the market and defining the general principles to be applied when disseminating company information and in relations with the media.

⁴ "Exploration & Production", "Gas & Power" and "Refining & Marketing" Divisions.

⁵ For further details, see the paragraph entitled "Compliance with the Corporate Governance Code of Borsa Italiana and Eni Code".

The Code is also a general unwaivable principle of Model 231, of which it is an integral part: the synergies between the Code of Ethics and the Model are also emphasized by the allocation of Guarantor functions with respect to the Code of Ethics to the Eni Watch Structure, the latter being established by Model 231, with responsibility for promoting and verifying its implementation.

The Code of Ethics applies to all subsidiaries which are directly and indirectly controlled in Italy and abroad by Eni. Subsidiaries which are listed on the stock exchange and those of the gas sector which are subject to so-called unbundling regulations adopt the Code and adjust it as necessary, in accordance with their own company peculiarities and the principle of managerial autonomy. Each subsidiary assigns Guarantor functions with respect to the Code of Ethics to its own Watch Structure.

The representatives specified by Eni in the corporate bodies of other investee companies, as well as in consortia and joint ventures, promote the principles and contents of the Code within their respective areas of responsibility.

Eni's commitment to disseminating the principles of the Code is further underlined by the creation, under the responsibility of the Guarantor of the Code of Ethics, of a specific "Code of Ethics Promotion Team". The Team's task is to promote knowledge and facilitate the implementation of the Code providing all the tools required to interpret and understand it. For this purpose, it promotes a variety of initiatives depending on the stakeholders involved. These initiatives also aim to stimulate observations on the Code so that it can be constantly updated to fulfill the needs of the social context in which Eni operates

In particular, through a specific Promotion Plan, the Code of Ethics Promotion Team realized in 2009 various initiatives concerning dissemination and communication, training and participation of stakeholders.

For further details regarding dissemination and communication activities relating to the Code, see the "Sustainability" Section of the Eni website and the Sustainability Report⁶.

Sustainability

Sustainability is an integral part of Eni's governance model and is driving a process of improvement centred on issues identified through dialogue with stakeholders and discussions about future energy scenarios.

Each Sustainability objective is pursued through projects and initiatives defined by Eni and its Subsidiaries and included in specific short and medium term action plans. Planning, implementation and control is a process shared with the Business Units and Areas and approved by the company's highest decision-making bodies. The Board of Directors also has a key role in defining sustainability policies and approving the Sustainability Report, which is also submitted to the Shareholders' Meeting. The audit firm certifies the Sustainability Report, verifying the correctness of the planning and management process for the activity as a whole and of the flow of data supplied by operating sites, which are subsequently consolidated and audited at level of Country, Company, Division, Corporate Management and Sustainability Unit. This certification process complies with the requirements of the ISAE 3000 standard, issued in 2004 by the International Auditing and Assurance Standard Board (IAASB), the same body that is assigned to issuing auditing principles.

The most significant initiatives carried out by Eni in recent years to ensure the sustainability of the governance system include in particular encouraging shareholders to participate in the life of the company, raising awareness among shareholders and the Board about issues connected with the model of sustainability and diversity in particular, as well as disseminating good governance practices according to the principles of the Code of Ethics.

Eni's commitment to sustainable development is also recognised by the leading financial Sustainability indexes. In 2009, the company's place was reconfirmed in the Dow Jones Sustainability Index and STOXX, where it has been since 2007. The company is also included in the *FTSE4GOOD* index and had its second place in the Accountability Rating Italy 2009 reconfirmed.

Moreover, Eni came first both in the Italian and world CSR Online Awards 2009, ranks drawn up by the financial communication company Lundquist. Finally, in June 2009 in New York, Eni's CEO was presented

⁶ http://www.eni.com/en_IT/sustainability/sustainability_swf.page

with the Foreign Policy Association's Corporate Social Responsibility Award. For further details, see the Sustainability Report and the Sustainability section of the Eni website⁷.

Information about the shareholding structure⁸

Share capital structure and significant shareholdings

The share capital of Eni consists of ordinary registered shares. The shares are indivisible and each share gives one voting right. Owners of Eni shares may vote in the ordinary and extraordinary shareholders' meetings of the company and may, in any case, exercise the corporate and financial rights which are ascribed to them by current regulations, in compliance with the limits imposed by the latter and by the Company's By-laws.

On December 31, 2009, the Company's share capital was Euro 4,005,358,876, fully paid-up and represented by 4,005,358,876 ordinary registered shares, each with a nominal value of €1.00.

In 1995, Eni issued an ADR (American Depositary Receipt) program for the US market. The ADR identifies the stock certificates representing shares of foreign companies traded in stock exchanges of the United States. Each Eni ADR represents two ordinary shares and is listed on the New York Stock Exchange⁹.

Based on the information available and communications received in accordance with article 120 of Legislative Decree No. 58/1998 (Testo Unico della Finanza – Italian Consolidated Law on Finance), Consob Resolution No. 11971/1999 (Regolamento Emittenti Consob – Consob Regulations on Issuers), on December 31, 2009 the shareholders who owned a more than 2% share of Eni's capital were:

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)	382,952,240	9.56

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

⁷ http://www.eni.com/en_IT/sustainability/sustainability_swf.page

⁸ The information regarding the ownership structure is provided in accordance with article 123-bis, paragraph 1, of the Testo Unico della Finanza (Consolidated Law on Finance). For information regarding:

- the mechanism for the exercise of voting rights in any employee share scheme, where voting rights are not exercised directly by the employees, as required by letter e) of the aforementioned provision, see the paragraph entitled "Shareholders' meeting and rights";
- agreements between companies and its Directors, which provide compensation in the event of a resignation or dismissal without just cause or if employment contracts are terminated following a takeover bid, as required by letter i) of the aforementioned provision, see the paragraph entitled "Directors' Remuneration";
- rules applicable to the appointment and replacement of Directors, as required by letter l) of the aforementioned provision, see the paragraph entitled "Appointment of the Board of Directors";
- amendments to the By-laws required by letter l) of the aforementioned provision, see the paragraph entitled "Shareholders' meetings and rights".

⁹ For further details on ADR program see the Eni website section relative to "FAQ": http://www.eni.com/en_IT/investor-relation/investor-tools/investor-faq/investor-faq.shtml

Shareholders by area

Shareholders	Number of shareholders	Number of shares	% of capital ^(a)
Italy	340,489	2,246,718,828	56.09
UK and Ireland	998	188,379,015	4.70
Other UE	4,603	523,822,062	13.08
USA and Canada	1,701	394,799,891	9.86
Rest of world	1,175	241,943,718	6.04
Own shares at the dividend date		382,952,240	9.56
Other		26,743,122	0.67
Total		4,005,358,876	100.00

(a) As of September 24, 2009, payment date of the interim dividend for fiscal year 2009 (ex-dividend date, September 21, 2009).

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	551,813,303	13.78
2%-3%	0	0	0
1%-2%	8	431,214,800	10.77
0,5%-1%	6	168,306,301	4.20
0,3%-0,5%	13	190,695,057	4.76
0,1%-0,3%	36	254,058,897	6.34
≤ 0,1%	348,900	1,186,131,879	29.61
Own shares at the dividend date		382,952,240	9.56
Other		26,743,122	0.67
Total		4,005,358,876	100.00

(a) As of September 24, 2009, payment date of the interim dividend for fiscal year 2009 (ex-dividend date, September 21, 2009).

(b) Afterwards, Intesa San Paolo Group reduced the percentage of shares held from 3.78% to 1.39%.

Eni is not subject to management and coordination activities¹⁰.

Shareholding limits and restrictions on voting rights

In accordance with article 6 of the By-laws, and applying the special rules pursuant to article 3 of Law Decree No. 332/1994, converted into Law No. 474 of 1994 (Law No. 474/1994), under no circumstances may any party own shares in the company which constitute a direct or indirect shareholding of more than 3% of the share capital. Exceeding this limit results in a ban on exercising the voting rights and any rights – other than property rights – relative to any shareholding that exceeds the limit.

Pursuant to article 32 of the By-laws and the same laws mentioned above, shareholdings owned by the Ministry of the Economy and Finance, public bodies or organization controlled by them are exempt from this ban.

Finally, this special rule provides that the clause regarding shareholding limits will not apply if the limit is exceeded as a result of a take-over bid, provided that, as a result of the takeover, the bidder will own a shareholding of at least 75% of the share capital with the right to vote on resolutions concerning the appointment or dismissal of Directors¹¹.

¹⁰ Article 19, paragraph 6, of Law Decree No. 78/2009, converted into Law No. 102/2009, states that the term *enti* (entities) in the reference contained in article 2497, paragraph 1, of the Civil Code, regarding management and coordination, should be understood to refer to "legal entities other than the State that own a shareholding in the context of their business activities or for economic or financial purposes".

¹¹ According to Law No. 266 of 2005 (2006 Budget Law), to which a specific paragraph of this Report is dedicated, the same clause would cease to apply if rules regarding the issue of the shares or financial instruments for which the same law provides were included in the By-laws.

Special powers of the State (Golden Share)

Pursuant to article 6.2 of the By-laws and to the special rules set out in Law No. 474/1994, the Ministry of Economy and Finance, in agreement with the Ministry of Economic Development, holds special powers that can be exercised in accordance with the criteria set out in the Prime Ministerial Decree of June 10, 2004. These special powers are briefly the following:

- a) objection to the purchase, by parties who are subject to the shareholding limit¹², of significant shareholdings, i.e. shareholdings that represent at least 3% of the share capital and consist of shares with the right to vote in ordinary shareholders' meetings. The objection, duly justified, must be expressed if the transaction is deemed to be prejudicial to the vital interests of the State, within ten days of the date of the notification which Directors are required to send when a request is made for registration in the register of shareholders. During the period of time allowed for the right of objection to be exercised, the voting rights and any rights other than property rights connected with the shares that represent the significant shareholding remain suspended. In the event of the right of objection being exercised, by means of a duly justified decision based on the actual prejudicial effect caused by the transaction to the vital interests of the State, the assignee will be forbidden from exercising its voting rights and any rights other than property rights connected with the shares that represent the significant shareholding, and will be required to assign these same shares within one year. In the event of a failure to comply, the Court, at the request of the Ministry of Economy and Finance, will order the sale of the shares representing the significant shareholding according to the procedures set out in article 2359-ter of the Civil Code;
- b) objection to the signing of agreements, as defined in article 122 of the Consolidated Law on Finance, in the event that at least 3% of the share capital consisting of shares with the right to vote in ordinary shareholders' meetings is represented in the agreements. For the purpose of allowing the right of objection to be exercised, Consob will inform the Ministry of the Economy and Finance of any significant agreements of which it has been notified under the terms of the aforementioned article 122 of the Consolidated Law on Finance. The right of objection must be exercised within ten days of the date of Consob's notification. During the period of time allowed for the right of objection to be exercised, the voting rights and any rights other than property rights of the shareholders signing up to the agreement are suspended.. If an objection decision is issued with due justification detailing the actual prejudicial effect of the aforesaid agreements to the vital interests of the State, the agreement will be null and void. If the conduct during the Shareholders' Meeting of the shareholders bound by the agreement reveals that the undertakings given under an agreement pursuant to the aforesaid article 122 of the Consolidated Law on Finance have been maintained, any resolutions passed with the casting vote of these same shareholders may be challenged;
- c) vetoing, if duly justified by an actual prejudicial effect to the vital interests of the State, of resolutions to dissolve the Company, transfer the company, merge, demerge, transfer the registered office overseas, change the company purpose, amend the By-laws in a way that withdraws or modifies the powers detailed in letters (a), (b), (c) and the subsequent letter (d);
- d) appointment of a Director with no right to vote in Board meetings.

Decisions to exercise the powers detailed in letters a), b) and c) may be challenged within sixty days, by the parties entitled to do so, before the Regional Administrative Court of Lazio.

Shares and participating financial instruments referred to in Law No. 266 of December 22, 2005

In order to "promote privatization and the spread of investment in shares" of companies in which the State has a significant shareholding, article 1, paragraphs 381 to 384 of Law No. 266 of 2005 (2006 Financial Law) introduced the power to add provisions to the By-laws of privatized companies primarily controlled by the State, like Eni, which allow shares or participating financial instruments to be issued that grant the special meeting of its holders the right to request that new shares, even at par value, or new financial instruments be issued to them with the right to vote in ordinary and extraordinary Shareholders' Meetings. Making this

¹² These are the parties described in article 6.1 of the By-laws, excluding those described in article 32.2.

amendment to the By-laws would lead to the shareholding limit referred to in article 6.1 of the By-laws being removed. At the present time, however, Eni's By-laws do not contain any such provision.

Agreements between shareholders

The Company is not aware of any agreements under the terms of article 122 of the Consolidated Law on Finance.

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

Except as follows, Eni and its subsidiaries are not parties to any significant agreements that can be disclosed without causing serious prejudice to the Company and that would become effective, be modified or be extinguished in the event of a change in the identity of the shareholders who currently control Eni. Significant agreements are considered to be agreements that have been examined and approved by the Board of Directors because they come within its exclusive areas of responsibility, as stated below.

In particular, the agreements that come into this category relate to:

- (i) the Shareholders' Agreements between 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 production, storage or distribution of natural gas in Argentina.

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

There are no provisions for proxies to be granted to the Board of Directors to carry out share capital increases pursuant to article 2443.

The Directors have no powers to issue participating financial instruments.

In a resolution approved on April 29, 2008, the Shareholders' Meeting authorized the Board of Directors, pursuant to article 2357 of the Civil Code, subject to prior revocation of the non-implemented part of the previous authorization, to purchase treasury shares on the Electronic Stock Market within 18 months of the date of the resolution, up to a maximum of 400 million shares, with a nominal value of 1 euro, and up to a total amount of 7.4 billion euros, including shares held in portfolio as of the date of the Shareholders' Meeting, for a price no lower than their nominal value and no higher than the reference price recorded on the day before each individual purchase plus 5%.

The authorization expired on October 29, 2009¹³. On December 31, 2009, the treasury shares in Eni's portfolio amounted to 382,952,240, the equivalent of 9.56% of share capital of Eni.

¹³ For further information, go to http://www.eni.com/en_IT/governance/shareholders/treasury-shares/treasury-shares.shtml.

Corporate Governance information¹⁴

Compliance with the Corporate Governance Code of Borsa Italiana and Eni Code

In a resolution of the Board of Directors approved on December 13, 2006, which conformed to a similar decision of January 20, 2000, Eni adhered to the new Corporate Governance Code for listed companies promoted by Borsa Italiana, according to the version issued on March 14, 2006 ("Code of Borsa Italiana").¹⁵

In accordance with the Code of Borsa Italiana, Eni has adopted its own Corporate Governance Code (following the "Code" or "Eni Code") for the purpose of transposing its provisions, adapting them to the specific reality of Eni, clarifying some of them and at the same time enhancing and raising the general standards of governance of the Company.

The Eni Code is therefore a clear and comprehensive description of the Company's governance system that complies with the provisions of the Code of Borsa Italiana and with the Company's main documents.

In particular, the Code takes into account the fact that Eni is a parent company that is not controlled by any other company and is not subject to management or coordination by others. Equally, the Code takes into account the current provisions of the By-laws, which establish a traditional administration and control system (therefore eliminating the provisions regarding the single and dual models contained in the Code of Borsa Italiana), separating the posts of Chairman and CEO (which avoids the need for a lead independent Director to be appointed) and establishing specific provisions for the appointment and composition of the Board of Directors and the Board of Statutory Auditors.

In order to ensure greater transparency and intelligibility, the Eni Code deals directly with the various options envisaged by the Code of Borsa Italiana, without therefore referring to later documents (e.g. with regard to the decision not to redistribute or modify the functions of the Board's internal committees, to provide for a single Officer in charge of internal control, to provide for this Officer also to report to the CEO, not to assign Internal Auditing to external parties).

The provisions of the Code of Borsa Italiana that refer to the responsibilities of the Shareholders' Meeting have been included as hopes or recommendations, since the Board cannot guarantee compliance with them.

Some of the generic recommendations of the Code of Borsa Italiana have been made specific, particularly those relating to the independence of Directors, adopting specific terms which identify "additional remunerations" that prejudice their independence and which define "close family members".

Finally, provisions have been included that raise the standard of governance proposed by the Code of Borsa Italiana and in particular:

- the interest of all stakeholders has been established as a benchmark for Directors: Directors act and decide in an informed manner and autonomously, pursuing the primary objective of creating value for shareholders, taking into account the interest of other stakeholders;
- the minimum reporting frequency to the Board on the part of Directors with proxies has been reduced from three to two months;
- for the purposes of the self-assessment of the Board (board review), it is possible to utilize the services of a specialized external consultant in order to ensure that the implemented work is objective;
- the commitment of Directors and Auditors to stay in office until they are capable of ensuring sufficient time for implementing their tasks has been emphasized;
- it has been established that the internal Committees of the Board required by the Eni Code (with specific reference to the Committee for Internal Control and Compensation Committee) shall not consist of a number of Directors that represent a majority of the Board, so as not to alter the process for Board resolutions;

¹⁴ The governance information is also provided in accordance with the requirements of article 123-bis, paragraph 1, letters e), i), l), and paragraph 2, of the Consolidated Law on Finance.

¹⁵ The Code of Borsa Italiana is available to the public on the www.borsaitaliana.it website at: http://www.borsaitaliana.it/borsaitaliana/ufficio-stampa/comunicati-stampa/2006/codiceautodisciplina.en_pdf.htm.

- provision has been made for an opinion to be issued by the Internal Control Committee in relation to rules for ensuring transparency as well as substantive and procedural fairness during transactions with related parties – and transactions involving interests on the part of Directors. The Committee has also been ascribed a significant role in the preliminary phase of operations with related parties, in compliance with sector principles and best practices;

- for the appointment of the Officer in charge of internal control, the Board's proposal is made by the CEO in agreement with the Chairman. In a resolution approved on October 30, 2008, the Board of Directors provided for the proposal to be made after having also heard from the Internal Control Committee and for these appointment procedures also to apply to the Senior Executive Vice President of Internal Audit; it therefore appointed the latter, with the agreement of the Committee, as Eni's Officer in charge of internal control¹⁶;

- provision has been made for at least two members of the Internal Control Committee to have adequate experience in the accounting and financial fields (the Code of Borsa Italiana only requires one).

As of December 13, 2006, the Board of Statutory Auditors has expressly complied with the relevant provisions of the Code.

Following the adoption of the Eni Code, the Board of Directors also approved a number of resolutions implementing and specifying the provisions it contains.

In particular:

- the functions of the Board of Directors have been redefined. The Board maintains an absolutely central position with respect to the corporate governance system of the Company and retains wide-ranging responsibilities, particularly in terms of Company and Group organization and the internal control system;

- the most significant operations of the Company and its subsidiaries have been defined and presented for approval by the Board, which is required to pay particular attention to situations in which the Directors have personal or third party interests as well as to transactions with related parties;

- the Board of Directors also has a key role in defining sustainability policies and approving the Sustainability Report, which are also submitted to the Shareholders' Meeting.

- subsidiaries that are of strategic importance (Snam Rete Gas S.p.A., Saipem S.p.A., Polimeri Europa S.p.A. and Eni International BV) have been identified;

- the guidelines on the maximum number of offices held by Directors in other companies have been defined in order to ensure that Directors dedicate the time required to perform their duty effectively; the provisions set for the Executive Director are extended to cover the General Managers as well;

- the principle has been established of respect for the managerial independence of listed subsidiaries (currently, in Italy, Saipem S.p.A. and Snam Rete Gas S.p.A.) and the commitment on the part of Eni to comply with the provisions of the Code that relate to the shareholders of issuers. This principle has been subsequently extended, as a result of developments in the legal framework, to cover companies that are subject to separate administration and accounting systems (known as "unbundling") as required by specific regulation applicable (in addition to Snam Rete Gas S.p.A., for Italy, Italgas S.p.A. and Stogit S.p.A.¹⁷).

At its meeting on April 23, 2009, the Board of Directors also established the general governance principles that Eni applies, in its position as the shareholder, to its investee companies in Italy and overseas. For this purpose, it has issued Guidelines, complemented by specific implementation rules, aimed at establishing general principles, roles and organizational responsibilities for identifying governance and control systems and for the composition of company bodies and the respective appointment criteria. In particular, the governance model chosen for the Italian companies is that of the joint-stock company with a traditional administration and control system, while for overseas companies provision has been made for the adoption of legal forms that are similar to that of a joint-stock and/or limited liability company under Italian law. The auditing of investee companies in Italy and overseas must be entrusted to an audit firm. In order to ensure adequate representation of diversity in company bodies, particularly gender diversity, a monitoring project in Eni scenery has been launched.

¹⁶ The Board thus confirmed a previous resolution of March 16, 2007.

¹⁷ With effect from July 2009, Eni sold its shareholding in the two companies to Snam Rete Gas S.p.A.

The Eni corporate governance system therefore complies with the requirements of the Code of Borsa Italiana and also contains provisions that improve the standard of corporate governance. Further details of the implementation of the respective provisions will be provided in the rest of this Report.

The Eni Code is published in the Corporate Governance section of the Eni website¹⁸. In order to avoid making the text too burdensome to read, the “Comment” contained in the Code of Borsa Italiana does not appear but it is borne in mind by Eni in applying the Principles and Criteria.

Shareholders’ Meetings and rights¹⁹

The Shareholders’ Meeting, whether ordinary or extraordinary, has the power to pass resolutions according to the procedures and on the matters stated in the law and in the By-laws. In particular, the Ordinary Shareholders’ Meeting appoints and dismisses Directors and Statutory Auditors, determines their remuneration, approves the financial statements (closed on December 31st of each year) and appoints the audit firm and determines its remuneration. The Extraordinary Shareholders’ Meeting passes resolutions on changes to the By-laws and operations of an extraordinary nature, such as capital increases, mergers and demergers.

As regards the rules applicable to amendments to the By-laws, Eni complies with ordinary legislation, with the exception of the terms of the paragraph relating to the special powers of the State contained in this Report, to which reference should be made. It is also worth noting that article 23.2 of the By-laws provides for the Board of Directors to pass resolutions regarding the adaptation of provisions in the By-laws to legal requirements.

The By-laws have also assigned the Board of Directors, pursuant to article 2365, paragraph 2, of the Civil Code, responsibility for passing resolutions on mergers by incorporation and proportional demergers of companies at least 90% of whose shares or units are owned by the Company, as well as on the establishment and closure of secondary offices.

In order to promote the attendance of shareholders at Shareholders’ Meetings, until the new provisions become effective²⁰, the convocation will be sent out by notice addressed to Borsa Italiana and published on the website and in the *Gazzetta Ufficiale*, as well as, in accordance with article 13 of the By-laws and current legislation, in the daily newspapers *Il Sole 24 Ore*, *Corriere della Sera* and *The Financial Times*. Convocation notices must state the provisions of the By-laws that are relevant to the meeting, including, in particular, instructions on how to obtain proxy forms.

In order to speak at a Shareholders’ Meeting, notice must be submitted, at least two working days before the date of first convocation of the Shareholders’ Meeting, by an authorized financial broker. The entitled person may withdraw this notice, through the financial broker, thus losing the right to speak at the meeting.

In order to facilitate attendance by shareholders, the By-laws provide for votes to be cast by mail and establish specific facilities for collecting proxies.

Votes sent by mail, within the period established by law, may be revoked by means of an explicit declaration made known to the Company at least one day before the Shareholders’ Meeting. Anyone intending to attend the Shareholders’ Meeting as the legal or voluntary representative of shareholders or other persons entitled to attend must submit documentation that demonstrates their powers to the relevant department of the Company according to the terms and procedures stated in the convocation notice.

Furthermore, pursuant to article 14 of the By-laws, in order to facilitate the collection of proxies from shareholders who are employees of the Company and its subsidiaries, and who are members of shareholders’ associations that fulfill the requirements of current relevant legislation, the associations in question are provided, according to terms and procedures agreed by their legal representatives, with spaces to be used for communication purposes and for the collection of proxies.

¹⁸ At the following address: http://www.eni.com/en_IT/governance/governance-model-policies/eni-corporate-governance-code/eni-corporate-governance-code.shtml.

¹⁹ Information provided pursuant to article 123-ii, paragraph 1, letters e) and l) with reference to changes to the By-laws, and paragraph 2, letter c), of the Consolidated Law on Finance.

²⁰ For shareholders’ meetings whose convocation notices will be published after October 31, 2010, the new provisions will apply which transpose Directive 2007/36/EC on the convocation, contribution and voting rights of shareholders.

In accordance with the law and the By-laws, within five days of the convocation notice being published, shareholders who, whether jointly or individually, represent at least one fortieth of the share capital may submit a request for the list of additional matters to be discussed. The request must state the proposed matters (which must exclude any matters that may only be proposed by the Directors or are based on plans or reports drawn up by the Directors).

In order to ensure the orderly and efficient running of Shareholders' Meetings and allow each shareholder to contribute to the matters being discussed, on December 4, 1998, the Shareholders' Meeting approved the regulations for its meetings, which are available on the Eni website²¹.

Shareholders' Meetings are chaired by the Chairman of the Board of Directors or, in his stead, by the individuals named in the By-laws.

As part of the initiatives launched to stimulate the interest of shareholders and a greater degree of involvement, at the last Annual Shareholders' Meeting (29 - 30 April 2009) an interactive animation and a Shareholders' Handbook were produced, available on the website²², in order to provide clear and immediate information on the attendance procedures and the rights that can be exercised at these events which are so important for the life of the Company and its shareholders. Eni also intends to extend these initiatives to the Shareholders' Meeting that will be convened to approve the financial statements for 2009, paying more attention, also communicative, to the relation with its shareholders.

During the Shareholders' Meetings, the Board strives to ensure the greatest transparency of the matters discussed by shareholders, who are granted the opportunity to ask for information about the matters included in the agenda, this information being subsequently provided in accordance with the rules regarding inside information.

Board of Directors²³

Composition

In accordance with article 17 of the By-laws, the members of the Board of Directors vary between a minimum of three and a maximum of nine. The Ordinary Shareholders' Meeting determines the number of members within these limits.

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

The Shareholders' Meeting of June 10, 2008, set the number of Directors at nine, appointing the Board of Directors and Chairman of the Board for three financial years or in any case until the date of the Shareholders' Meeting convened to approve the financial statements for the financial year 2010. On June 11, 2008 the Board of Directors appointed Paolo Scaroni Chief Executive Officer of Eni.

The Board consists of Roberto Poli (Chairman of the Board), Paolo Scaroni (Chief Executive Officer), Alberto Clò, 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 elected on the basis of the list submitted by the Ministry of the Economy and Finance, which owns 20.31% of the share capital.

Alberto Clò, Marco Reboa and Francesco Taranto were elected on the basis of the list submitted by the institutional investors, which owned a total of 1.10% of the share capital at the time.

Roberto Ulissi, Corporate Affairs and Governance Senior Executive Vice President of the Company was confirmed as Secretary of the Board of Directors.

Information is provided below on the personal and professional lives of the elected Directors.

²¹ At the following address: http://www.eni.com/en_IT/governance/shareholder-meeting/meeting-regulation/meeting-regulation.shtml.

²² At the following address: http://www.eni.com/en_IT/governance/shareholders/initiatives/initiatives.shtml.

²³ Information also provided pursuant to art. 123-bis, second paragraph, letter d) of the Consolidated Law on Finance.

ROBERTO POLI

Born in 1938. Chairman of Eni S.p.A. since May 2002. Holds the post of Chairman of Poli e Associati S.p.A., a consultancy company in the fields of corporate finance, extraordinary operations, company acquisitions and restructuring plans. He is a Director of Mondadori S.p.A., Fininvest S.p.A., Coesia S.p.A., Maire Tecnimont S.p.A. and Perennius Capital Partners SGR S.p.A. Between 1966 and 1998, he lectured in corporate finance at Università Cattolica del Sacro Cuore, in Milan. He has worked as extraordinary operations advisor for some of Italy's largest industrial groups. He was Chairman of Rizzoli-Corriere della Sera S.p.A. and Publitalia S.p.A.

PAOLO SCARONI

Born in 1946. CEO of Eni S.p.A. since June 2005. Director of Assicurazioni Generali S.p.A., LSEG plc (London Stock Exchange Group), Veolia Environnement (Paris), Board of Overseers of Columbia Business School, New York, and Director of the Teatro alla Scala Foundation. After graduating in Economics and Trade in 1969 at Bocconi University, Milan, and gaining initial work experience at Chevron for three years, he gained a Master's Degree in Business Administration from Columbia University, New York, and continued his career at McKinsey. In 1973, he joined the Saint Gobain Group, where he performed numerous managerial tasks in Italy and overseas until he was appointed President of the Glass Division in Paris in 1984. Between 1985 and 1996, he was Vice President and CEO of Techint and managed the privatisations of the subsidiaries SIV, Italmobiliare and Dalmine. In 1996, he moved to the UK and joined Pilkington, working as CEO until May 2002. Between May 2002 and May 2005, he was CEO and General Manager of Enel. Between 2005 and July 2006 he was Chairman of Alliance Unichem (UK). In November 2007, he was honoured by France as an Officer of the Legion of Honour.

ALBERTO CLÔ

Born in 1947. Director of Eni S.p.A. since June 1999. Currently Director of Atlantia S.p.A., Italcementi S.p.A. and De Longhi S.p.A. Graduated in Political Sciences at the University of Bologna. Lecturer in Industrial Economics and Public Service Economics at the University of Bologna. In 1980, he founded the journal "Energia", of which he is editor. Author of books and over 100 essays and articles on the problems of the industrial economy and energy. Contributor to various daily newspapers and financial journals. Between 1995 and 1996 he was Minister of Industry and ad interim Minister of Foreign Trade and President of the Council of Industry and Energy Ministers of the European Union during the six-month Italian presidency. In 1996, he received the honour of "Cavaliere di Gran Croce" of the Republic of Italy.

PAOLO ANDREA COLOMBO

Born in 1960. Director of Eni S.p.A. since June 2008. Graduated in Business Administration in 1984 at the Bocconi University, Milan. Qualified as a professional accountant in 1985 and Auditor. Lecturer in the Accounting Department of the Bocconi University, Milan. Founding partner of Borghesi Colombo & Associati, a specialised consultancy firm on corporate finance operations – including taxation and business consultancy in the context of extraordinary operations – as well as strategic and corporate governance consultancy. Director of Mediaset S.p.A., Ceresio SIM S.p.A. and Versace S.p.A., Chairman of the Board of Statutory Auditors of Aviva Vita S.p.A. and Interbanca S.p.A., Statutory Auditor of Sirti S.p.A., A. Moratti S.p.A., Humanitas Mirasole S.p.A., Credit Agricole Assicurazioni Italia S.p.A. and Iniziativa Gestione Investimenti SGR S.p.A. Between May 2002 and May 2005, he worked as Effective Statutory Auditor of Eni S.p.A.. Between May 2005 and May 2008, he was Chairman of the Board of Statutory Auditors.

PAOLO MARCHIONI

Born in 1969. Director of Eni S.p.A. since June 2008. Lawyer specialized in criminal and administrative law, counsel for defense in the Italian Supreme Court and superior jurisdictions. Advisor of public organizations, and commercial companies in matters of commercial, corporate, administrative and local government law. Mayor of the town of Baveno (VB) between April 1995 and June 2004. President of the Assembly of Mayors of Con.Ser.Vco between September 1995 and June 1999 and member of the Assembly of Mayors of ASL14,

the management committee of the Verbanò Health District, the Assembly of Mayors of the Waste Water Consortium of the Val d'Ossola and the Assembly of Mayors of the Social Services Consortium of Verbanò until June 2004. Councillor of the Municipality of Stresa (VB) between April 2005 and January 2008. Between October 2001 and April 2004, he was a Director of C.i.m S.p.A, Novara (Goods Interport Centre) and, between December 2002 and December 2005, Director and member of the Executive Committee of Finpiemonte S.p.A. Between June 2005 and June 2008 he was a Director of Consip. Since June 2009, he has been Vice-President of the Province of Verbanò-Cusio-Ossola and provincial alderman for budgeting, property, legal affairs and production activities.

MARCO REBOA

Born in 1955. Director of Eni S.p.A. since May 2005. Graduated in Business Administration at the Bocconi University, Milan. Professional Accountant and Auditor. Professor at the Faculty of Law of the Carlo Cattaneo University – LIUC - Castellanza, and author of numerous publications regarding corporate governance, economic assessment and budgeting. Works in Milan and is editor of the Rivista dei Dottori Commercialisti, an accountancy journal. Director of Luxottica Group S.p.A. and Interpump Group S.p.A. Chairman of the Board of Statutory Auditors of Mediobanca S.p.A., Auditor of Gruppo Lactalis Italia S.p.A., Egidio Galbani S.p.A and Big S.r.l.

MARIO RESCA

Born in 1945. Director of Eni S.p.A. since May 2002. In 2008, he was appointed by the government as General Director for the enhancement of Italian museums within the Italian Ministry for Cultural Heritage and Activities. Chairman of Confimprese and Finbieticola Casei Gerola S.p.A. Director of Mondadori S.p.A. Graduated in Economics and Trade at the Bocconi University, Milan. Hired after graduating by Chase Manhattan Bank, in 1974 he was appointed Manager of Saifi Finanziaria (Fiat Group) and between 1976 and 1991 he was a partner in Egon Zehnder. During this period he served as a Director of Lancôme Italia, companies in the RCS Corriere della Sera Group and the Versace Group. Between 1995 and 2007, he was Chairman and CEO of McDonald's Italia. He has also been Chairman of Sambonet S.p.A., Kenwood Italia S.p.A., founding partner of Eric Salmon & Partners and President of the American Chamber of Commerce. In June 2002, he received the honour of Cavaliere del Lavoro.

PIERLUIGI SCIBETTA

Born in 1959. Director of Eni S.p.A. since May 2005. Graduated in Economics and Business at La Sapienza University, Rome. Professional Accountant and Auditor, he has practiced at his own studio in Rome since 1990. He was Director of Gestore del Mercato Elettrico (GME) S.p.A., Istituto Superiore per la Previdenza e la sicurezza del lavoro (I.S.P.E.S.L.), Nucleco S.p.A., FN S.p.A. and Agenzia per l'innovazione tecnologica (AGITEC) S.p.A., as well as a former Deputy Extraordinary Commissioner and Director of Ente per le Nuove Tecnologie, l'Energia e l'Ambiente (ENEA) and Effective Statutory Auditor of Consorzio smantellamento impianti del ciclo del combustibile nucleare.

FRANCESCO TARANTO

Born in 1940. Director of Eni S.p.A. since June 2008. Currently Director of Cassa di Risparmio di Firenze S.p.A., Pioneer Global Asset Management S.p.A. (Gruppo Unicredit) and Kedrios S.p.A. Began his career in Milan, in 1959, at the offices of an exchange broker, subsequently working for Banco di Napoli between 1965 and 1982, where he held the post of deputy manager for the stock exchange and securities department. He has held numerous management posts in the asset management field, particularly as Director of securities funds at Eurogest, between 1982 and 1984, and general Director of Interbancaria Gestioni between 1984 and 1987. After moving to the Prime Group (1987 – 2000) he held the post of CEO of the parent company for many years. He is also a member of the steering council of Assogestioni and of the corporate governance committee for listed companies set up by Borsa Italiana. He was a Director of Enel between October 2000 and June 2008.

Appointment²⁴

In order to ensure that the Board includes representatives of the minority shareholders, in accordance with the rules established by Law No. 474/1994²⁵ and in compliance with the provisions of the Consolidated Law on Finance²⁶, the By-laws provide for Directors to be appointed by list voting. In particular, pursuant to article 17 of the By-laws and by virtue of the provisions of Law No. 474/1994, lists may be presented both by shareholders, either individually or together with others, representing at least 1% of the share capital, or by the Board of Directors. Each shareholder may present or contribute towards presenting, and vote for, a single list. The entities that control it, the companies controlled by them and those that are jointly controlled are not allowed to present, or contribute to presenting, other lists or to vote for them, not even through a third party or trust company. The lists, which must expressly identify candidates who fulfill the independence requirements, must be deposited at the registered office at least ten days before the date for which the Shareholders' Meeting is first convened (twenty days if presented by the Board of Directors) and published in at least three national Italian daily newspapers, two of them financial, according to the requirements of Law No. 474/1994. The lists will also be forwarded to market management companies and published on the company's website. All candidates must fulfill the integrity requirements imposed by current laws. At the same time as each list is deposited, on pain of the list being considered inadmissible, the professional CV of each candidate must be presented together with statements in which they accept their candidacy and confirm that there are no reasons for ineligibility and incompatibility, and that they fulfill the honorability and any necessary independence requirements.

After the voting formalities have been completed, the appointment is implemented by drawing seven tenths of the Directors (rounded down to the nearest whole number in the event of a fraction), in the progressive order in which they are listed, from the list which won a majority of votes; the remaining ones being drawn from other lists which are not directly or indirectly connected with the shareholders that presented or voted for the list that came first in terms of the number of votes.

The list voting procedure only applies in the event of the whole Board of Directors being replaced.

For the appointment of Directors who were not elected by this method, for whatever reason, the Shareholders' Meeting shall pass a resolution by the majority required by law in order to ensure that the composition of the Board complies with the law and the By-laws.

Pursuant to article 6, paragraph 2, letter d) of the By-laws, in addition to the Directors appointed by the Shareholders' Meeting, the Ministry of the Economy and Finance is entitled to appoint one non-voting Director in agreement with the Minister of Economic Development. This power has not been exercised.

Independence requirements

The Consolidated Law on Finance establishes that at least one of the Directors, or two if the Board consists of more than seven members, must fulfil the independence requirements established for the Statutory Auditors of listed companies by article 148, paragraph 3, of the same act, and, if required by the By-laws, the additional requirements established in the Code of Ethics.

Article 17.3 of the Eni By-laws improves on these legal requirements by providing for at least one Director, if the Board consists of no more than five members, or at least three Directors, if the Board consists of more than five members, to fulfil the aforesaid independence requirements. The same provision of the By-laws also establishes an additional mechanism to the ordinary election system that in any case ensures the existence on the Board of the minimum number of independent Directors. Eni has done this to strengthen the presence of independent Directors on the Board.

²⁴ Information also provided pursuant to art. 123-bis, first paragraph, letter l) of the Consolidated Law on Finance.

²⁵ Article 4 of Law 474/1994 provides for the Board to be elected by list voting and for at least one fifth of Directors with voting rights to be reserved for the minority lists, rounded up to the nearest whole number in case of a fraction. Shareholders' meetings whose convocation notices will be published after October 31, 2010 will be subject to the new provisions that transpose Directive 2007/36/EC, according to which the provisions of articles 125-bis, 147-ter and 148 of the Consolidated Law on Finance will apply to privatized listed companies, subject to the proviso that at least one fifth of Directors are drawn from the minority lists.

²⁶ Article 147-ter of the Consolidated Law on Finance provides for the voting list mechanism and establishes that at least one of the members of the Board of Directors must be drawn from the minority list and that he/she must have won the majority of votes and is not connected directly or indirectly with the shareholders that presented or voted for the list which came first in terms of the number of votes.

In addition to the requirements of the Consolidated Law on Finance, in accordance with the Code of Borsa Italiana, article 3 of the Eni Code identifies further independence requirements. These requirements are the same as those set out in the Code of Borsa Italiana, specified in three separate points:

- “subsidiaries of strategic importance” of which the Director may have been a significant exponent are identified on the basis of an assessment by the Board of Directors²⁷;
- the “additional remuneration” which impairs independence is identified as being 30% of the “fixed” remuneration payable to the Company’s non-executive Directors²⁸;
- the “close family members” have been defined as family members and in-laws up to the second degree of kinship²⁹.

The Board of Directors takes into account all the above criteria in its periodic assessments of the independence of its non-executive members, prioritizing substance over than form.

Following the appointment, the non-executive Directors made the statements regarding fulfilment of the independence requirements and the Board verified that these existed, as required by current regulations and the Eni Code.

In accordance with the By-laws and the Eni Code, which require the fulfilment of independence requirements to be verified periodically, at its meeting on February 11, 2010, the Board of Directors confirmed, on the basis of the statements made and the information available to the Company, that the non-executive Directors Clò, Colombo, Marchioni, Reboa, Resca, Scibetta and Taranto are independent under the terms of the law and the By-laws, as well as the Eni Code³⁰. Director Clò was confirmed as being independent, under the terms of the Eni Code as well, even though he has held the position for over nine years³¹, because he has been appointed by the minority shareholders (specifically the institutional investors) and because of his recognized professional skills and independence of judgment.

The Board of Statutory Auditors has always verified, most recently at its meeting on February 11, 2010, the correct application of the criteria and procedures adopted by the Board for assessing the independence of its members.

The result of this assessment is summarized in the tables attached to this Report.

No lead independent Director has been appointed given the presence of a CEO and a Chairman with different roles.

Integrity requirements, reasons for ineligibility and incompatibility

The Consolidated Law on Finance requires individuals who perform administration and management functions in listed company to fulfil the integrity requirements established for the members of control bodies by the Regulation of the Minister of Justice issued in accordance with article 148 of the same act³². Article 17.3 of the By-laws transposes this provision and establishes that all candidates for the post of Director must fulfill the integrity requirements established by current legislation. Directors are also required to fulfill the additional specific requirements established by the special rules applicable to them.

The same provision also requires the Board periodically to assess both the fulfilment of independence and integrity requirements of Directors and to verify that no reasons for ineligibility and incompatibility exist.

Also under the terms of article 17.3 of the By-laws, if one of the Directors should not fulfil or no longer fulfil the independence or integrity requirements declared and required by legislation, or if there are reasons for ineligibility or incompatibility, the Board will declare the dismissal of the Director and arrange for him to be replaced or ask for the reason for incompatibility to be removed within an established period of time, on pain of forfeiture of the post. Appointed Directors must inform the Company if they no longer fulfil the independence and integrity requirements or if reasons for ineligibility or incompatibility should arise.

²⁷ Criterion 3.C.1.b).

²⁸ Criterion 3.C.1.d).

²⁹ Criterion 3.C.1.h).

³⁰ Despite being a non-executive Director, the Chairman of the Board cannot be declared independent under a strict interpretation of the requirements of the Code of Borsa Italiana because he is a significant representative of the company (Application Criterion 3.C.2).

³¹ Director Clò was appointed for the first time in 1999.

³² Ministerial Decree No. 162 of 30 March 2000.

Following the appointment, the non-executive Directors made the statements regarding fulfilment of the integrity requirements imposed by legislation and the Board verified their existence, as required by current regulations and the Eni Code.

In accordance with the instructions contained in the By-laws and the Eni Code, which require that the fulfilment of requirements is verified periodically by the Board, at its meeting on February 11, 2010, on the basis of the statements made and the information available to the Company, the Board of Directors verified that the integrity requirements were fulfilled and that there were no reasons for incompatibility and ineligibility affecting any of the Directors, not even in relation to the banking and financial subsidiaries.

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

By means of the resolution of June, 11 2008 (confirming the guidelines set by the previous Board) and as required by the Eni Code, the Board of Directors defined the general criteria pertaining to the maximum number of administration and control offices which can be held in other companies in order to ensure effective performance of the role of Director of Eni:

- an executive Director should not hold: i) the office of executive Director in another listed company, whether Italian or foreign, or in a financial³³, banking or insurance company or in a company with net equity of over 10 billion Euros and ii) the office of non-executive Director or Statutory Auditor (or member of a controlling body) in more than three of the aforesaid companies;
- a non-executive Director, in addition to the office held in the company, should not hold: i) the office of executive Director in more than one of the aforesaid companies and the office of non-executive Director or Statutory Auditor (or member of another controlling body) in more than three of the aforesaid companies, or ii) the office of non-executive Director or Statutory Auditor in more than six of the aforesaid companies.

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

If these limits are exceeded, the Directors will promptly inform the Board, which will assess the situation in light of the interests of the Company and will call upon the Director to take the consequent decisions. In any case, before taking up a post of Director or Statutory Auditor (or member of another controlling body) in another company that is not an investee company or a company which is directly or indirectly controlled by Eni, the executive Director must inform the Board of Directors, which will evaluate the compatibility of the office with the functions attributed to the executive Director and with the interests of Eni. The rules applicable to the executive Director also apply to Chief Operating Officers.

On the basis of the information supplied, following the appointments and at the meeting held on February 11, 2009, the Board of Directors verified that the Directors had complied with the aforementioned limits on multiple offices.

Detailed information about the number of offices held by the members of the Board with reference to the resolution on the number of offices that may be held is available in the table attached to this Report.

Responsibilities

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

In a resolution dated June 11, 2008, the Board appointed Paolo Scaroni as CEO and Chief Operating Officer³⁴, entrusting him with the widest powers for the ordinary and extraordinary administration of the Company, while exclusively reserving the most important strategic, operational and organizational powers in addition to those that cannot be delegated by law. These powers specify the role established for the management body in the Eni Code.

In more detail, the Board:

³³ For the purpose assessing the maximum number of offices, financial companies are considered to be the financial intermediaries referred to in article 106 of Legislative Decree 385/1993 (Banking Consolidation Act) and the companies that perform investment or collective savings management services under the terms of the Consolidated Law on Finance.

³⁴ Paolo Scaroni was appointed CEO of the company for the first time on June 1, 2005.

1. Defines the system and rules of corporate governance of the Company and the Group. In particular and after consulting the Internal Control Committee, it adopts rules which ensure transparency as well as substantive and procedural correctness in transactions with related parties and in transactions in which a Director retains a personal interest or an interest on behalf of third parties; in addition, it adopts a procedure for the handling and disclosure of corporate information, with specific reference to inside information.
2. Establishes the internal committees of the Board with advisory and consulting functions and appoints their members, while establishing their tasks and remuneration and approving their regulations.
3. Assigns and revokes proxies to the CEO and to the Chairman, defining the limits and modalities for exercising these proxies in addition to determining – after examining the proposals of the relative Committee and consulting with the Board of Statutory Auditors – the remuneration associated with these proxies. May impart directives to the delegated bodies and implement itself any operations falling under the proxy.
4. Defines the fundamental guidelines pertaining to the organizational, administrative and accounting structure of the company, including the internal control system, of the primary subsidiaries and of the Group. Assesses the adequacy of the organizational, administrative and accounting structure formulated by the CEO, particularly in reference to modalities for managing conflicts of interest.
5. Defines, in particular, after having examined the proposals of the Internal Control Committee, the guidelines of the internal control system in order to ensure the identification, measurement, management and monitoring of the primary risks of the company and its subsidiaries. Assesses, on an annual basis, the adequacy, efficacy and effective functioning of the internal control system that is supervised by the CEO.
6. Defines – on a proposal from the CEO – the strategic guidelines and objectives of the company and the Group, including sustainability policies. Examines and approves the strategic, industrial and financial plans of the company and the Group as well as agreements of strategic nature for the company. Examines and approves the plan for non-profit operations of the company and approves operations not included within the plan whose cost exceeds 500,000 Euro.
7. Examines and approves the annual budgets of the divisions as well as of the company and the consolidated Group budget.
8. Examines and approves the half-year financial report and the interim reports of the company and the Group, in accordance with currently effective regulations. Examines and approves the Sustainability Report which must be presented to the Shareholders' Meeting.
9. Receives information from Directors with proxies – at the time of Board meetings– and in any case at least on a bi-monthly basis - relative to activities implemented during the exercising of proxies as well as on activities of the Group and atypical or unusual operations or with related parties of the company which have not been presented for examination and approval to the Board. In particular, it periodically receives information on a half-year basis along with justification for any modifications applied to investment operations which were previously approved by the Board, in accordance with point 12, letter b) and c) and on the basis of criteria established by the Board itself.
10. Receives periodical half-year information from the internal committees of the Board.
11. Assesses the general management trends of the company and of the Group on the basis of information received from Directors with proxies while paying particular attention to conflicts of interest and comparing attained results - as reported in the financial statements and periodical accounting statements - with budget estimates.
12. Examines and approves the operations of the company and its subsidiaries which are significant from a strategic, economic and financial perspective, particularly with regards to situations in which one or more Directors retain personal or third party interests as well as related parties transactions; In the case of listed companies, as well as companies subject to unbundling regulations, the Board must guarantee the principle of managerial autonomy. These provisions are applicable without prejudice to compliance with confidentiality obligations pertaining to commercial relations between the subsidiary and Eni or third parties, thereby protecting the interests of the subsidiary.

The following operations are considered significant in nature:

- a) acquisitions or sales of shareholdings, companies or company branches, mineral rights and real estate, company mergers, spin-offs and liquidations, whose value exceeds 100 million Euro and without prejudice to the provisions of Article 23.2 of the By-laws;
- b) investments in fixed asset whose value exceeds 300 million Euro or even of smaller amount if of particular strategic value or in the case of specific risks;
- c) exploration initiatives and portfolio operations in the E&P sector in new countries;
- d) purchase and sale of goods and services other than those allocated for investments and gas supplies, for an overall price exceeding 1 billion Euro – excluding the purchase and sale of real estate and services included in ordinary administration – or whose duration exceeds 20 years; gas supply contracts, or amendments to such contracts, for a minimum of three billion cubic meters per year and a ten-year duration;
- e) financing to parties other than subsidiaries: i) for amounts exceeding 200 million Euro if in proportion to the shareholding quota or ii) in the case of any amount if provided in favour of non-subsidiaries or for amounts that are not proportional to the shareholding quota;
- f) the issue of personal or real securities to parties other than subsidiaries: i) for amounts exceeding 200 million Euro, if in the interest of the company or of subsidiaries, or in the interest of non-subsidiary companies, so long as the security is proportional to the shareholding quota, or ii) in the case of any amount if provided in the interest of non-controlled subsidiaries or if the security is not proportional to the shareholding quota. For the issue of the securities pursuant to point i) whose amount ranges between 100 and 200 million Euro, the Board grants a joint proxy to the CEO and the Chairman.
- g) Eni S.p.A. intermediary agreements.

13. Appoints and dismisses – on a proposal from the CEO and in agreement with the Chairman – the Chief Operating Officers and grants their powers. If the CEO is appointed as the Chief Executive Officer, the proposal is made by the Chairman.

14. Appoints and dismisses – on a proposal from the CEO, in agreement with the Chairman and following approval from the Board of Statutory Auditors – the Officer in charge of preparing financial reports and ensures that the Officer is equipped with adequate powers and means in order to exercise his legally ascribed tasks in addition to monitoring the effective compliance with the administrative and accounting procedures formulated by this Officer.

15. Appoints and dismisses – on a proposal from the CEO, in agreement with the Chairman and following a consultation from the Internal Control Committee – an Officer in charge of internal control and an Senior Executive Vice President of Internal Audit in addition to defining their remuneration in accordance with the compensation policies of the company as well as approving the guidelines for the activities of these two managers.

16. Ensures that a manager is appointed for the body which manages shareholder relations.

17. Defines – after having examined the proposals of the relative Committee – the criteria for remunerating the top management of the Company and of the Group in addition to implementing the compensation plans on the basis of stocks or financial instruments deliberated by the Shareholders' Meeting.

18. Resolves – on a proposal from the CEO – on the exercise of voting rights and on the appointment of members of corporate bodies of the primary subsidiaries. In the case of listed companies, the Board must guarantee compliance with the provisions of the Corporate Governance Code falling under the competence of the Shareholders' Meeting.

19. Formulates the proposals to present to the Shareholders' Meeting.

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

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

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

At its meeting held on June 30, 2008, the Board granted proxies to the Chairman, Roberto Poli, to identify and promote integrated projects and international agreements of a strategic nature, in accordance with article 24.1 of the By-laws. In accordance with article 27 of the By-laws, the Chairman chairs the Shareholders' Meeting, convenes and chairs meetings of the Board of Directors and verifies implementation of the resolutions passed by the Board.

At its meeting held on June 11, 2008, the Board identified Saipem S.p.A., Snam Rete Gas S.p.A., Eni International BV and Polimeri Europa S.p.A. as subsidiaries of strategic importance for the purposes of the approval of transactions pursuant to point 12 of the aforementioned powers.

At its meeting held on January 18, 2010, the Board of Directors confirmed the appropriateness of the organizational, administrative and accounting structure of the Company, the main subsidiaries and the Group.

At its meeting held on March 11, 2010, the Board of Directors confirmed the appropriateness, effectiveness and efficient operation of Eni's internal control system as a whole. At the same meeting, pursuant to article 154-bis of the Consolidated Law on Finance, the Board also verified compliance with the administrative and accounting procedures established by the Officer in charge of preparing financial report and also confirmed the appropriateness of the powers and resources assigned to him for the performance of his duties.

At its meeting held on February 12, 2009, with the approval of the Internal Control Committee, the Board approved the Guidelines on transactions involving interests of Directors (and Statutory Auditors) and those with related parties³⁵.

At its meeting held on February 25, 2010, the Board carried out a self-assessment of its composition and operation³⁶.

Meetings and running of meetings

At its meeting on September 10, 2009, the Board of Directors approved the regulations that established the procedures for convening and running its meetings. In particular, the Board is convened by the Chairman who – in agreement with the CEO – draws up the agenda and sends it to the Directors, effective Statutory Auditors and the Judge of the Court of Auditors delegated with the task of financially auditing Eni; the notice must be sent at least five days before the date set for the meeting. In cases of necessity and urgency, the convocation notice is sent at least 12 hours before the date set for the meeting. The By-laws allow meetings of the Board to take place by videoconferencing or teleconferencing, these methods being specifically governed by the regulations.

Normally, at the same time as the convocation notice is sent out, and in any case no less than three days before the date of the meeting, the Directors, effective Statutory Auditors and the Judge of the Court of Auditors are provided with documentation on the matters included in the agenda, with the exception of price-sensitive information, which is not included in any prior communication. Managers of the company and its subsidiaries are typically invited to attend Board meetings in order to provide information on specific topics pertaining to the agenda. Specific information is also provided on the individual sectors in which the Company and the Group are operating.

In accordance with the provisions of Article 2391 of the Italian Civil Code and of the Eni Code, before each item on the agenda of the Board meeting is discussed, each Director is required to report any personal or third party interests that he/she may have in relation to the topics or issues under discussion, specifying their nature, terms, origin and scope. Transactions in which a Director (or Statutory Auditor) retains an interest or is a related party are regulated by the Guidelines relative to transactions involving interests of Directors (or Statutory Auditors) and related parties transactions, approved on 12 February 2009 by the Board of Directors following consultation with the Internal Control Committee.

During 2009, the Board of Directors met 17 times for an average of 3 hours and 17 minutes at a time. In 2009, an average of 98.7% of Directors attended Board meetings and, in particular, 98.3% of independent

³⁵ For further details see the paragraph of the Report specifically dedicated to this topic.

³⁶ For further details see the paragraph of the Report specifically dedicated to this topic.

Directors. During the current financial year, as of March 11, 2010, 5 meetings have been held, including the one held on that date. A further 12 meetings are planned to take place before the end of the financial year.

The public is notified in advance, usually by the end of the financial year, of the dates of meetings of the Board of Directors to review the pre-final results, the financial statements and the intra-year accounting reports required by current legislation. These meetings also serve to determine the interim dividend payable for the year and to submit a proposal for balance of the dividend to the Shareholders' Meeting along with the relative dates for dividend payment and detachment of the coupon. The financial calendar is available on the Eni website³⁷.

The Eni Code allows independent Directors to decide whether to meet in the absence of the other Directors for discussion of topics deemed relevant to the functioning of the Board. This express provision allowing such meetings to take place was requested by the independent Directors themselves in order to have greater flexibility to deal with actual requirements. In 2009, the independent Directors, in consideration of the frequency of the Board meetings, had numerous opportunities to meet, holding formal and informal meetings to hold discussions and exchange opinions.

The tables attached to this Report show each Director's percentage of attendance at meetings of the Board of Directors and meetings of the committees of which they are members.

Board Review

In accordance with international best practice and with the provisions of the Code of Borsa Italiana, as well as required by the Eni Code, for the fourth year running, the Board of Directors has launched a self-assessment program (board review) of the Board of Directors and the Board Committees.

The Board of Directors carried out the assessment, availing itself, as required by the Eni Code in order to ensure maximum objectivity to the assessment, of the assistance of a specialized external consultant: the company Spencer Stuart, appointed at the end of a formal tender.

Spencer Stuart's work related to: (i) the size, composition, operation and efficiency of the Board and of the Committees; (ii) identifying any elements that might hinder or improve the operation and efficiency of the Board itself; (iii) the effectiveness of the improvements undertaken following the previous board review and verification of the satisfaction of Directors with their achievement; (iv) comparison of procedures and practices adopted by the Eni Board with the best practices used by leading Italian and foreign companies.

The Board Review was based on a questionnaire prepared by the consultant and on detailed individual interviews with the Directors, carried out by the consultant. The results were presented to the Board, which discussed at its meeting on February 25, 2010. First of all, the Board confirmed various areas of excellence, such as: (i) the proper size of the Board of Directors and constant attendance by Directors; (ii) the transparent presentation of topics during Board meetings, and the availability of management to provide all the required information during the meeting of the Board; (iii) satisfactory quantity and quality of the information provided, even in the period between the meetings of the Board, and the punctual updates received on legislative and regulatory developments; (iv) accurate minuting of meetings and decisions of the Board; (v) fruitful and accurate work carried out by committees, particularly the Internal Control Committee and the Oil-Gas Energy Committee.

The Directors also convened to undertake, in a proper meeting, a detailed analysis of the results of the Board review and the comparison with the best practice, in particular in order to identify the most appropriate conditions to: i) allow the Board to focus its attention on strategic and directive issues; and ii) increase the value of contribution of non-executive Directors.

Induction program of the Board of Directors

In accordance with the provisions of the Eni Code relative to the effective and conscious implementation of each Director's role, Eni drew up, for the Board currently holding office, immediately after their appointment, an induction training plan (board induction) allowing the new Directors to acquire detailed knowledge of the activities and organization of the company, its industry and their role considering the specific characteristics

³⁷ At the following address: http://www.eni.com/en_IT/investor-relation/financial-calendar/financial-calendar.shtml .

of Eni. The program, which also involved the new members of the Board of Statutory Auditors, and to which the other members of the two company bodies were also invited, began on June 30, 2008, and was implemented by setting up a series of meetings dedicated to analyzing the identified themes in depth, with the involvement of senior managers and the participation of external speakers of acknowledged professionalism. The meetings covered the following topics: (i) responsibilities, duties, powers, composition and operation of the Board of Directors; (ii) the market and the relevant sector; (iii) organization; (iv) Group business; (v) business administration; (vi) sustainability and ethics of business administration; (vii) technological innovation. In 2009, more detailed examinations of business issues were carried out and are still under way. In this context, for example, Board meetings can be held in locations other than the registered offices of companies, even abroad, in order to increase knowledge of company operations.

Remuneration report

General Criteria

The Eni Remuneration System is intended to strengthen values, skills and competencies that are consistent with the culture and strategy of the company, recognizing the responsibilities assigned, the results achieved, the quality of professional contributions and the potentiality of development of the resource in the context of the relevant international remuneration markets.

An important element of Eni's remuneration policy is the variable incentive systems associated with the achievement of economic/financial, business development and operating targets established to ensuring the sustainability of results and the creation of value for shareholders over a medium to long term period, in accordance with Eni's Strategic Plan.

The remuneration system is complemented by benefits, which consist of goods and services primarily associated with supplementary social security and health care.

Governance Rules

The remuneration of the Board Members is determined by the Shareholders' Meeting.

Remuneration of the Board Members invested with particular powers (Chairman and Chief Executive Officer) is determined by the Board of Directors on proposal of the Compensation Committee after consultation with the Board of Statutory Auditors.

The general criteria for the remuneration of managers with strategic responsibilities³⁸ are approved by the Board of Directors, on proposal of the Compensation Committee, which examined the indications of the CEO.

Remuneration structure

On June 10, 2008, the Shareholders' Meeting confirmed the structure and amounts established in 2005, fixing the annual remuneration due to the Chairman (€265,000) and the Board Members (€115,000) and the variable remuneration determined according to Eni's position in the reference year in terms of share performance, considering the dividend paid out, compared to that of the seven other largest international oil companies for market capitalization. The variable part of the remuneration is paid to the Chairman, in the amount of €80,000 or €40,000, and to the Board Members, in the amount of €20,000 or €10,000, depending on whether the performance of Eni shares is rated first or second or third or fourth in the reference year, respectively. In other cases, the variable part is not paid. On March 25, 2009, the Board of Directors verified that Eni rated fourth in 2008.

On June 11, 2008, the Board of Directors confirmed the structure and amounts established in 2006, deciding the remuneration of the Board Members attending the Committees established by the Board, excluding the Chairman and the CEO. For the Chairman of a Committee, the annual fee is €30,000, for the other

³⁸ Managers who have been members of the Eni's Management Committee, with the CEO and the General Managers of Eni's Divisions, and Eni Senior Executive Vice Presidents who report directly to the CEO.

members, the annual fee is €20,000. This amount decreases to €27,000 and €18,000 in case a member holds positions in more than one Committee.

On June 10, 2008, the Shareholders' Meeting resolved that the Company continues to apply the insurance policy already authorized in May 25, 2006, in favor of the Board Members and Statutory Auditors for risks associated with the execution of the respective tasks.

The remuneration structure of the Chairman, in relation to the powers delegated to him, consists of a fixed part and a variable part associated with the achievement of specific company objectives established for the previous financial year.

The remuneration structure of the CEO consists of a fixed component, based on the powers delegated to him, and an annual variable component associated with the achievement of specific company objectives (economic/financial, operating and strategic) established for the previous financial year and a variable long-term component composed by two separate plans with different company performance conditions, established over a three-year period and measured both in absolute terms and in relative terms compared to an oil industry peer group.

The remuneration structure of managers with strategic responsibilities and other managerial resources consists of a fixed remuneration, determined according to the role and responsibilities assigned, with reference to the levels applied to equivalent positions in large national and international companies (oil, industrial and services sectors) and with annual adjustments according to merit (continuity of individual performance) or promotion (progression in terms of role/responsibility), and a variable annual remuneration associated with the achievement of specific economic, financial and operating targets, and a variable long-term remuneration associated with company performance, measured over a three-year period.

In 2009, the variable annual remuneration of the Chairman and CEO was determined in accordance with Eni's objectives for 2008 as approved by the Board of Directors, on proposal of the Compensation Committee, defined in accordance with Eni's Strategic Plan and annual budget in terms of adjusted EBITDA, divisional operating performance, reduction in company costs and maintaining of position in sustainability indexes. The company results, assessed on a constant scenario basis, have been verified by the Compensation Committee and approved by the Board of Directors and have set out the score of 120 on a scale of 85 (minimum) – 130 (maximum), used for the purpose of determining the variable remuneration to be paid.

On March 25, 2009, the Board of Directors resolved to eliminate the Eni Stock Option Plan for 2009 and to maintain the Deferred Monetary Incentive Plan for the three-year period 2009-2011. This Plan, which is aimed at all managerial resources and is focused on certain business growth and operating efficiency targets, provides for an incentive to be paid after a period of three years in an amount connected with the achievement of annual EBITDA objectives (actual results vs. budget, on a constant scenario basis) defined for the reference three-year period.

In order to adopt an alternative incentive scheme to Stock Option Plan, the Compensation Committee defined a new long-term incentive plan for critical managerial resources that will be approved by the Board of Directors in 2010. In 2009 the Board of Directors approved a plan with similar characteristics for the CEO; this plan provides for an incentive to be paid after a period of three years in an amount connected with the variation of the adjusted net profit + DD&A (Depletion, Depreciation & Amortization), measured over the three-year period 2009-2011 in relative terms compared to the other six largest international oil companies for market capitalization.

In 2009, the vesting period of the long-term incentive plan assigned in 2006 expired. This plan consisted of a Deferred Monetary Incentive Plan, aimed at managerial resources, and a Stock Option Plan, aimed only at managerial resources holding positions that are more directly responsible for results and are of strategic interest. The Board of Directors, on March 25, 2009, based on the results achieved in 2006-2008, as verified by the Compensation Committee, resolved that: i) with reference to the Deferred Monetary Incentive Plan, a multiplier of 143% should be applied to the amount awarded in 2006, calculated on the basis of the performance achieved in terms of Eni's EBITDA; ii) with reference to the Stock Option Plan, a percentage of 47% of exercisable options, calculated on the basis of the performance achieved in terms of Eni's relative TSR, should be applied to the total amount granted in 2006.

The CEO, in his quality of General Manager, participated in both Plans.

In 2009, the remuneration structure of the Chairman, CEO, Divisional Chief Operating Officers and other managers with strategic responsibilities was the following:

	Chairman	CEO	Divisional COO	Other managers with strategic responsibilities
Fixed remuneration	66%	22%	46%	50%
Annual variable remuneration (linked to performance)	34%	27%	32%	31%
Long-term variable remuneration (linked to performance) ^(a)		51%	22%	19%
Total	100%	100%	100%	100%

(a) Evaluation of the deferred monetary incentive (discounted) for target result.

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 2009 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)

(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	765		400		1,165	
Paolo Scaroni	CEO	01.01 - 12.31	04.2011	430	1	2,824	1,017	4,272	
Alberto Clò	Director	01.01 - 12.31	04.2011	162		10		172	
Paolo Andrea Colombo	Director	01.01 - 12.31	04.2011	96		10		106	
Paolo Marchioni	Director	01.01 - 12.31	04.2011	107		10		117	
Marco Reboa	Director	01.01 - 12.31	04.2011	163		10		173	
Mario Resca	Director	01.01 - 12.31	04.2011	162		10		172	
Pierluigi Scibetta	Director	01.01 - 12.31	04.2011	96		10		106	
Francesco Taranto	Director	01.01 - 12.31	04.2011	153		10		163	
Board of Statutory Auditors									
Ugo Marinelli	Chairman	01.01 - 12.31	04.2011	121				121	
Roberto Ferranti ^(c)	Auditor	01.01 - 12.31	04.2011	84				84	
Luigi Mandolesi	Auditor	01.01 - 12.31	04.2011	84				84	
Tiziano Onesti ^(d)	Auditor	01.01 - 12.31	04.2011	84			40	124	
Giorgio Silva	Auditor	01.01 - 12.31	04.2011	44				44	
Divisional Chief Operating Officers									
Claudio Descalzi	Exploration & Production	01.01 - 12.31			3	772	734	1,509	
Domenico Dispenza	Gas & Power	01.01 - 12.31			1	1,002	745	1,748	
Angelo Caridi	Refining & Marketing	01.01 - 12.31			2	648	642	1,292	
Other managers with strategic responsibilities ^(e)					15	4,179	4,266	8,460	
					2,551	22	9,895	7,444	19,912

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

(b) Based on the annual incentive plan related to performance achieved in 2008 (€6,283 thousand) and payment of the deferred monetary incentive granted in 2006 (€3,612 thousand).

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

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

(e) Managers who, during the year, have been members of Eni's Management Committee with the CEO and the Divisional Chief Operating Officers, and Eni Senior Executive Vice Presidents who report directly to the CEO (8 managers).

Long Term Incentive Plan awarded to the CEO, the General Managers and managers with strategic responsibilities

1. Deferred Monetary Incentive

The deferred bonus scheme approved for the 2009- 2011 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 2009 to the CEO and to the Divisional Chief Operating Officers, 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	787
Claudio Descalzi	COO of the E&P Division	340
Domenico Dispenza	COO of the G&P Division	350
Angelo Caridi	COO of the R&M Division	307
Other managers with strategic responsibilities ^(a)		1,612

(a) No. 8 managers

With reference to Eni Board of Directors' resolution not to implement the Eni stock option Plan for 2009 and the relevant commitment to the CEO of adopting an alternative incentive scheme with the same financial effectiveness, has been approved a new long term monetary incentive plan in behalf of CEO to replace and compensate the Eni stock option Plan for 2009, whose value and characteristics are comparable with those of the former plan.

Performance conditions of this plan are set in terms of variation of the Adjusted Net Profit + Depletion Depreciation & Amortization (DD&A) measured on 2009-2011 three-year period and compared, in relative terms, to that of the other six largest international oil companies for market capitalization.

The amount of incentive assigned in 2009 is €2,716,391 and it'll be paid in 2012, after a three-year vesting period, in a percentage ranging from 0 to 130% of the amount assigned in 2009 in relation to the performance achieved in the reference three-year period.

2. Stock options

Following the decision of Eni's Board of Directors to discontinue any stock option plans from 2009, information reported herein on Eni's stock based compensation relates to plans adopted in previous years whereby options to purchase treasury shares were awarded for no consideration 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 provided that grantees had 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.

The most recent stock option scheme covered the three-year period 2006-2008 and was approved on May 25, 2006, by the Shareholders' Meeting that authorized the Board of Directors to dispose of 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 also provided 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 determined 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. Options may be exercised upon fulfilment of all conditions after three years from the award and within the next three years.

At December 31, 2009, a total of 19,482,330 options were outstanding for the purchase of an equal amount of ordinary shares nominal value €1.00 of Eni SpA, carrying an average strike price of €23.576.

The following is a summary of residual stock option activity as in 2009 there were no awards:

	2008			2009		
	Number of shares	Weighted average exercise price (€)	Market price ^(a) (€)	Number of shares	Weighted average exercise price (€)	Market price ^(a) (€)
Options as of January 1	17,699,625	23.822	25.120	23,557,425	23.540	16.556
New options granted	7,415,000	22.540	22.538			
Options exercised in the period	(582,100)	17.054	24.328	2,000	13.743	16.207
Options cancelled in the period	(975,100)	24.931	19.942	4,073,095	23.374	14.866
Options outstanding as of December 31	23,557,425	23.540	16.556	19,482,330	23.576	17.811
of which exercisable at December 31	5,184,250	21.263	16.556	7,298,155	21.843	17.811

(a) Market price relating to new rights assigned, rights exercised in the period and rights cancelled in the period correspond 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 outstanding stock options awarded in past years to Eni's CEO, Divisional Chief Operating Officers and other managers with strategic responsibilities.

	CEO and General Manager of Eni Paolo Scaroni ^(b)	COO of E&P Division Claudio Descalzi	COO of G&P Division Domenico Dispenza	COO of R&M Division Angelo Caridi	Other managers with strategic responsibilities ^(a)			
Name								
Options outstanding at the beginning of the period:								
- number of options	2,587,500	264,000	380,000	142,000 ^(c)	150,500	122,000 ^(d)	1,671,000	80,500 ^(e)
- average exercise price	(€) 23.767	24.009	24.142	4.399	22.534	21.098	23.660	21.545
- average maturity in months	55	55	56	54	65	48	56	48
Options granted during the period:								
- number of options								
- average exercise price	(€)							
- average maturity in months								
Options exercised at the end of the period:								
- number of options								35,600 ^(e)
- average exercise price	(€)							17.519
- average market price at date of exercise	(€)							22.264
Options expired during the period:								
- number of options	360,930	40,280	64,925			14,700 ^(d)	233,995	8,900 ^(e)
- average exercise price	(€) 23.100	23.100	23.100			17.519	23.100	17.519
- average market price at date of exercise	(€) 14.079	14.079	14.079			12.240	14.079	12.240
Options outstanding at the end of the period:								
- number of options	2,226,570	223,720	315,075	142,000 ^(c)	150,500	107,300 ^(d)	1,437,005	36,000 ^(e)
- average exercise price	(€) 23.875	24.173	24.357	4.399	22.534	21.588	23.751	26.521
- average maturity in months	45	46	46	42	53	36	46	43

(a) No. 8 managers.

(b) The assignment to the CEO have been integrated in 2007 by a monetary incentive to be paid after three-year in relation to the performance of Eni shares, aequal to 80,500 options with a strike price of €27.451; Relating to the attribution of this incentive for 2006, equal to 96,000 options with a strike price of €23.100, the conditions for its payment were not fulfilled, since the price of Eni share resulted lower to the exercise-price at the end of the three-year vesting period.

(c) 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.

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

(e) Options on Saipem shares.

Indemnity upon termination

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

In 2009 a provision of €244,435.07 has been accrued. 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.

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 €35 million for 2009 consisting of: (i) fees and salaries for €20

million; (ii) post-employment benefits for €1 million; (iii) other long term benefits for €10 million; and (iv) fair value of stock option for €4 million.

Board Committees³⁹

The Board has set up three internal committees, two of which are required by the Code of Borsa Italiana, with consulting and advisory functions: a) the Internal Control Committee, b) the Compensation Committee and c) the Oil-Gas Energy Committee. The composition, tasks and operation of the committees are governed by the Board, according to specific regulations, in compliance with the criteria outlined in the Eni Code.

The committees required by the Code (Internal Control Committee and Compensation Committee) consist of no fewer than three members, although the number of members must not exceed the majority of members of the Board. All the committees must consist of non-executive Directors, the majority of whom must be independent.

In performing their functions, the committees retain the right to access any information and company departments that are necessary to carry out their tasks. They are also provided with adequate financial resources and retain the right to avail themselves of external consultants according to terms established by the Board of Directors. Meetings of the committees may also be attended by non-members expressly invited to attend with reference to individual items on the meeting agenda. Meetings of the Internal Control Committee are attended by the Chairman of the Board of Statutory Auditors or an Effective Auditor appointed by him. Committee meetings are minuted by the respective Secretaries.

At the meeting held on June 11, 2008, the following non-executive Directors, all of them independent, were appointed as members of the committees:

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

In accordance with the Code of Borsa Italiana, the Eni Code provides for the Board of Directors to determine whether to set up an Appointments Committee, particularly in cases where the Board finds that it is difficult for shareholders to draw up proposals for appointment, as can happen in a listed company with a diversified shareholder base. No such Committee has ever been set up because of the nature of the Company's shareholders and because, under the terms of the law and the By-laws, the Directors are appointed by the Shareholders' Meeting on the basis of lists presented by shareholders.

The regulations of the three Committees are available on the Eni website.

Internal Control Committee

During 2009, the Committee met 20 times, and the meetings were attended on average almost by 94% of its members⁴⁰.

The composition, appointment and operating procedures, tasks, powers and resources of the Committee are governed by a specific regulation, a new version of which was approved by the Board of Directors at the end of December 2009 in order to update its content to the provisions of other company documents published since the previous version, which was produced in March 2007.

The following is a summary of the main topics examined during the year:

- (i) the final statement on Eni's Internal Audit activities in 2008, the Integrated Audit Plan for 2009 and the Eni Internal Audit Budget for 2009, together with the respective periodic states of progress;
- (ii) the final data for operations in 2008 and the 2009 Plan for Internal Auditing Functions of the subsidiaries Saipem and Snam Rete Gas;

³⁹ Information provided pursuant to art. 123-bis, second paragraph, letter d) of the Consolidated Law on Finance.

⁴⁰ For further details of the tasks of the Internal Control Committee, see the "Internal Control System" paragraph of this Report.

- (iii) the results of planned and non-planned audits issued by the Internal Audit Department of Eni as well as the outcomes from monitoring the state of execution of corrective actions planned by operational divisions for overcoming issues which emerged during the audit, including in-depth analysis of certain specific themes;
- (iv) the results of audits implemented by the Internal Auditing Department of Eni in connection with specific requests made by Controlling Bodies;
- (v) the periodic reports on reports, including anonymous ones, received by Eni and subsidiaries;
- (vi) the report on Eni's Internal Control System produced by the Officer in charge of internal control;
- (vii) the Guidelines adopted by Eni regarding transactions involving interests of Directors and related parties transactions;
- (viii) the periodic report on activities carried out by the Eni S.p.A. Watch Structure, including information on the functions of the Guarantor of the Code of Ethics, after meeting the members of the Structure itself, as required by Eni Model 231;
- (ix) reports relative to news/notifications of investigations on the part of bodies/authorities of the Italian or foreign governments with criminal jurisdiction or, in any case, retaining powers of judicial investigation with reference to crimes which could, even potentially, involve Eni or its direct or indirect subsidiaries both in Italy and abroad, or on the part of its Directors and/or employees;
- (x) reports on developments regarding disputes considered to be of particular interest, particularly as regards the appropriateness of documentation supporting assessments of the potential liabilities that may be connected with these proceedings and the text of the respective disclosures to the market in the context of the annual and half-yearly financial report;
- (xi) the Reports of the Officer in charge of preparing financial reports on the administrative and accounting structure of Eni as of December 31, 2008 and as of June 30, 2009, verifying the appropriateness of the powers and resources made available to the Chief Financial Officer as the Officer in charge of preparing financial reports. In this respect, the examination is focused on the main organizational changes that took place at the end of the second half of 2009 in the CFO area, particularly as regards administrative activities;
- (xii) the Reports of the relevant Officer in charge of internal controls contained in the financial statement on December 31, 2008 and on June 30, 2009, and the update on November 30, 2009;
- (xiii) the essential aspects of the Statutory and consolidated financial statements as of December 31, 2009, holding meetings with the most senior member of Eni's administrative functions, its main subsidiaries and the companies subject to so-called unbundling rules for this purpose, as well as the Chairmen or other members of the Board of Statutory Auditors of each company and the partners of the Auditing Company instructed to express an opinion on the individual financial statements; the representation in the financial statements of specific transactions and/or shareholdings; the draft consolidated half-year financial report as of June 30, 2009, with particular reference to the application of the IAS 36 international accounting standard to the assets of Eni's main areas of business; the reports of the audit firm on the Annual Financial Report for 2008 and the Half-Year Financial Report for 2009.
- (xiv) the main aspects of the Annual Report on Form 20-F 2008 and the new developments associated with application of the International Financial Reporting Interpretation Committee (IFRIC) 12, the statement on the implementation of SOA activities and update on the 2009 Fraud Prevention Program;
- (xv) the draft of the Report on Operations of the Directors pursuant to Article 2433-bis of the Italian Civil Code and relative to the interim dividends for the year 2009;
- (xvi) the chapter on the Internal Control System to be inserted within the Corporate Governance Report of the 2008 financial statements;
- (xvii) the report on the reports presented by the audit firms on the 2008 Financial Statements, the auditing approach and strategy used in 2008 and 2009 and the audit firm's communication on the outcome of the auditing activities pertaining to the internal controls that oversee the process of drawing up Eni's consolidated financial statements for 2008 in accordance with section 404 of the Sarbanes-Oxley Act;
- (xviii) the report on the tender launched in the second half of 2009 to assign the task of auditing the financial statements and internal control system of the Eni group, in accordance with the Sarbanes-Oxley Act, for the nine-year period 2010 – 2018;

- (xix) the organization and control model adopted by Eni for the purpose of ensuring fulfillment of the requirements of AEEG VIS Resolution No. 109/08 of December 11, 2009 regarding the ban on passing on the charge imposed by article 81 of Decree Law No. 112 of June 25, 2008⁴¹ ("Consumer Prices Control Model") in its prices;
- (xx) the main aspects of the company's organizational model regarding Health, Safety and the Environment;
- (xxi) updating of the Eni Guidelines pertaining to the management and control of financial risks;
- (xxii) the results of the "Unbundling Implementation Program" launched in 2007, with particular reference to the organizational activities carried out and the formalities required to comply with relevant national and European regulations;
- (xxiii) the main features of Eni's current regulatory system and the state of progress of improvements implemented by the company in mid-2009 to rationalize the management architecture and method, with a view to simplifying it and making it easier to use, while maintaining its effectiveness;
- (xxiv) the main activities carried out by the working group on "Gas Metering Systems";
- (xxv) the main aspects of Eni's Security activities, with particular reference to the organization, procedures and operational costs of the dedicated company structure;
- (xxvi) the periodic Report on the disciplinary actions taken against illegal conduct on the part of employees drawn up by the relevant sections of the Human Resources and Organization departments in accordance with the company's regulations;
- (xxvii) the main features of the ICT operation processes and main initiatives currently under way to strengthen the security of information systems and prevent computer crime and illegal data processing under the terms of Legislative Decree 231/01.

Compensation Committee

Established by the Board of Directors in 1996, this committee advises the Board regarding the remuneration payable to Directors with proxies and to the members of the committees of Directors set up by the Board and, on instructions from the CEO, regarding: (i) Annual and long-term incentive plans; (ii) general criteria for the remuneration of executives with strategic responsibilities; (iii) objectives and results of the Performance and Incentive Plans.

During 2009, the Compensation Committee met 13 times, with a 96% attendance rate, and in particular it made proposals regarding: i) Eni's 2008 results and 2009 objectives for the purposes of the Annual and Long-Term Incentive Plans; ii) the variable remuneration of the Chairman, CEO and Directors based on the results achieved in 2008; iii) the criteria of the remuneration policy for executives with strategic responsibilities; iv) establishment of the 2009 Long-Term Monetary Incentive Plan for the CEO, to replace and compensate for the Eni Stock Option Plan; v) establishment of the 2010 Long-Term Incentive Plan, to replace the Stock Option Plan, for critical managerial resources; vi) establishment of the 2009-2011 Deferred Monetary Incentive Plan for managerial resources; vii) 2009 implementation of the Deferred Monetary Incentive Plan and its assignment to the CEO.

The composition, appointment and operating methods, tasks, powers and resources of the Committee are governed by an appropriate regulation approved by the Board of Directors⁴².

Oil - Gas Energy Committee

The Oil-Gas Energy Committee (OGEC) was established by the Board of Directors in order to monitor trends and scenarios in the international energy markets and to analyze the competitive dynamics of these markets. OGEC has advisory and consulting functions with respect to the Board of Directors, particularly in relation to drafting of the Group's Strategic Plans and verifying the consistency of operational policies adopted in the multi-year plans.

⁴¹ Turned into Law No.133 of August 6, 2008.

⁴² http://www.eni.com/en_IT/governance/committees/committees.shtml .

The OGEC met 10 times in 2009 with an 80% attendance rate on the part of its five member Directors. The meetings were also often attended by the Chairman and other Directors.

The Committee's first meetings of the year were aimed at monitoring the effects of the economic and financial crisis on the national and international energy market, in order to allow the Board of Directors to assess the potential impacts on Eni and take appropriate and prompt countermeasures.

The OGEC spent a considerable amount of time examining the scenario of oil and natural gas prices, which is important for strategic corporate planning and the assessment of investments. The committee's analysis of oil price formation mechanisms and the respective financial markets were particularly important.

During the year, the OGEC began to reflect on the fundamental challenges of the Strategic Master Plan, which are likely to have a very significant impact on market developments and therefore on Eni's business. For this purpose, two meetings were dedicated to the evolution of the gas market in Europe, which is characterized by great uncertainty about supply and demand.

The composition, appointment and operating methods, tasks, powers and resources of the Committee are governed by an appropriate regulation approved by the Board of Directors.⁴³

Chief Operating Officers of the Divisions

In accordance with article 24 of the By-laws, the Board of Directors can appoint one or more Chief Operating Officers⁴⁴, establishing their powers, on a proposal from the CEO, in agreement with the Chairman, subject to their fulfilment of the integrity requirements imposed by the law being verified. The Board periodically assesses the integrity of the Chief Operating Officers on the basis of statements made by the Managers themselves. Any failure to fulfill the requirements leads to dismissal from their post.

The Chief Operating Officers are also required to respect the instructions of the Board of Directors regarding the number of posts they may hold, in accordance with the rules applicable to the CEO.

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

- **Claudio Descalzi**, Chief Operating Officer, Exploration & Production Division;
- **Domenico Dispenza**, Chief Operating Officer, Gas & Power Division;
- **Angelo Caridi**, Chief Operating Officer, Refining & Marketing Division.

At its meeting on February 10, 2010, the Board of Directors, based on the statements made, verified the fulfillment of the integrity requirements and also verified that the Chief Operating Officers complied with the rules on the maximum number of posts they may hold.

Board of Statutory Auditors

Responsibilities

Pursuant to the Consolidated Law on Finance, the Board of Statutory Auditors oversees the following: (i) the compliance with the law and the By-laws; (ii) the observance of the principles for correct administration, the suitability of the company's organizational structure, within each area of competence, the suitability of the internal control system and of the administrative-accounting system, as well as the accurate recording by the latter of the company's operations; (iii) the methods for complying with corporate governance regulations set forth in the Code of Borsa Italiana to which the company adheres; (iv) the adequacy of the provisions imposed on the subsidiaries by the company, in order to guarantee full compliance with legal reporting requirements.

Pursuant to the Consolidated Law on Finance, the Board of Statutory Auditors submits a documented proposal to the Shareholders' Meeting concerning the granting of auditing responsibilities as well as compensation for the audit firm. In accordance with Eni's Code, the Board also monitors the independence of the audit firm, its compliance with all applicable regulatory provisions as well as the nature and size of

⁴³ http://www.eni.com/en_IT/governance/committees/committees.shtml.

⁴⁴ For further details, see the section of the website that also contains the company's organizational chart http://www.eni.com/en_IT/company/organisation-chart/organisation-chart.shtml.

non-auditing services provided to the Eni's Group either directly or through companies within its network. The outcomes of this monitoring activity are included in the Report which shall be prepared pursuant to Article 153 of the Consolidated Law on Finance, and attached to the documentation accompanying the financial statements.

On March 22, 2005, the Board of Directors, by virtue of the rights granted by the Stock Exchange Commission (SEC) to foreign issuers listed on the regulated US markets, has identified the Board of Statutory Auditors as the body that, since June 1, 2005, has been fulfilling, within the limits set forth by Italian laws, the responsibilities assigned to the Audit Committee of such foreign issuers by the Sarbanes-Oxley Act and by SEC regulations. On June 15, 2005, the Board of Statutory Auditors has approved the regulations concerning the fulfillment of the responsibilities assigned pursuant to the aforementioned U.S. regulations⁴⁵, the text of which is available on Eni's website.⁴⁶

Composition and appointments

In compliance with the provisions of the Consolidated Law on Finance, the Board of Statutory Auditors is composed of a minimum of three effective Statutory Auditors and two alternate Auditors.

Eni's By-laws provide for the Board of Statutory Auditors to be composed of five Statutory Auditors and two alternates, appointed by the Shareholders' Meeting for a period of three years and re-electable at the end of their term.

Similarly to the Board of Directors and consistent with the applicable provisions, the By-laws provide for the auditors to be appointed by proportional representation (so-called "voto di lista") where the candidates are listed according to a progressive numbering; two Statutory Auditors and one alternate Auditor are selected from among the candidates of minority shareholders.

More specifically, the shareholders who represent, on their own or jointly with others, at least 1% of the share capital have the right to submit a list. Each shareholder may submit, or contribute to the submission of, and vote for, a single list. The subjects that control it, the companies controlled by them and those that are jointly controlled are neither allowed to submit, nor contribute to the submission of, other lists or to vote for them, not even through a third party or trust companies.

Eni applies special provisions, concerning the methods and the timeline for submitting and filing the lists, as set forth in law no. 474/1994, that are partially different from those contained in the Consob Regulations on Issuers. However, in order to guarantee the utmost transparency of its election process, Eni has adopted the regulations issued by Consob and not included in the aforementioned special provisions by voluntarily applying and expressly providing for them in the By-laws (art. 28).

The lists must be accompanied by the following: information on the shareholder or shareholders who are submitting the list; a declaration, from each candidate, stating compliance with the legal independence, integrity and professional requirements; their personal and professional *curricula*.

The lists shall be filed with the registered office at least ten days prior to the date of the first call of the Shareholders' Meeting and published in three Italian daily newspapers, two of them financial, with national circulation. The lists are also forwarded to the market management company and published on the company's website.

The appointment procedure shall adopt the methods already described in the Board of Directors section.

The procedure of proportional representation (voto di lista) only applies in the event of the entire Board of Statutory Auditors being replaced. In the event of a replacement of an Auditor from the list that has received the majority of votes, the alternate Auditor from the same list fills the vacant position; in the event of a replacement of an Auditor from other lists, the alternate Auditor from those lists fills the vacant position.

Pursuant to Article 28.2 of the By-laws, in compliance with the provisions of the Consolidated Law on Finance, the Shareholders' Meeting appoints as Chairman of the Board of Statutory Auditors one of the elected candidates from a list that did not receive the majority of votes.

⁴⁵ These regulations were amended on March 30, 2007 in order to include the new provisions introduced by Legislative Decree 303/2006 to Article 159, paragraph 1 of the Consolidated Law on Finance, and by Eni's Code, as well as to make the necessary adjustments based on the organizational changes that have occurred since June 15, 2005 when the original regulations were approved.

⁴⁶ At the following address: http://www.eni.com/en_IT/governance/board-of-Statutory-auditors/board-of-Statutory-auditors.shtml.

On June 10, 2008, the Shareholders' Meeting has appointed the following Auditors for a period of three years and in any case until the date when the Shareholders' Meeting is convened to approve the 2010 financial statements: Ugo Marinelli, Chairman, Roberto Ferranti, Luigi Mandolesi, Tiziano Onesti and Giorgio Silva, effective Statutory Auditors, Francesco Bilotti and Pietro Alberico Mazzola, alternate Auditors. The Shareholders' Meeting has also determined the pre-tax annual compensation for the Chairman of the Board of Statutory Auditors and of each Statutory Auditor, in the respective amounts of Euro 115,000 and Euro 80,000, in addition to reimbursement for any expenses incurred while performing auditing duties.

Roberto Ferranti, Luigi Mandolesi, Tiziano Onesti and Francesco Bilotti were elected from the list submitted by the Ministry of the Economy and Finances as holder of 20.30% of the share capital.

Ugo Marinelli, Giorgio Silva and Pietro Alberico Mazzola were elected from the list submitted by the institutional investors, holders of 1.10% of the share capital.

Personal and professional information on the Statutory Auditors is provided here below.

UGO MARINELLI

Born in 1941. He holds a degree in Economics and Business from Luiss University, Rome. He lectures Corporate Auditing in the department of Economics "Federico Caffé" at Roma Tre University, Rome. He is also a Professional Accountant and Auditor. He spent a large part of his career (from 1965 to 2000) at Arthur Andersen, where he occupied positions with increasing responsibilities at both the domestic and international levels. Expert in international accounting principles, he was a member of EFRAG - European Financial Reporting Advisory Group – the technical advisory body of the European Commission for the endorsement of international accounting principles issued by IASB - International Accounting Standards Board. As a professional corporate business consultant, he specializes in risk management and internal control. He has held and continues to hold a number of positions in many companies. He is currently Chairman of the Board of Statutory Auditors of A.D. Moving S.p.A., of Società Energie Rinnovabili S.p.A. and its subsidiary Società Energie Rinnovabili 1 S.p.A.. He is also Chairman of Auditors of Civita and a member of the Board of Directors of Fingold S.p.A.. Since June 2008, he has been Statutory Auditor and Chairman of the Board of Statutory Auditors of Eni.

ROBERTO FERRANTI

Born in 1947. He holds a degree in Economics and Business from "La Sapienza" University, Rome. He is a Professional Auditor. In 1987, he was appointed Director of Division VI of the General Inspectorate for Budget Policies – General Accounting Office – and in 1992, Director of Division II of the General Inspectorate for Budget Policies. In 1994, he took over as interim head of the Public Finance office at the General Inspectorate for Budget Policies and, since 1997, he has been serving as Director of the Public Finance office. He has participated in workgroups in charge of drafting sections of the General Report on the Italian Economy, and of auditing the Treasury statements of accounts. He has held teaching positions at the Italian General Accounting office. He was appointed Chairman of the Board of Statutory Auditors of Equitalia Piacenza S.p.A. and of Equitalia Spezia S.p.A., and Auditor on the Board of Statutory Auditors of SIMEST S.p.A. He currently holds the following positions: Chairman of the Board of Auditors of Agenzia Nazionale Sicurezza Volo; member of the Board of Auditors of Federazione Italiana Nuoto; Chairman of the Board of Auditors of Registro Italiano Navale; member of the Board of Directors of Equitalia Cerit S.p.A. di Firenze. Since July 2009, he has been holding the position of Chief Inspector General at the General Inspectorate for Accounting and Public Finance. He has been a Statutory Auditor of Eni since 2008.

LUIGI MANDOLESI

Born in 1943. After graduating in Economics and Business from Università La Sapienza di Roma, he took a position as a Certified Public Accountant and Accounting Specialist in 1966 and as a Certified Auditor in 1995. He was appointed Chairman of the Order of Accountants and Auditors of Rome, Rieti and Velletri and also held the position of Vice-Chairman of the Order of Certified Public Accountants and Accounting Specialists of Rome, Rieti, Tivoli and Velletri. He is partner in the firm "Studio Commercialisti Associati Luigi e Massimo Mandolesi". He is Chairman of the Board of Auditors of Procter & Gamble Holding Srl, Finamca, Impreme, Albergo Centrale, Edev Italia and Edf en Italia; he is a Statutory Auditor of Altec, Pietro

Mezzaroma e Figli, Larimart and Fondazione Luca Pacioli, and he is a member of the Board of Directors of Villa Margherita and Finconcordia. He has been a Statutory Auditor of Eni since 2008.

TIZIANO ONESTI

Born in 1960. He is a Certified Public Accountant and Certified Auditor. He holds a teaching position in Business Economics at Università degli Studi di Roma TRE and he is also a professor of General and Applied Accountancy at Università LUISS "Guido Carli" in Rome. He is the author of several publications on accounting and business economics and carries out, on an on-going basis, research and advance education activities. He is currently the scientific coordinator of the master degree program in Public Administration (MIFAP) at Università degli Studi di Foggia, and is a member of the scientific and editorial committees for several prestigious national journals. He is a corporate consultant to a number of premier Italian and multinational companies, specializing in the evaluation of companies and of their branches, in extraordinary transactions, in civil balance sheets and IAS/IFRS; he also carries out, within the areas of his competence, technical advisory activities, upon appointments by the parties or by the court in civil or penal proceedings. He has held and still holds positions as a member of Boards of Directors, as Statutory Auditor, as external Auditor and liquidator. He is Chairman of the Board of Auditors of AGI S.p.A., NewCo Rai International S.p.A.; PM&Partners S.p.A SGR, Servizi Aerei S.p.A., as well as Chairman of the Board of Auditors of Agenzia Autonoma per la gestione dell' Albo dei Segretari Comunali e Provinciali. He is also a Statutory Auditor of Euler Hermes Siac S.p.A. and liquidator of American Express Company S.p.A. He is an independent advisor of Gruppo Editoriale L'Espresso S.p.A. and of Fondo Pensione per il Personale della Banca di Roma. He has been a Statutory Auditor of Eni since 2008.

GIORGIO SILVA

Born in 1945, he holds a degree in Economics and Business from Università Cattolica del Sacro Cuore in Milano; he has been registered in the Register of Certified Public Accountants of Busto Arsizio since July 4, 1975 and in the Register of Varese since May 3, 1989. He has been a Chartered Accountant since 1981 and a Certified Auditor since 1995 (Ministerial Decree 12/04/1995 published in Gazzetta Ufficiale n. 31 bis of 21.4.1995). He held executive administrative positions in primary industrial companies from 1965 to 1973. He assumed an executive role in the tax section of the audit firm Peat Marwick & Mitchell (currently KPMG) in Milan from 1973 to 1976. In 1977, he joined Studio legale Tributario L. Biscozzi - A. Fantozzi, currently Studio Legale e Tributario Biscozzi Nobili, of which he is a founding partner. He held positions of Board Director in listed companies such as Gemina S.p.A., from 1996 to May 3, 1999; of Chairman of the Board of Auditors in Impregilo S.p.A. from 1999 to May 2, 2005, and in ATC Trevisan Cometal S.p.A. until May 7, 2008. The positions he currently holds are: Chairman of the Board of Auditors of Kedrios S.p.A., TSP – Tecnologie e Servizi per il Pubblico S.r.l.; Statutory Auditor of the listed RCS Mediagroup S.p.A., Statutory Auditor of: Alitalia Compagnia Aerea Italiana S.p.A., CAI Second S.p.A., Air One S.p.A., Air One Cityliner S.p.A., Air One Technic S.p.A., SIA – SSB S.p.A, Hewlett Packard Italiana S.r.l., Bolton Alimentari S.p.A. (he also holds the position as Alternate Auditor in Autogrill S.p.A., CAI First S.p.A., Nuova Sidap S.r.l.; Auditor in Fondazione Corriere della Sera; Auditor in Fondazione Candido Cannavò per lo sport, and Auditor for the Provincia di Varese). He is a speaker at conventions and the author of numerous articles and publications on the taxation system. He is a member of the Eni Watch Structure overseeing compliance with Legislative Decree 631/01 of RCS Mediagroup S.p.A. and Luxottica S.p.A. He has been a Statutory Auditor of Eni since May 2005.

The personal and professional résumés of the Statutory Auditors are also available on Eni's Website, in the Corporate Governance section.

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

As stated in the Eni's Code, the Statutory Auditors act with autonomy and independence also towards the shareholders who have appointed them.

Pursuant to the Consolidated Law on Finance, the Statutory Auditors must meet specific independence requirements, as well as professional and integrity requirements, as set forth in the regulations issued by the Ministry of Justice and the Ministry of Economy and Finance.

As for the professional requirements, Article 28 of the By-laws states that, as set forth in the aforementioned ministerial regulatory provisions, the requirements may be met also through a professional or teaching experience (of at least three years) in the business law, business economics and finance disciplines or through the exercise (for at least three years) of executive functions in the engineering and geology fields.

The Auditors in office must also be registered in the Registry of Certified Auditors.

The Statutory Auditors have stated for the first time, on the occasion of their appointment, to meet the requirements of independence, integrity and professionalism set forth in the applicable regulations, and the Board of Directors has completed the verification assignments conferred to them at the meeting of June 11, 2008. Subsequently and in compliance with the provisions of Eni's Code, aimed at ensuring that the Statutory Auditors satisfy the prerequisites of independence, also in accordance with the criteria provided for in the same Code for the Board of Directors, the Board of Statutory Auditors has verified, at the meeting of January 21, 2009 and January 18, 2010, that its members meet the aforementioned requirements (independence, integrity and professionalism) and the Board of Directors, at the meetings of February 26, 2009 and February 11, 2010 respectively, has completed the verification assignment received.

Finally, pursuant to all applicable laws, the subjects who hold the same position in five other issuer companies, are not allowed to assume the role of member of the auditing body in any other issuer company. They may however be assigned other administrative and control functions in Italian companies, within the limits set forth by Consob and in compliance with internal corporate regulations. In compliance with this policy, entered into effect on June 30, 2008, each Statutory auditor has forwarded to Consob, in September 2008, a communication stating compliance with the aforementioned restrictions. In July 2009, the Statutory Auditors have submitted to Consob their annual report on the number of offices held and on the ranking associated with such offices.

Meetings attendance

The Statutory Auditors and the Directors are simultaneously provided with documentation on the items of the agenda to be discussed at the Board of Directors meeting, and the Board of Directors and the CEO shall report, at least every quarter or in any case, at the time of the Board of Directors meetings, on the activities performed and on the most relevant economic, financial activities and operations carried out by the company and by its subsidiaries, pursuant to Article 23.3 of the By-laws.

In compliance with the specifications of the Eni's Code, the Statutory Auditors must inform the Board of Directors and the other Auditors of any interest they may retain on their own or on behalf of third parties with respect to specific transactions of the company. Corporate operations in which the Statutory Auditors retain an interest, or of which they are the related third parties, are regulated by specific Guidelines that were approved on February 12, 2009 by the Board of Directors following consultation with the Internal Control Committee.

The meetings of the Board of Statutory Auditors may be held by video or teleconference.

In 2008, the Board of Statutory Auditors met 26 times. The average duration of the meetings was approximately 3 hours and 48 minutes. In 2009, the average attendance at the meetings of the Board of Statutory Auditors was 91% of the members whereas the average attendance at the meetings of the Board of Directors was 95% of the members.

The tables attached to this report show the attendance of each Auditor at the meetings of the Board of Statutory Auditors and of the Board of Directors.

Internal Control System⁴⁷

The internal control system is a set of rules, procedures and organizational structures aimed at creating healthy and sound company management that is consistent with established goals, by means of an adequate process for the identification, measurement, management and monitoring of the main risks. An effective internal control system contributes towards guaranteeing the protection of the company's assets as well as efficiency and efficacy of business transactions, reliability of financial reporting and compliance with laws and regulations.

The structure of the internal control system, is a part of the organizational and management model of the company and involves, in different roles, administrative bodies, watch structures auditing bodies⁴⁸, management and all personnel, in compliance with the principles of the Code of Borsa italiana and the framework of reference, "Coso Report"⁴⁹. Each specific structuring of this system is integrated with the provisions of the Code of Ethics which provides for the following as fundamental values: the formal and substantive legitimacy of the behaviors of members of corporate bodies and of employees at any organizational level; accounting transparency; and the promotion of a corporate culture based on internal controls.

Eni is aware that the investors rely on the commitment of the corporate bodies, management and employees to maintain full compliance with the rules set forth in the corporate internal control system. Within this scope, Eni manages, by means of a set of internal regulations and in compliance with the provisions set forth in the Sarbanes – Oxley Act, the receipt – through easily accessible communication channels – the analysis and the handling of the reports of issues, even in confidential or anonymous form (whistle blowing), that are received by Eni and its subsidiaries and related to internal control, financial reporting, company administrative responsibility, frauds or other types of concerns⁵⁰.

According to Eni, the so-called "culture of risk and related control" contributes to characterize and affect the management's aptitude and choices in pursuing company objectives and reporting the outcomes. Eni is consistently committed to promote the development and pervasiveness by the company's employees of an awareness regarding internal control issues.

For the purposes of ensuring an effective and sound management of corporate operations, in compliance with pre-set strategies and objectives, Eni supports a risk prevention approach and focuses its choices and management activities on the reduction of the probability of the occurrence of negative events and their potential impact. To this end, Eni adopts strategies of risk management, depending on their nature and type such as mainly financial and industrial risks, compliance/regulatory risks, as well as other strategic and operational risks, such as country risks in oil & gas activities, and other risks related to exploration for and production of hydrocarbon. The methods by which management identifies, assesses, handles and monitors the specific risks associated with the company operations, are regulated by internal guidelines, rules, procedures and organizational provisions within the company's regulatory system, which being risk prevention-based, contribute to their containment. With specific regard to industrial⁵¹ and financial risks, special control measures have been set forth and special regulations have been issued or are being issued within the CEO's area of competence, which will be periodically updated in order to guarantee an effective and transversal management of these types of risks. In addition, the development of risk assessment

⁴⁷ Information provided pursuant to article 123-bis, second paragraph, letter b), of the Consolidated Law on Finance.

⁴⁸ For further information on the supervisory activities performed by the Board of Statutory Auditors in regard to the adequacy of the internal control system and of the administrative-accounting system, also as Audit Committee under US laws, see the paragraph "Board of Statutory Auditors – Responsibilities" above and "Officer in charge of preparing financial reports and internal control system on financial reporting".

⁴⁹ See CoSO – Committee of Sponsoring Organizations of the Treadway Commission (1992), Internal Control. Integrated Framework. The adoption by Eni of the CoSO Report is mentioned in several documents, among which the most relevant are: Eni's organizational, management and control Model pursuant to Legislative Decree no. 231 of 2001 approved by the Board of Directors in the meetings of December 15, 2003, of January 28, 2004 and March 14, 2008; Guidelines on internal control system over corporate reporting – Rules and Methods – II Release approved by the Board of Directors on June 20, 2007, as well as all referenced best practices set forth by the Internal Audit.

⁵⁰ Eni guarantees full confidentiality of the identity of the people who reports issues of concern in good faith, and communicates the results of the assessment carried out on report cases to the top management of the company as well as to the appropriate control and supervisory bodies.

⁵¹ The term "industrial risks" refers specifically to risks that occurs from events which may cause damage to the company's asset (property) and/or to third parties, within the scope of their activities (causality), including damages suffered by the people involved in the production process.

programs in specific areas contributes to further developing the sensibility of management with respect to risk management and contributes to the improvement and efficacy of decision-making processes.

In 2009, in line with the evolution of the company organizational model and consistent with the company's mission and values, Eni has undertaken initiatives to streamline and integrate its own regulatory system by simplifying it and easing its use for the purpose of higher overall efficacy. Similar initiatives were applied also to the ICT processes and are currently undergoing an assessment in terms of streamlining and integrating the risk management system.

The internal control system is subject, over time, to evaluation and updates in order to steadily guarantee its capacity to preside over the main areas of corporate risks, according to the typical issues of each operating segment and organizational structure, ready to take account of any new law or regulations. The main changes introduced in 2009 are part of a natural evolutionary process aimed at achieving "on-going improvements" of the efficacy and efficiency of the system itself. In particular, in response to the evolution of the applicable legislation, Model 231 was updated to include the types of offences recently added within the application scope of Legislative Decree no. 231 of 2001, as detailed hereinafter, and a specific Control Model was adopted in order to prevent the application, to consumer prices, of the charge associated with the income surtax introduced by Legislative Decree no. 112 of 2008 (Consumer Prices Control Model).

Board of Directors

The Board of Directors retains a central role in internal control system by defining the basic principles to be applied to the organizational, administrative and accounting structure of the Company, of the main subsidiaries and of the Group; in this context, it defines, examined proposals submitted by the Internal Control Committee, the guidelines for the company's internal control system aimed at identifying, measuring, managing and monitoring the main risks to which the company and its subsidiaries are exposed. In the definition of these guidelines, the Board applies sector regulations and takes into adequate consideration the referenced models and the best national and international practices.

Finally, the Board assesses annually, with the support of the Internal Control Committee, the adequacy, efficacy and efficiency of the overall internal control system with respect to Eni's characteristics. In its meeting of March 11, 2010, the Board examined the Internal Control Committee's 2009 Report (updated on March 10, 2010) as well as the observations included therein on the status of Eni's internal control system and, at the conclusion of this review, the Board, also in consideration of the initiatives underway, assessed the overall internal control system adequate, effective and efficiently operating.

Internal Control Committee

The Internal Control Committee, established within Eni in 1994, is entrusted with providing consulting and advisory services to the Board of Directors as regards the internal control system. It is exclusively made up of non-executive, independent Directors provided with the professional qualification required by the responsibilities entrusted to them,⁵² and reports to the Board of Directors both on its activities and on the adequacy of the internal control system, at least once every six months, at the time of approval of the annual and half-year financial statements. The periodical reports, to be submitted to the Board of Directors, are prepared by the Committee and must keep into consideration the content of the periodical reports prepared by the Officer in charge of preparing financial reports, the Officer in charge of Internal Control and the Eni Watch Structure and, in general, must be based on the evidence acquired while performing its activities, which are:

- examining and assessing – in conjunction with the Officer in charge of preparing financial reports and the Audit firm – the correct utilization of accounting principles and their homogeneity for the drafting of the annual and half-year financial statements before approval by the Board of Directors;
- assisting the Board in defining the guidelines for the internal control system;

⁵² Unlike to the Code of Borsa Italiana, the Eni Code requires that at least two (and not only one) Committee members have adequate expertise in accounting and financial matters, to be assessed by the Board of Directors at the time of their appointment.

- providing an evaluation – upon request by the CEO – on specific aspects concerning the process used to identify the main risks related to the Company as well as on the planning, implementation and management of the internal control system;
- overseeing the activities of Internal Audit and of the Officer in charge of Internal Control; furthermore within this area of responsibility, the Committee examines: the proposal of the Audit Plan and its potential amendments during the financial year; the annual budget of the Internal Audit Department; , the periodical reports and performance indicators on the activities of the Internal Audit Department;
- examining and assessing the following: i) the outcomes of internal audit reports as well as any evidence on related monitoring activities on improvement actions on control system, planned after the audits are performed; ii) evidence resulting from the periodical reports on the outcomes of the monitoring activities conducted on the internal control system over financial reporting, on its adequacy and actual application, as well as the adequacy of the powers and means assigned to the Officer in charge of preparing financial reports; iii) communications and information received from the Board of Statutory Auditors and its members regarding the internal control system, also in reference to the outcomes of preliminary inquiries conducted by the Internal Audit department following reports received also in anonymous form (whistle blowing); iv) evidence emerging from the reports and management letters submitted by the Audit Firm⁵³; v) periodical reports issued by Eni Watch Structure, also in its capacity as Guarantor of the Code of Ethics; vi) evidence emerging from the periodical reports submitted by the Officer in charge of preparing financial reports and by the Officer in Charge of internal control; vii) information on the internal control system as it relates to the company's structure, also through periodical meetings with management, as well as enquiries and reviews carried out by third;
- performing other specific activities aimed at formulating analyses and opinions on topics falling under its competence and based on the Board's request for details, and in particular, providing an opinion on the rules concerning the transparency and substantial and procedural correctness of operations carried out with related third parties, as well as transactions where a Director of the Board retains a personal interest or an interest on behalf of third parties, and finally carrying out any additional task assigned within this scope, including the review and evaluation of specific types of transactions.

The activities performed by the Committee in 2009 are described in the dedicated paragraph above.

Chief Executive Officer

The Chief Executive Officer (CEO) is entrusted by the Board of Directors with overseeing the functioning of the internal control system. To this end, he identifies the main company risks and, in implementing the guidelines on to the internal control system approved by the Board, provides to their design, implementation and management. The CEO is also entrusted with monitoring the overall adequacy, efficiency and efficacy of the internal control system and ensuring that it is adjusted to Company's operations and applicable laws. With reference to the internal control system applied to financial reporting, these tasks are performed in compliance with the tasks assigned, by law, to the Officer in charge of preparing financial reports.⁵⁴

Eni's people - Management

As set forth in the Code of Ethics, the responsibility to implement an effective internal control system applies to all levels of Eni's organizational structure; therefore all Eni's people, according to their function and responsibilities are committed to define and actively participate in the correct functioning of the internal control system. The CEO and/or the Chief Operating Officers of Eni's Divisions, by exercising the powers entrusted to them by the Board of Directors, assign to the managers responsible of their respective areas task, responsibilities and powers for ensuring an effective and efficient internal control in the performance of their respective activities and in the pursuit of related business objectives.

⁵³ Eni entrusted to the Board of Statutory Auditors, as set forth in the Code of Borsa Italiana, the role of Audit Committee under the SOA and therefore the task of reviewing the proposals submitted by Audit Firm in order to obtain the auditing mandate and monitor the efficacy of the accounting auditing process.

⁵⁴ To this end, please see details in the following paragraph describing the responsibilities assigned to the Officer in charge of preparing financial reports.

Officer in charge of Internal Control and Internal Audit

A primary role in monitoring and assessment process of the internal control system is performed by the Officer in charge of Internal Control, a position which, in Eni, is held by the Senior Executive Vice President of Internal Audit (Rita Marino), given the substantial identity of operational areas and the consequent strong link between the two roles.

Officer in charge of Internal Control

The Officer in charge of Internal Control is entrusted with the main task of i) verifying that the internal control system is always adequate, fully operational and correctly functioning and ii) providing evaluation on its adequacy.

The Officer in charge of Internal Control is appointed by the Board of Directors, on proposal of the CEO, in agreement with the Chairman of the Board of Directors, and after opinion of the Internal Control Committee.⁵⁵ The Board determines the compensation of the Officer in charge of Internal Control, in compliance with corporate policies and following consultation with the Internal Control Committee.

The Officer in charge of Internal Control is not responsible for any specific operational area, has direct access to information which may be useful for carrying out her tasks, is provided with the necessary tools for fulfilling her tasks, and reports, through the Internal Control Committee, to the Board of Directors, the Board of Statutory Auditors and the CEO by means of periodical reports.

On March 4, 2010, the Officer in charge of Internal Control has released its Annual Report on the internal control system (for the period between January 1 and December 31, 2009, updated as at the release date) and has also provided an evaluation on its adequacy based on the outcomes of the monitoring activities carried out in the relevant period by the Internal Audit Department, by the Officer in charge of Internal Control of the listed subsidiaries and by the Internal Audit Departments of the subsidiaries that are under the supervision of the Bank of Italy.

Internal Audit Department

The Internal Audit Department is entrusted with the task of providing the following to the CEO and, through the Internal Control Committee, to the Board of Directors and to the Board of Statutory Auditors in its capacity as "Audit Committee" in accordance with US law: audits, analyses, assessments and recommendations pertaining to the design and functioning of, as well as compliance with, the internal control system of the company and of the Group, in order to promote its efficiency, and efficacy. The Internal Audit Department performs the activities, within its own area of responsibility, as regards Eni S.p.A and the subsidiaries in which ENI retains majority voting rights, with the exception of those with listed shares or those under the supervision of the Bank of Italy. Those subsidiaries have their own internal audit departments.

The Senior Executive Vice President of Internal Audit, reports to the CEO who is entrusted with overseeing the functioning of the internal control system; the Internal Control Committee oversees the activities carried out by the Internal Audit which reports also to the Board of Statutory Auditors, in its capacity as "Audit Committee", pursuant to the laws of the United States. The methods for appointing/revoking the Senior Executive Vice President of Internal Audit are compliant with the provisions set forth in the Code of Ethics, as regards the Internal Control Manager, given the synergy between the two roles. The Internal Control Committee evaluates annually the upholding of the characteristics of honorability, competence and expertise of the Senior Executive Vice President of Internal Audit, as well as the absence of any causes of incompatibility, and provides the Board of Directors with its opinion on the compensation to be paid to the Senior Executive Vice President of Internal Audit upon proposal by the CEO in accordance with corporate policies.

⁵⁵ The Officer in charge of internal control was appointed for the first time in the meeting of March 16, 2007 and later reconfirmed by a resolution issued on October 30, 2008.

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

Objectives, areas of intervention and functioning methods pertaining to the Internal Audit department are defined in the "Internal Audit Charter", approved by the Board of Directors at the end of 2008 in line with the best practices.

The Internal Audit Department is entrusted with the powers and means adequate for performing its tasks in full operational independence - also in terms of expenditure autonomy, availability of an adequate number of professionally competent resources, and access to information, data, archives and assets held by the company and by its subsidiaries.

According to this organizational model, the Internal Audit Department, by ensuring the preservation of the necessary conditions of independence, as well as of the required professional objectivity, skills and diligence in compliance with the set forth international standards for professional practices and the Code of Ethics, performs the following main activities:

- (i) Executes audit activities (operational, financial and compliance audit, with particular attention given to the provisions of Legislative Decree no. 231 of 2001), thus implementing the Annual Audit Plan formulated with a top-down risk based approach and approved by the Board of Directors together with the budget of the resources and, for the relevant aspects as set forth in Legislative Decree n. 231 of 2001, by the Eni Watch Structure.
- (ii) Performs unplanned internal audit activities, upon request by the primary stakeholders of the internal control system and/or by the top management.
- (iii) Monitors the implementation of corrective actions defined on the basis of audit activities.
- (iv) Organizes and oversees the development and management of the information flows set up for receiving the reports, also in anonymous form, of which it keeps an updated archive, and conducts preliminary audits in compliance with applicable corporate procedures.
- (v) Performs monitoring activities, as provided for in the 231 Model of Eni S.p.A.. Within this specific area, the Internal Audit Department has started, in 2009, monitoring activities pertaining to HS, which, in compliance with the aforementioned Internal Audit Charter, provide for conducting independent assessments on the auditing, measurement and reporting activities, to be carried out by the competent HSE units.
- (vi) Carries out independent monitoring activities performed for financial reporting, according to a plan communicated by the CFO and, starting in 2009, performs also independent monitoring activities for relevant operations in terms of "Consumer Prices Control Model", based on the Plan formulated by the General Manager of each Division.
- (vii) Participates in corporate training regarding internal control issues.

The Internal Audit department ensures systematic and periodical reporting (quarterly summary reports and half-year reports) on the outcomes of its activities which are forwarded to the control and supervisory bodies and to upper management in order to enable them to perform their duties, in terms of control and assessment of the internal control system; in addition, it promptly informs the CEO and the control and supervisory bodies about serious deficiencies identified in the internal control system and about any circumstance that may compromise its own prerequisites of independence.

Officer in charge of preparing Financial Reports and internal control system applied to financial reporting

Officer in charge of preparing Financial Reports

Pursuant to Article 24 of the By-laws, in compliance with the provisions of Article 154-bis of the Finance Consolidation Act, the *Officer in charge of preparing Financial Reports* (Appointed Officer – AO) is appointed by the Board of Directors, upon proposal submitted by the CEO in agreement with the Chairman and upon favorable opinion issued by the Board of Statutory Auditors. The AO must be selected, in accordance with the provisions of the By-laws, from among subjects with at least three years of experience with the following:

- (a) administration, control or management activities carried out at companies that are listed in the Italian, in other European Union states and in OECD countries' regulated markets, and with a share capital of at least 2 million euro, or
- (b) auditing activities carried out at the same types of companies listed under letter a), or
- (c) professional activities with, or university teaching experience in, financial or accounting disciplines, or
- (d) management experience developed at public or private enterprises operating in the financial, accounting or auditing sectors.

Tasks, powers and means of the Appointed Officer

In compliance with law provisions, the AO is responsible, within the internal control system, for the financial reporting and to this end, he/she sets forth the administrative and accounting procedures for drafting the periodical accounting documentation and any other financial reporting, certifying - in accordance with the CEO and by means of a report on the financial statements of the year, on the half-year summary financial statements and on the consolidated financial statements - the adequate and actual application of the internal control over the period to which these accounting documents refer. The Board of Directors oversees these activities, pursuant to art. 154-bis, in order to ensure that the AO has the powers and the means necessary to carry out the assigned tasks and that compliance with the aforementioned procedures is maintained. In the meeting of July 30, 2008, the Board of Directors, upon favorable opinion issued by the Board of Statutory Auditors, has appointed to the position of AO Mr. Alessandro Bernini, Eni's Chief Financial Officer (CFO) and has deemed as being adequate, for the purpose of performing his functions, the conferred expenditure powers, to be exercised independently from or jointly with the CEO, as well as the means at his disposal in terms of organizational structures and administrative, accounting and internal control systems.

In the meeting of 11 March, 2010, the Board of Directors has confirmed the adequacy of the "powers and means" at the disposal of the CFO, in his capacity as AO, and has verified compliance of the procedures implemented by the AO with the applicable law.

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

The internal control system applied to financial reporting is a process aimed at providing a reasonable certainty on the reliability⁵⁶ of the financial reporting itself and on the capacity of the process set up for the preparation of the financial statements to produce financial reports compliant with generally accepted international accounting principles.

The "Guidelines on internal control system over corporate reporting" approved by the Board of Directors on June 20, 2007, define the rules and methods to be adopted in the planning, establishing and maintaining, over time, of the internal control system applied to Eni's financial reporting, as well as in the assessment process of its efficacy.

These Guidelines have been defined in compliance with the provisions of the aforementioned Article 154-bis of the Consolidated Law on Finance and with the provisions of the US Sarbanes-Oxley Act of 2002 (SOA), to which Eni must adhere as a company whose stocks are listed on the New York Stock Exchange (NYSE), formulated in accordance with the COSO Report ("Internal Control – Integrated Framework" published by the Committee of Sponsoring Organizations of the Treadway Commission).

The Guidelines are applicable to Eni S.p.A. and to the subsidiaries in which Eni holds a direct or indirect interest, in compliance with international accounting principles and in consideration of their relevance in terms of the preparation of financial reporting. All subsidiaries, regardless of their relevance within the internal control system applied to Eni's financial reporting, refer to these Guidelines in setting up their own control system on financial reporting that better reflects the company's size and complexity of operation.

The planning, set up and maintenance of the internal control system applied to financial reporting are guaranteed through: risk assessment, controls identification, controls evaluation and reporting.

⁵⁶ Reliability (of the reporting): A reporting that meets the requirements of correctness and compliance with generally accepted accounting principles and includes the characteristics sets forth by the applicable laws and regulations.

The risk assessment process, based on a “top-down” approach, aims at identifying the organizational entities, the processes and the specific activities capable of generating risks of unintentional errors or of frauds, which may significantly affect the financial statements.

In particular, the identification of the organizational entities under the internal control system applied to financial reporting, is based on the contribution, by the various entities, to the figures stated in the consolidated financial statements (assets, financial debt, net proceeds, taxable income) also in consideration of their relevance in terms of processes and specific risks⁵⁷. Within the companies that are relevant to the control system applied to financial reporting, significant processes are subsequently identified upon an analysis of quantitative factors (processes that contribute to determining the financial statement items for amounts over a certain percentage of pre-tax profits) and of qualitative factors (e.g.: complexity in the accounting handling of financial operations; news and/or significant changes in the business conditions). Following identification of all relevant processes and activities, the potential risks are identified. The term “risk” refers to potential events that may compromise the achievement of the control system’s objectives applied to financial reporting (e.g. financial statements). The identified risks are assessed in terms of their potential impact and probability of occurrence, based on qualitative and quantitative parameters and assuming the absence of a control system (inherent assessment). In particular, with reference to fraud risks⁵⁸, a risk assessment was performed based on a specific methodology used in the “Anti-fraud programs and controls” to which the aforementioned Guidelines refer.

In consideration of the relevant companies, of the processes and risks involved, a control system was set up on the basis of two fundamental principles: the application of the control system to all levels of the corporate organizational structure and in accordance with the assigned operating responsibilities, and the controls’ sustainability over time so as to ensure a performance that is integrated and compatible with operational requirements.

The structure of the control system applied to financial reporting provides for controls implemented at the level of entities that operate in a transversal manner with respect to the reference entity (Group / Division / single company), and provides for controls at the process level.

The controls implemented at the entity level are organized in a checklist which, based on the model adopted in the COSO Report, focuses on five components (control environment, risk assessment, control activity, information systems and reporting, monitoring activities). Of particular importance are the control activities related to the scheduling of drafting and disseminating economic-financial operating results (“half-year and financial statement circular” and related timelines); the existence of organizational structures and of a regulatory body aimed at reaching the pre-set objectives as regards financial reporting (these controls provide, for example, for auditing and updating activities carried out through specialized corporate functions, as set forth in the Group’s Regulations, with reference to the group’s financial statements and Accounting Plan); training activities on accounting principles and an internal control system applied to financial reporting; and finally activities related to the reporting system for the management of the consolidation process (Mastro).

The controls at the process level are divided as follows: specific controls intended as a set of manual or automated activities aimed at preventing, identifying and correcting errors or irregularities that may occur in carrying out operational activities; pervasive controls intended as structural elements of the control system applied to financial reporting and aimed at defining the general conditions that would promote a correct execution and control of operational activities (e.g. segregation of incompatible tasks and general controls on information systems).

The “specific controls” consist in special procedures that define both the execution of corporate processes and the so-called “key controls”, the absence or non-functioning of which would carry the risk of a relevant error or fraud in the financial statements that may not be detected by other forms of controls.

⁵⁷ Among the entities under the internal control system, are some companies established and operating in compliance with the laws of countries that are not part of the European Union, to which the regulatory provisions of Article 39 of the Consob Market Regulations apply.

⁵⁸ Fraud: within Internal Control System, each act or intentional omission which generates a deceptive statement.

The controls at the entity and process level are subject to evaluation (monitoring) in order to assess, over time, the effectiveness of their design and their actual functioning. For this purpose, the following activities were provided for: ongoing monitoring - assigned to the management group responsible for the relevant processes/activities - and separate evaluations, assigned to the Internal Audit Department which operates in compliance with a preset plan, formulated by the CFO/AO, that defines the scope and the objectives of the interventions through agreed upon auditing procedures.

The monitoring activities enable the identification of deficiencies present in the control system applied to financial reporting, which are subject to evaluation in terms of probability and impact on Eni's financial reporting and, based on their relevance, are qualified as "deficiencies", "significant weak points" or "relevant deficiencies".

The results of these monitoring activities are included in periodical reports on the status of the control system applied to financial reporting, through the use of computerized tools in order to guarantee the tracking of the information collected on the effectiveness of the design and on the actual functioning of the controls. Based on this reporting activity, the CFO/AO prepares a report on the adequacy and actual implementation of the control system applied to financial reporting, which, after approval by the CEO, is submitted to the Board of Directors, following review by the Internal Control Committee and upon approval of the annual and half-year financial statements, in order to enable the execution of the required supervisory functions and of the appropriate evaluations, related to the internal control system applied to financial reporting. This report is also submitted to the Board of Statutory Auditors, in its capacity as Audit Committee in compliance with US regulations.

The CEO/AO is assisted, in his/her activities within ENI, by several other individuals whose tasks and responsibilities are defined in the aforementioned Guidelines. More specifically, control activities involve all levels of Eni's organizational structure, from business managers to executives to administrative Directors and the CEO. Within this organizational structure, the so-called "risk owner" assumes a particular relevance, as regards the internal control system, as he/she performs ongoing monitoring activities aimed at evaluating the design and effectiveness of specific and pervasive controls, as well as providing information to be used in the reports on monitoring activities and on any identified deficiencies, in order to promptly implement all necessary corrective actions.

Eni Watch Structure and Model 231

According to the Italian regulations pertaining to the "administrative liability of legal entities deriving from offences". pursuant to Legislative Decree no. 231 of June 8, 2001 (hereinafter, "Legislative Decree no. 231 of 2001"), associations, including corporations, may be held liable - and therefore charged with the payment of a penalty or placed under injunction, with regard to certain offences that are attempted or committed in Italy or abroad in the interest or for the benefit of the company. The companies may, in any case, adopt organizational, management and control models suitable to the prevention of possible offences.

With regards to this issue, Eni S.p.A.'s Board of Directors – in its meetings of December 15, 2003 and January 28, 2004 – has approved an organizational, managerial and control model pursuant to Legislative Decree no. 231 of 2001 (hereinafter, "Model 231") and has appointed the Eni Watch Structure. The composition of the Eni Watch Structure, initially consisting of only three members, was amended in 2007 with the addition of two external members, one of them appointed by the Chairman of the Eni Watch Structure and selected from among university professors and professionals of proven experience and expertise in economics and business management. The internal members are represented by the Senior Executive Vice President (or managers directly reporting to them) of Legal Affairs, Human Resources and the Internal Audit Departments.

The Eni Watch Structure carries out the following main activities: (i) monitors the efficacy of Model 231 of Eni S.p.A. as well as all related implementation and updating activities; (ii) evaluates the effectiveness of Model 231 and ensures the maintenance over time of its sound and efficient functioning by proposing the necessary updates; (iii) monitors the progress of its application to the subsidiaries and promotes the dissemination and knowledge to the same of the methodologies and tools to be used for the Model's implementation (iv) approves the annual planning of all Eni S.p.A.'s supervisory activities, coordinates their implementation and evaluates the results; (v) manages the reporting activities, working for this purpose with

the Watch Structure of subsidiaries' appropriate personnel and supervisory bodies. The synergies between Model 231 and the Code of Ethics, an integral part and underogable principle of Model 231, are evident in the assignment to Eni S.p.A.'s Watch Structure of the functions of Guarantor of the Code of Ethics. Similarly, each subsidiary assigns the functions of Guarantor of the Code of Ethics to its own Watch Structure. The Watch Structure of Eni S.p.A. reports periodically on its activities to the Chairman, to the CEO – who informs the Board of Directors by means of his/her own report on the execution of delegated powers – to the Internal Control Committee and to the Board of Statutory Auditors. These periodical reports are processed according to the evidence acquired while performing its activities.

Following the first approval of Model 231 and its subsequent updates in compliance with legislative developments, in the meeting of March 14, 2008, the Board of Directors of Eni S.p.A., after consultation with the Board of Statutory Auditors, has approved its own update which has been implemented in accordance with corporate organizational changes, new legal requirements⁵⁹, new developments on the part of authorities and case law, issues resulting from the application of the Model (including any knowledge stemming from legal disputes), the practices of Italian and foreign companies with regards to the models, the outcomes of supervisory activity and the results of internal auditing activities.

Model 231 of Eni S.p.A., a set of principles and the point of reference for subsidiaries, is provided to each subsidiary so that they may adopt and/or update their own models. The subsidiaries listed on the stock exchange and those operating in the gas and electrical sectors, subject to unbundling regulations, adopt their own model and adjust it as necessary, in accordance with their own company characteristics and with the principle of managerial autonomy. The representatives identified, as indicated by ENI, within the corporate bodies of the subsidiaries as well as in consortia and joint ventures, promote the principles and contents of Model 231 within their respective areas of competence. Control provisions (based on general and specific standards) have been set forth in order to regulate corporate activities for the prevention of crimes, pursuant to Legislative Decree no. 231 of 2001. In addition, in compliance with the applicable law, a disciplinary system has been implemented to sanction infringements of Model 231 and failures to comply with corporate procedures. At the end of 2009, Eni has launched some initiatives aimed at streamlining and optimizing the organizational and operational structure of the watch structures of the subsidiaries, and at analyzing the process implemented by the subsidiaries themselves for the adoption of Model 231 while taking into consideration any developments in the regulatory system and in best practices.

The Board of Directors plays a primary role concerning Model 231 since, as mentioned earlier, it has reserved the right to approve it, to establish and appoint the members of the Watch Structure and to receive, through the CEO, periodical reports on its operations. On the other hand, the CEO is responsible for implementing and updating Model 231, pursuant to the powers conferred to him/her by the Model itself. For this purpose, the CEO has set up a multifunctional Team ("Team 231") responsible for drafting/submitting proposals for updates. During 2009, the Team 231 has completed the update of Model 231 to include crimes pertaining to receiving stolen goods, recycling, and unlawful usage of money and properties of illegal origins, computer crimes and unlawful data processing, and will shortly implement new updates by adding new types of presumed crimes introduced by the legislature in 2009 (organized crimes, crimes against industry and commerce, infringements of copyrights, instigation not to make statements or to make false statements to judicial authorities).

In 2009, the rationale and methods to be applied to the planning and implementation of supervisory activities were defined in the areas of workplace safety and health for the prevention of "manslaughter or serious or very serious personal injuries, in violation of workplace safety and health laws", pursuant to the provisions of Legislative Decree 231/01, to the principles and the content of model 231 and to Eni S.p.A.'s Managing System Model HSE concerning internal assessments and controls. The activities were carried out by a

⁵⁹ The current scope of application of Legislative Decree n. 231 of 2001 provides for the following: Offences against public authorities and public faith, (ii) corporate crimes, (iii) crimes associated with the subversion of public order, and financing of terrorism, (iv) offences against the person, (v) market abuse ("abuse of confidential information" and "market manipulation"), (vi) offences against individuals, law n. 7 of 2006, (vii) transnational crimes, (viii) manslaughter and serious or very serious personal injury committed in violation of industrial accident laws and of the protection of industrial hygiene and health, (ix) crimes related to receiving stolen goods, recycling, and unlawful usage of money and properties of illegal origins, (x) computer crimes and unlawful data processing, (xi) organized crimes, (xii) offences against industry and commerce, (xiii) infringements of copyrights, (xiv) instigation to make false statements to judicial authorities.

dedicated multifunctional team, under the coordination of the Watch Structure of Eni S.p.A., which, in accordance with the tasks assigned by Model 231, shall promote, in 2010, the implementation in the subsidiaries of the principles defined for Eni's supervisory activities pertaining to HS.

For a correct implementation of Model 231, training and/or communication activities based on the type of recipient (including third party and the market) have been planned. A Web Based Training (WBT) on Model 231 has been planned for the year 2010 and will be provided specifically to managers/executives, corporate organizational communication groups and to key officers of Eni.

Model 231 and the Code of Ethics are published on Eni's web site and are available on the company's intranet network.

Anti-Corruption Policy

Of primary importance is the fight against corruption, which has been approved by Eni's Board of Directors and subsequently regulated with Anti-Corruption Guidelines and with the first two Auxiliary Anti-Corruption Procedures dealing specifically with joint-venture and intermediary agreements. Other Auxiliary Anti-Corruption Procedures, on specific subject matters, are currently under review. The Anti-Corruption Guidelines and Auxiliary Anti-Corruption Procedures aim at providing a systematic reference framework with anti-corruption regulations and procedures, already implemented by Eni over time, as well as at ensuring full compliance, by Eni and its employees, with the Code of Ethics, with Model 231 and with national and international anti-corruption laws. For this purpose, both the Anti-Corruption Guidelines and the Auxiliary Anti-Corruption Procedures are being adopted by all of Eni's subsidiaries, both in Italy and abroad, upon resolution issued by the Board of Directors (or by the corresponding body/function, if the governance of the subsidiary does not provide for the establishment of a Board). The internal regulations adopted by Eni, as regards this subject matter, provide for the involvement of Eni's Board of Directors or of the subsidiary company, in the approval phase of the most significant activities (such as the appointment of intermediaries). In compliance with international market best practices, an anti-corruption unit was also set up, within the Eni S.p.A.'s Legal Affairs Department, with the objective of providing legal advisory services and support, in anti-corruption matters, to Eni's business units and unlisted subsidiaries.

At the time of the adoption of this policy, a presentation event was held in order to provide Eni's personnel with information on the company's new and future initiatives aiming at a continuously more effective fight against, and prevention of, corruption. An anti-corruption training program for the company's employees, currently under development, will be held in the course of the year and will consist of an information session, delivered through e-learning modules with an overview of the anti-corruption topic, and a series of interactive workshops for a more in-depth analysis on specific sub-topics.

Audit firm⁶⁰

The auditing of Eni's financial statements is entrusted, in accordance with the law, to an audit firm, registered in the Consob special registry and appointed by the Board of Directors, upon a documented proposal submitted by the Board of Statutory Auditors.

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

For the most part, the subsidiaries' financial statements are subject to auditing by the same company that audits Eni's financial statements. In addition and for the purpose of issuing an assessment on the consolidated financial statements, Eni's audit firm assumes the responsibility for the work performed by other auditing companies as regards those subsidiaries' financial statements which represent altogether an irrelevant part of the company's assets and consolidated turnover.

⁶⁰ The audit firm, verified the redaction of this Report, renders an opinion according to article 156, par. 4-bis, lett. d) of the Consolidated Law on Finance on the information provided according to article 123-bis, par. 1, lett. c), d), f), l) and m), and par. 2, lett. b) of the same law. The audit report is published together with the Annual Financial Report.

The current audit firm is PricewaterhouseCoopers S.p.A. Its first mandate of June 1, 2001, was later confirmed for three more years by the Shareholders' Meeting held on May 28, 2004, and subsequently extended to the 2007-2009 financial years by the Shareholders' Meeting held on May 24, 2007, pursuant to Legislative Decree n. 303/2006, since the maximum term of nine financial years provided for by the law had yet to be completed. Consequently, at the time of the approval of the financial statements of the 2009 financial year, *PricewaterhouseCoopers S.p.A.* will have fulfilled its mandate and the Shareholders' Meeting will appoint another audit firm.

During the course of its operations, the audit firm shall have access to the information and data in both printed and digital form, as well as to the archives and assets of the company and of its subsidiaries.

The single reference framework for the application to Eni's group of auditing regulations is represented by the Financial Statements Auditing Regulations (Normativa in materia di revisione dei bilanci) adopted by the Board of Directors as of April 3, 2008. These regulations include the new legislative provisions issued in the last few years⁶¹ as well as the provisions issued by the appropriate control authorities (Consob and SEC). The regulations comply with the general framework of principles applied to the following: granting and revocation of the mandate; relations between the Group's primary and secondary Auditors; independence of the audit firm and reasons for incompatibility; reporting responsibilities and obligations of the audit firm; regulations applied to the reports to be submitted to the company, to Consob and SEC. In order to protect the independent nature of the Auditors, a monitoring system of "non-auditing" tasks has been set up where, in general, the entrusted audit firm and the companies of its network, shall not be assigned tasks other than those pertaining to accounting audits, with few exceptions in the case of assignments that are not prohibited by Italian laws or the Sarbanes-Oxley Act. These assignments are approved by the Board of Directors of each company, following consultation with the Board of Statutory Auditors of that same company, and are subsequently authorized by Eni's Board of Statutory Auditors if such assignments are not included among those provided for in the applicable laws and regulations. Eni's Board of Statutory Auditors is, in any case, periodically informed of the tasks entrusted to the audit firm by the companies of the Group.

The following table shows total fees paid by Eni, its consolidated and non-consolidated subsidiaries and Eni's share of fees incurred by joint ventures for services provided by Eni audit firm and its member firms, with respect to the years indicated:

Principal accountant fees and services	2007	2008	2009
(thousand euro)			
Audit fees	26,383	27,962	30,748
Audit-related fees	169	152	276
Tax fees	81	46	51
All other fees	120	1	-
	26,753	28,161	31,075

Court of Auditors

The financial management of Eni is subject to control by the Court of Auditors in order to protect public finances. This activity was carried out by the Judge of the Court of Auditors, Lucio Todaro Marescotti, succeeded by Raffaele Squitieri,⁶² appointed by resolutions issued on October 28, 2009 by the Council of the Presidency of the Court of Auditors.

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

⁶¹ Law n. 262/2005 and Legislative Decree n. 303/2006 which have amended the Consolidated Law on Finance.

⁶² Alternate Judge is Amedeo Federici.

Directors' interests and transactions with related third parties

While awaiting the issue of the executive provisions of Article 2391-bis of the Italian Civil Code, the Board of Directors – following consultation with the Internal Control Committee – has adopted the Guidelines relative to transactions involving Directors and Auditors' interests and related third parties in order to ensure compliance with the principles of transparency and of formal and substantial correctness which govern these transactions – in relation to the aforementioned transactions – by the cited provisions and by the Code of Borsa Italiana.

By sharing the general principles set forth by Consob on this matter, Eni has incorporated them into its own procedures while also taking into account the market's best practices. More specifically, in the adopted Guidelines, the Board:

- has identified, on the basis of pre-determined criteria, the most relevant transactions with related third parties that fall under its decision-making area of competence;
- has assigned a decisive role to the independent Directors by providing for the involvement of the Internal Control Committee in the inquiry and deliberative phases of the aforementioned relevant transactions with the possibility to be assisted in carrying out these tasks by one or more experts appointed in its choice. The Committee plays also an important role in those transactions that do not fall within the area of the competence of the Board;
- has provided for a more in-depth inquiry into all transactions conducted with related third parties, regardless of deliberative powers, in order to ensure transparency as well as a substantial and procedural correctness of the transactions; This transparency must also be ensured in the subsequent deliberative phase.

Consequently, the approved Guidelines define the policies to be adopted by the Group in this area.

The number of relations of a commercial, financial and other nature with related third parties, the description of the type of most relevant transactions, the impact of these relations and transactions on the balance sheet, the income statement and cash flow statements, are highlighted in the explanatory notes to the consolidated financial statements (Note n. 36 – Relations with related third parties).

The Guidelines, as required by Eni's Code, also regulate transactions involving the interests of Directors/Auditors, thereby providing that:

- Directors and Auditors periodically issue a statement reporting the potential interests held by each party in relation to the company and to the Group, and they promptly notify the other Directors and the Board of Statutory Auditors about individual transactions with the Company in which they hold interests that are "external" to the company;
- the involved Directors normally do not take part in the discussion and in the resolutions issued by the Board with regard to relevant issues; at times they may even leave the meeting room.

In any case, the transactions in which the related third party is a Director or an Auditor, or other parties associated with them, are considered relevant and thus subject to more in-depth investigational and deliberative procedures, as well as to a resolution that the Board of Directors takes after consulting with the Internal Control Committee.

The text of the Guidelines is available on the web site of the company, in the Corporate Governance section.

Relations with the shareholders and the market

From the start of the privatization process and in compliance with its Code of Ethics and Corporate Governance Code, Eni maintains an open and on-going communication with institutional investors, with retail shareholders and with the market in order to ensure the dissemination of complete, correct and timely information on its activity, with restrictions applied only to certain confidential information.

Information concerning periodical reports, the four year strategic plan, events and relevant operations is disseminated by means of press releases, meetings and conference calls with institutional investors, financial analysts and the press and is promptly disseminated to the public also through its web site. In particular, presentations given by top management and directed to the financial markets, that contain quarterly and yearly operating results and the four year strategy, are broadcast live from the website of the

company, thus giving to the retail shareholders the opportunity to be informed in real time on the most significant market events. The recording of these events, the press releases and the live presentations are available at all times on the website. In the month of December, the financial calendar is disclosed to the market and published on the website with details on the main financial events of the following year. The pages “Eni on the Stock Markets” (Eni in Borsa), in the Investor Relations section of Eni’s website⁶³ are constantly updated with information regarding dividends, securities prices, peer securities trends and main exchange codes.

Also available on the web site are the periodical reports, the press releases, the Report, the Governance Code and related procedures, Eni’s By Laws, communications to shareholders and bond holders, reports and documentation regarding the topics of the agenda of the Shareholders’ and Bondholders meetings, with the related minutes. The documentation is sent to anybody who may request it, also through the website⁶⁴.

The company has also agreed to fulfill the requests, which have emerged in recent Shareholders’ meetings, for an increasing involvement of the investors.

Eni is fully committed to make available to the public all information, as required by the law, and in addition all information related to its own Corporate Governance system, with particular attention given to keeping the content on the website consistently updated. A section of the website is dedicated to Eni’s corporate governance, and the governance system is illustrated in a summary interactive diagram⁶⁵ as well as through additional detailed explanations. The site also provides a significant amount of documentation, easy to consult, including this Report, previous reports and all the documents mentioned in the Report. The efficacy of the communication provided by Eni through its corporate website has been rated of the best quality for two consecutive years (2008 and 2009), both at national and European levels⁶⁶, thanks to its capacity for guaranteeing a high level of disclosure through a clear, accessible and transparent presentation style. In particular, the corporate governance section has earned the highest score among Italian companies and the second highest among European companies.⁶⁷ Notwithstanding all regulatory and Statutory provisions, the project aiming at encouraging the interest and participation of the shareholders is progressing. In recent years, in fact, the objective to have companies not only respect the rights of the shareholders, but also promote their active participation by assisting them in exercising their rights, by communicating comprehensible and easily accessible information and by encouraging their participation in corporate activities, has been strongly stressed.

The commitment to presenting Eni to the shareholders in the simplest and most intuitive way led to the idea of creating a section of the website⁶⁸ dedicated to direct communications including a Guide for the Shareholders and an overview of future initiatives. One of these initiatives is the presentation of the Shareholders’ Meeting - held on April 30, 2009, for the approval of the 2008 financial statements - and of the shareholders rights, by means of a simple and quick interactive animated film. Specific positions/functions within Eni ensure effective relations with institutional investors, shareholders and the media.

In particular, as set forth in the Eni’s Code, the relations with institutional investors and financial analysts are handled by the Manager of Investor Relations; all related information is available on the Eni website and may be requested by e-mail at the address: investor.relations@Eni.com.

The relations with the media are handled by the External Communication Manager; all related information is available on the Eni website and may be requested by e-mail at the address: ufficio.stampa@Eni.com.

The relations with the shareholders are handled by the Company Secretary For Eni S.p.A. Manager. All related information is available on the Eni website and may be requested by e-mail at the address

⁶³ At the following address: http://www.eni.com/en_IT/investor-relation/eni-stock-markets/eni-stock.shtml.

⁶⁴ At the following address: http://www.eni.com/en_IT/documentation/documentation.page?type=bil-rap&header=documentazione&doc_from=hpeni_header.

⁶⁵ At the following address: http://www.eni.com/en_IT/governance/governance-model-policies/eni-corporate-governance-code/eni-corporate-governance-code.shtml.

⁶⁶ This refers to the “H&H Webranking” which provides the most authoritative rankings on the quality of corporate communication through a website of the most important 100 Italian and 500 European companies.

⁶⁷ At the following address: http://www.eni.com/en_IT/governance/governance-model-policies/eni-governance-awards/eni-governance-awards.shtml.

⁶⁸ At the following address: http://www.eni.com/en_IT/governance/shareholders/initiatives/initiatives.shtml.

segreteria.societaria.azionisti@Eni.com or by calling the toll free number 800940924 (outside of Italy: 80011223456).

The relations with the shareholders, as regards corporate governance matters, are handled by the Corporate Governance Systems and Policies Manager. All related information is available on the Eni website and may be requested by e-mail at the address: info.governance@Eni.com.

Corporate information processing

In compliance with the provisions set forth in the Consolidated Law on Finance and in the Consob Regulations on Issuers, upon implementation of the European Directive on the so-called Market Abuse, the Board of Directors, on February 28, 2006, has approved procedures for communicating privileged information to the market, for creating a log of individuals with access to privileged information and for notifying about transactions carried out by previously identified "relevant subjects" and concerning the shares of the company (internal dealing). These procedures were subsequently updated to include the interpretations provided by Consob through a communication dated March 28, 2006, and are available in the Corporate Governance section of the Eni website ⁶⁹ Following is a summary of the approved procedures.

Communication to the market of documents and inside information

The "Procedure for advising the market of inside information and documents concerning the Group's issuer companies and their financial instruments", adopted in substitution of a previous policy dating back to 2002, sets forth the requirements for communicating inside information (materiality, clarity, homogeneity, information symmetry, consistency and timeliness) to the public and defines the rules for acquiring, from the subsidiaries, the data and information that are necessary to provide accurate and prompt reports to the Board and to the market on the events and circumstances that may materialize into inside information.

Furthermore, the procedure identifies the measures to be adopted in the event of an infringement of the provisions contained therein, also keeping into account the new types of offences that are subject to legal and administrative sanctions introduced by the Savings Protection Law. Eni's Code of Ethics defines the confidentiality obligations of the Group's employees with regard to the processing of confidential information.

The Directors and the Auditors ensure the confidentiality of the documents and of the information acquired during the course of their operations and comply with the procedure adopted by Eni concerning the internal management, as well as the communication to external parties, of such documents and information.

Register of persons having access to inside information

The "Procedure for keeping and updating the Register of Persons with access to inside information of Eni S.p.A.", set up in compliance with the provisions of Article 115-bis of the Consolidated Law on Finance and with the executive provisions of the Consob Regulations on Issuers, defines the following: the methods and terms for the registration in the Register (or removal from it) of individuals who, because of their work or professional activity or because of the functions carried out on behalf of Eni, have access, on a regular or occasional basis, to inside information; (ii) the methods for communicating to the interested parties their registration in the Register, and/or their removal from it, with the related explanations.

Internal Dealing

The "Procedure concerning identification of the relevant persons and the transactions carried out directly or through nominees in respect of shares issued by Eni S.p.A. or other related financial instruments" (Internal Dealing Procedure) has replaced the previous policy on the subject matter, dating back to 2002, and is written in compliance with the provisions of Article 114, paragraph 7, of the Consolidated Law on Finance. The procedure, in accordance with the indications provided for in the Consob Regulations on Issuers (i) identifies the relevant subjects; (ii) defines the transactions on shares issued by Eni or other related financial

⁶⁹At the following address: http://www.eni.com/en_IT/governance/market-abuse/market-abuse-procedures/market-abuse-procedures.shtml.

instruments; (iii) sets forth the methods and terms for communicating to Eni the transactions that are carried out, as well as the terms for disclosing such communications to the public.

The procedure provides also, in addition to regulatory obligations, for certain periods of the year during which the subjects identified as “relevant” are not allowed to perform transactions (blocking periods). A similar principle has also been introduced in another internal procedure approved on December 23, 2008, concerning transactions carried out by the company on Eni’s securities or on securities associated with Eni’s securities. The Internal Dealing procedure was updated further on September 1, 2009 to include some organizational changes.

Following are the tables mentioned in the “Handbook for the preparation of the report on corporate governance”, issued in March 2004 by Assonime and Emittenti Titoli S.p.A.

Structure of the Board of Directors and its Committees

Members	Board of Directors					Internal Control Committee		Compensation Committee		Oil - Gas Energy 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											
Alberto Clò ^(*)		X	X	100%	3			X	92%	X	100%
Paolo Andrea Colombo	X		X	100%	6			X	92%	X	100%
Paolo Marchioni	X		X	100%	0	X	80%				
Marco Reboa ^(*)	X		X	100%	3	X	100%			X	100%
Mario Resca	X		X	88.2%	1			X	100%	X	10%
Pierluigi Scibetta	X		X	100%	0	X	95%			X	90%
Francesco Taranto ^(*)	X		X	100%	2	X	100%	X	100%		
Number of meetings in 2009				17		20		13		10	
Average duration of meetings				3h 17m		4h 36m		1h 46m		1h 31m	
Average attendance percentage				98.3%	98.7%	93.80%		96%		80%	

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

(*) Appointed by the minority list.

For presenting a list a shareholder or group of shareholders must hold at least 1% of voting shares in an ordinary shareholders' meeting, unless new regulation coming into force.

Board of statutory Auditors

Members	% 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)
Chairman				
Ugo Marinelli ^(*)	100	94	1	5
Auditors				
Roberto Ferranti	69	82	1	2
Luigi Mandolesi	96	100	1	10
Tiziano Onesti	96	100	2	18
Giorgio Silva ^(*)	92	100	2	12
Number of meetings in 2009	26	17		
Average duration of meetings	3h 48m			
Average attendance percentage	91%	95%		

(*) 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, unless new regulation coming into force.

Other information to be disclosed under the Self-discipline Code

	Yes	No
System of delegated powers and transactions with related parties		
The Board of Directors delegated powers defining:		
a) limitations	X	
b) exercise	X	
c) periodicity of information	X	
The Board of Directors reserved examination and approval of relevant transactions (including transactions with related parties)	X	
The Board of Directors defined guidelines for identifying relevant transactions	X	
Such guidelines are described in the report	X	
The Board of Directors defined procedures for examination and approval of transactions with related parties	X	
Such procedures are described in the annual report	X	
Procedures for the latest appointment of Directors and Statutory Auditors		
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:		

Eni SpA - Piazza Vanoni, 1 - San Donato Milanese (Milan) 20097 Italy - Tel: +39 02 52051651 - Fax +39 02 52031929 - investor.relations@eni.com.

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Publications

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of Legislative Decree No. 58/1998

Annual Report

Annual Report on Form 20-F

for the Securities and Exchange Commission

Sustainability Report (in Italian and English)

Fact Book (in Italian and English)

Eni in 2009 (in English)

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to rule 154-ter paragraph 2 of Legislative Decree No. 58/1998

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