Remuneration Report 2015

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

AFRICA
Algeria, Angola, Congo, Egypt, Gabon, Ghana, Kenya, Liberia, Libya, Mauritania, Morocco, Mozambique, Nigeria, South Africa, Tunisia, Uganda

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

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

Remuneration Report

2015

approved at the Board of Directors Meeting of 12th March, 2015

The Report is published in the "Governance" and "Investor Relations" sections of the Company website (www.eni.com)

Letter from the Chairman of the Compensation Committee

Pietro Guindani
The Chairman
of the Compensation Committee

Dear Shareholders,
I am particularly pleased to present to you the Eni Remuneration Policy for 2015, which was drafted with the significant contribution of the Committee set up after the renewal of the corporate bodies of 2014, composed of the Directors Karina Litvack, Diva Moriani and Alessandro Lorenzi. I would like to extend my personal thanks to them for the significant work carried out in these first months of joint effort. A cordial greeting and my appreciation also go to the outgoing Directors Mario Resca, Carlo Cesare Gatto, Roberto Petri and Alessandro Profumo.
The new Committee began its activities with the definition of the proposals regarding the remuneration of the Chairman and the Chief Executive Officer and General Manager for the 2014-2017 term, particularly taking into account the constraints introduced by Law no. 98/2013 regarding the reduction of remunerations for Executive Directors of companies directly or indirectly controlled by Public Administrations, compared to the total pay defined in the previous term, as approved at the Shareholders' Meeting based on the proposal by the public controlling shareholder. The proposal regarding the remuneration of the Chief Executive Officer was also defined by a consistent balancing of the short and long term incentive components, given the maximum levels of incentives set by the 2014-2016 Long-Term Monetary Incentive Plan already approved by the Shareholder's Meeting. We also accepted the EU recommendations regarding severance payments, with the reduction of the term of office indemnity for the Chief Executive Officer within the limit of two years of fixed remuneration, and we recognised the need to enter into a non-competition agreement to protect the interests of the Company, to be activated at the discretion of the Board within the limit of a possible second Directorship term.
The Committee's proposals on the remuneration of Executive Directors were approved by the Board of Directors at its meeting of 28th May, 2014.
In the second part of the year, the activities of annual programme were carried out (analysis of the results of the 2014 Shareholder's Meeting season - finalisation of the proposed implementation for 2014 of the Long-Term Monetary Incentive Plan) and a study to establish the proposed of the 2015 Remuneration Policy was launched. To this end, the following were carried out:

- a detailed review of the corporate practices, the regulatory framework in question and the market practices regarding clawback, with a review of the principle introduced since 2013 to make it consistent with the recommendations introduced in July 2014 in the Corporate Governance Code and the definition of precise implementation criteria;
- in-depth analyses on the system of targets related to the incentive plans, through the sharing of general criteria for the identification of yearly performance indicators, according to a simplified structure and focused on essential goals, consistent with the strategies outlined in the new mandate and balanced against the different perspectives of interest of the various stakeholders; the priorities identified for 2015 will thus be divided into four families of complementary targets, all having the same weight: i) economic/financial results; ii) operating results, selectively identified as the premise of economic sustainability; iii) environmental sustainability and human capital; iv) financial strength and efficiency.

The proposed 2015 Remuneration Policy Guidelines, which largely reflect the decisions made after the renewal of the corporate bodies, were approved by the Board of Directors on 12th March, 2015, as shown in the first section of this Report.
I would also point out that the activities of the Committee remain focused on the enhancement of an effective dialogue with shareholders and investors, in compliance with the corporate communication policies and with the aim of hearing their requests and directions, receiving their feedback, and maximising the consensus regarding the policies presented at the annual Shareholders' Meeting. Finally, on behalf of the entire Committee, I wish to express my thanks to the Eni Management, which, according to its roles and responsibilities, contributed its essential collaboration with professionalism.
Trusting that the choices made in these first months of operation can be understood and appreciated, allow me to thank you also on behalf of the other members of the Committee for the support that you will want to give to the Remuneration Policy planned for 2015.

February 18, 2015

The Chairman
of the Compensation Committee

Foreword

This Report approved by the Board of Directors as proposed by the Compensation Committee on 12th March, 2015, in accordance with the applicable legal and regulatory obligations[1], defines and illustrates:

- in the first section, the 2015 Policy adopted by Eni SpA (hereafter “Eni” or the “Company”) for the remuneration of Directors and Managers with strategic responsibilities[2], specifying: the general aims pursued, the bodies involved, and the procedures used to adopt and implement the Policy. The general principles and guidelines defined in this Report are also applicable in determining the remuneration policies of the companies directly or indirectly controlled by Eni[3];
- in the second section, the remuneration paid in 2014 to Eni Directors, Statutory Auditors, Chief Operating Officers and other Managers with strategic responsibilities.

The two sections of the Report are preceded by a summary of the main information in order to provide the market and the investors with a prompt framework regarding the key elements of the 2015 Policy.

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

- in line with the recommendations on remuneration of the Corporate Governance Code for listed companies (the "Corporate Governance Code"), in the version last approved in July 2014, which Eni adheres[4];
- taking into account: i) the decisions taken on 8th May, 2014 by the Shareholders' Meeting in terms of reduction of the remuneration of the Chairman of the Board of Directors and the Chief Executive Officer, in relation to the proposals submitted by the Ministry of Economy and Finance under art. 84-ter of the Italian Legislative Decree no. 69 of 21st June 2013, converted with amendments by Law no. 98 of 9th August, 2013 concerning the remuneration of Executive Directors of companies directly or indirectly controlled by Public Administrations. ii) the decisions taken on 8th May, 2014 by the Shareholders' Meeting in relation to the approval of the 2014-2016 Long-Term Monetary Incentive Plan.

Finally, the Report describes the shareholdings held by Directors, Statutory Auditors, General Managers and other Managers with strategic responsibilities[5] and contains information on the 2014 implementation of the 2014-2016 Long-Term Monetary Incentive Plan provided for in implementation of the current regulations[6].

The text of this Report will be made available to the public at the Company’s registered headquarters and on the Company website in the sections “Governance” and “Investor Relations” (www.eni.com), no later than twenty-one days before the date of the Shareholders’ Meeting scheduled to approve the 2014 financial statements and to resolve, with a non-binding resolution, on the first section of said Report, in accordance with current regulations[7].

The information documents relating to the existing remuneration plans based on financial instruments are available in the “Governance” section of the Company website[8].

(1) Art.123-ter of Italian Legislative Decree 58/98 (Consolidated Act of the provisions on financial brokerage - TUF) and art. 84-quater of the Consob Issuers’ Regulation (Resolution no. 11971/99 and subsequent amendments and additions).
(2) Those persons who have the power and responsibility, directly or indirectly, for planning, directing and controlling Eni fall under the definition of “managers with strategic responsibilities”, according to art. 65, Paragraph 1-quater of the Issuers’ Regulations. Eni managers with strategic responsibilities, other than Directors and Statutory Auditors, are those who sit on the Management Committee and, in any case, those who report directly to the Chief Executive Officer. For more information on the organisational structure of Eni, see the “Company” section of the Company’s website (http://www.eni.com/it_IT/azienda/azienda.shtml?home_2010_it_tab=navigation_menu).
(3) The remuneration policies of the subsidiaries will be determined in respect of the principle of their management autonomy, in particular for listed companies and/or those subject to regulation, as well as in accordance with the provisions of local legislation.
(4) For further information on Eni’s response to the Corporate Governance Code, please refer to the section “Governance” on the Company website (http://www.eni.com/it_IT/governance/sistema-e-regole/codice-autodisciplina-eni/codice-autodisciplina-eni.shtml).
(5) See art. 84-quater, fourth paragraph, of the Consob Issuers’ Regulations.
(6) Art. 114-bis of the Consolidated Finance Act and art. 84-bis of the Consob Issuer Regulation.
(7) Art. 123-ter of Italian Legislative Decree 58/98, sixth paragraph.
(8) At the address: http://www.eni.com/it_IT/governance/remunerazione/remunerazione.shtml.

Overview

The Eni Remuneration Policy is approved by the Board of Directors following a proposal by the Compensation Committee, entirely made up of non-executive, independent Directors, and it is defined in accordance with the governance model adopted by the Company and with the recommendations of the Corporate Governance Code. This Policy aims to align the interests of management with the prime objective of creating sustainable value for shareholders over the medium-long term, in accordance with the guidelines defined in the Strategic Plan of the Company.
For the purposes of this Report, the Compensation Committee has taken into account the positive results from the vote of the Shareholders' Meeting and the feedback received from the shareholders regarding the 2014 Report, the changes in the governance and regulatory framework as well as the best practices from the national and international remuneration reports, with the aim of providing the greatest clarity, completeness and usability of the information provided.

The 2015 Remuneration Policy illustrated in detail in the first section of this Report was defined taking into consideration the resolutions of 8th May, 2014, in particular:

- Chairman: draft resolution presented by the Ministry of Economy and Finance ("MEF") which, taking into account the Law no. 98/2013, establishes an emolument for the position equal to 90,000 euros gross per year and that the Board of Directors may not approve executive remuneration greater than 148,000 euros, up to a total maximum remuneration of 238,000 euros;
- Chief Executive Officer and General Manager: draft resolution presented by the Ministry of Economy and Finance ("MEF") under Law no. 98/2013 which provides for a 25% reduction of the potential maximum remuneration payable compared to the previous term;
- 2014-2016 Long-Term Monetary Incentive Plan for the CEO/GM and managerial resources critical to the business: draft resolution approving the Plan under art. 114-bis of the Consolidated Finance Act (TUF) and the related Information Document, prepared under art. 84-bis of the Issuer Regulation.

Compared to 2014, the main changes have also involved the reduction of the severance payments for the Chief Executive Officer and General Manager, as approved by the Board of Directors on 28th May, 2014. In particular, these payments involve two years of fixed remuneration as supplementary severance pay, defined in line with the Recommendation of the Corporate Governance Code and in line with the European Commission Recommendation no. 385 of 30th April, 2009, as well as a non-competition agreement that may be activated by the Board of Directors, within the limit of a possible second term, with consideration linked to the achieved performance.

The following table describes the main elements of the approved Guidelines for the remuneration of the Chief Executive Officer and General Manager, and the other Managers with strategic responsibilities (MSR).

Remuneration Policy 2015

Component	Purpose and characteristics	Conditions for the implementation	Values
Fixed remuneration	- Values the expertise, experience and contribution required by the assigned role	- Setting of the remuneration levels through benchmarks consistent with the characteristics of Eni and the assigned roles	- CEO/GM: 1,350,000 euros per year - MSR: remuneration set based on the assigned role with possible adjustments in relation to annual competitive positioning (median market values) settings
AVI - Annual Variable Incentive	- Promotes the achievement of the annual budget targets, also defined in terms of sustainability in the medium to long term - Beneficiaries: all managerial resources	2015 CEO/GM targets: 1. Economic and financial results (25%) - EBT - Free cash flow 2. Operating results and sustainability of economic results (25%) - Hydrocarbon production - Reserves replacement rate 3. Environmental sustainability and human capital (25%) - CO_2 emissions - accident frequency rate 4. Efficiency and financial strength (25%) - ROACE - Debt/EBITDA - MSR targets: business and individual targets base on those of the CEO/GM and the assigned responsibilities - Incentives paid on the basis of the results achieved in the previous year and evaluated according to a performance scale 70÷130 points[1], with a minimum threshold for the incentive equal to an overall performance of 85 points. - Clawback in cases of manifestly wrong or fraudulently altered data and violation of laws and regulations, of the Code of Ethics or of Company rules	- CEO/GM: level of target incentive equal to 100% of the fixed remuneration (min 85% and max 130%) - MSR: levels of incentive targets differentiated according to the assigned role, up to a maximum of 60% of the fixed remuneration
DMI - Deferred Monetary Incentive	- Promotes the achievement of annual targets and profitability growth of the business in the long term - Beneficiaries: managerial resources who have achieved their annual targets	- Target gate: achieving the performance level required for the payment of the annual bonus - EBT performance measured relative to the value of the Planned EBT - Incentives assigned, in the event of achievement of individual targets, based on the EBT results achieved in the previous year, rated on a performance scale of 70÷130[1] - Incentives paid as a variable percentage between zero and 170% of the assigned amounts, according to the average of the EBT annual results achieved during the vesting period, rated on an annual performance scale of 70÷170[1] - Three-year vesting - Clawback in cases of manifestly wrong or fraudulently altered data and violation of laws and regulations, of the Code of Ethics or of Company rules	- CEO/GM: incentive to be assigned for targets equal to 49.2% of the fixed remuneration (min 34.4% and max 64%) - MSR: incentives awarded based on targets differentiated according to the assigned role, up to a maximum of 40% of the fixed remuneration
LTMI - Long Term Monetary Incentive	- Promotes the alignment with shareholder interests and the sustainability of value creation in the long term - Beneficiaries: Managerial Resources Critical for the Business[4]	- Performance measured in terms of variation of the TSR parameters[2] (60%) and Net Present Value of proved reserves(40%), compared to the variation achieved by the companies of a peer group of reference (*Exxon, Chevron, Shell, BP, Total, Repsol* - Incentives paid as a percentage varying between zero and 130% of the amounts assigned, according to the average of the annual positioning achieved during the vesting period: 1st Place 130% · 2nd Place 115% · 3rd Place 100% · 4th Place 85% 5th Place 70%[3] · 6th Place 0% · 7th Place 0% - Three-year vesting - Clawback in cases of manifestly wrong or fraudulently altered data and violation of laws and regulations, of the Code of Ethics or of Company rules	- CEO/GM: incentive to be assigned for targets equal to 100% of the fixed remuneration - MSR: incentives awarded based on targets differentiated according to the assigned role, up to a maximum of 75% of the fixed remuneration
Benefits	- Supplementing the salary package following a total reward logic by means of predominantly social security and welfare benefits - Beneficiaries: all managerial resources	- Conditions defined by the national collective labour agreements and the complementary company agreements applicable to senior managers.	- Supplementary pension - Supplementary health care - Insurance coverage - Car for business and personal use
Severance Payments	- Severance payments to protect the company also from potential competitive risks	- CEO/GM: additional severance indemnity: non-renewal of the mandate or early termination of the same, except for termination with just cause and resignations not caused by a reduction of powers; non-competition agreement: activated at the discretion of the BoD at the time of termination of the employment relationship[5]	- CEO/GM: supplementary severance indemnities: equal to two years' annual fixed remuneration (2,700,000 euros); consideration of the non-competition agreement (in case of exercise of the option): ranging from a minimum of 1,500,000 to a maximum of 2,250,000 euros, depending on the average annual performance achieved in the previous three years

(1) Performance rated below the minimum threshold (70 points) is considered equal to zero.
(2) The Total Shareholder Return measures the overall return of a stock investment, taking into consideration both the price change and the dividends paid and reinvested in the same stock, in a specific period. The Net Present Value of proved reserves represents the present value of the future cash flows of proved reserves, net of future production and development costs and related taxes. It is calculated on the basis of standard references defined by the Securities Exchange Commission on the basis of the data published by oil companies in the official documentation (Form 10-K and Form 20-F).
(3) The minimum incentive threshold involves reaching 5th place for both indicators in at least one year of the three-year vesting period.
(4) The executives of Eni and its subsidiaries identified during the annual implementation of the Plan among those who occupy the positions that are most directly responsible for the business performance or that are of strategic interest and who, at the date of assignment, are employees and/or in service at Eni spa and its subsidiaries, including Eni Managers with strategic responsibilities.
(5) A consideration of 500,000 euros is provided for the BoD's stock option.

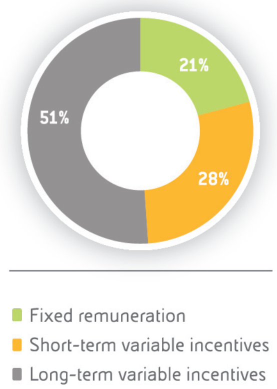
Maximum payable annual remuneration structure and pay mix - CEO/GM

In implementation of the resolution of 8th May, 2014 regarding the reduction of the remuneration of executive directors, the annual remuneration structure of the Chief Executive Officer and Managing Director, approved by the eni Board of Directors Meeting of 28th May, 2014 sets a level of total maximum potential remuneration reduced by 25% compared to the total maximum annual remuneration of the previous term of office.
This overall reduction is shown in the graph, according to the short and long-term fixed and variable components considered at their maximum levels, payable in the event of reaching the maximum level of the targets set in the short and long-term Incentive Plans in the three-year period.

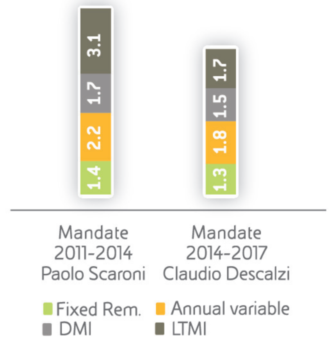
The pay-mix of the maximum potential remuneration of the Chief Executive Officer and General Manager is strongly focused on the variable components, amounting to 79%, with a definite prevalence of the long-term component, as shown in the graph.

It should be noted that the total amount of theoretical maximum annual remuneration of the Chief Executive Officer and General Manager is subject to the attainment of multiple targets that measure the performance of Eni over three years. Therefore the expectation of total remuneration, as well as the actual remuneration,are subject to the combination of multiple factors whose attainment is subject to probabilistic factors of high risk, multi-stakeholders and sustainability in the medium term, adopted in the identification of the targets.

Pay mix AD/DG



Maximal annual remuneration
(amounts in million euro)



Remuneration, Permormance, Sustainability

In the period 2010-2014, Eni provided its shareholders with a total shareholder return of 11.9% compared to -2.2% of the FTSE MIB, while the Peer Group[1] provided an average TSR of 37.3% compared to 47.4% of the average of the Stock Exchange indices of reference of the peers[2].

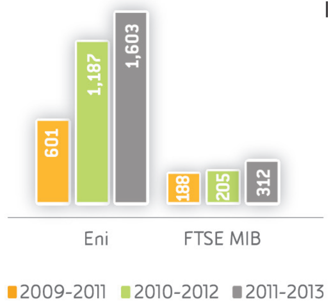
TSR 2010-2014 (local currency) - Eni, FTSE Mib, Peer group, Peer stock exchange indices

Source: calculations based on Bloomberg data (values in local currency)

(1) The Peer Group consists of: Exxon, Chevron, Shell, Total, BP, Repsol
(2) The Stock Exchanges of reference are: Dow Jones Industrial, CAC 40, FTSE 100, AEX, Ibex 35

The ratio between the added value created for Eni shareholders in the three year period 2011-2013 (in terms of market capitalisation changes, reinvested dividends, value of any re-purchased shares) and the overall remuneration paid to the CEO/GM in the same period was equal to 1,603 euros for each euro received, significantly higher than the figure for 2010-2012 (1,187 euros). The average figure for the same indicator for the other companies of the FTSE MIB is equal to 312 euros, compared to the 205 euros of 2010-2012[3].

Value created for the shareholders in relation to remuneration paid to the CEO/GM
Index (€)

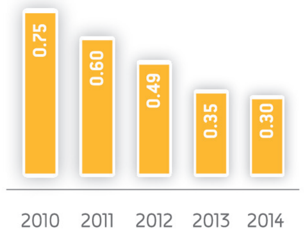


Fonte: Pearl Meyer & Partners

(3) The index (Patterson Index) is calculated only for the companies with a positive added value in the reporting period, excluding the listed subsidiaries.

In 2014, Eni also achieved the goal of confirmation in the main sustainability indexes at the international level (Dow Jones Sustainability World Index and the FTSE4Good). In the context of the more general commitment on sustainability issues, particular relevance is taken on by injury prevention and safety. The injury rate in the period 2010-2014 is steadily decreasing.

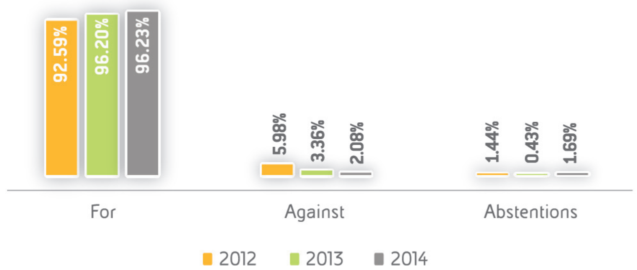
Injury frequency rate for employees and contractors
(No. of accidents per million of worked hours)



Remuneration Report 2014 (Section 1) - Results of the Shareholders' vote

The Shareholders' Meeting of 8th May, 2014, in accordance with the provisions of the applicable legislation (art. 123-ter, paragraph six of Italian Legislative Decree 58/98), expressed an advisory vote on the first section of the 2014 Remuneration Report, with 96.23% of the participants voting in favour of its approval, essentially in line with the results recorded in 2013 (96.20% and slightly higher than the approval expressed in 2012, equal to 92.59%).

Shareholders' vote on the 2012 - 2014 Eni Remuneration report
(% voting participants)



Section I - Remuneration Policy 2015

Governance of the remuneration process

Bodies and parties involved

The Policy covering the remuneration of the members of the Eni Board of Directors is defined in accordance with the regulatory and statutory provisions, according to which:

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

In line with Eni's governance model[9], the Board is also responsible for:

- defining the Company's targets and approving the Company results regarding the performance plans which influence how the variable remuneration of the Directors is determined;
- approving the general criteria for the remuneration of Managers with strategic responsibilities;
- following a proposal by the Chairman in agreement with the Chief Executive Officer, defining the remuneration structure of the Internal Audit Manager, in accordance with the remuneration policies of the Company, on receipt of a favourable opinion from the Control and Risk Committee and having examinated the evaluations made by the Board of Statutory Auditors.

Adhering to the recommendations of the Corporate Governance Code, the Board of Directors is supported by a Committee of non-executive and independent directors (the Compensation Committee) which makes proposals and provides advice on remuneration issues.

Eni Compensation Committee

Composition, appointments and tasks

The Eni Compensation Committee was established by the Board of Directors for the first time in 1996. The composition and appointment, tasks and operating methods of the Committee are governed by a specific regulation, approved by the Board of Directors and made available to the public on the Company website[10].

In line with the provisions of the recommendations of the Corporate Governance Code, the Committee is composed of four non-executive Directors, all independent, according to the law and the Corporate Governance Code; however, the Regulations do allow for the Committee to be composed of non-executive Directors where the majority is independent, and in this case, the Chairman is selected amongst the independent Directors.

In line with the Corporate Governance Code (art. 6.P.3), the Regulations also require at least one Committee member to possess adequate knowledge and experience in financial matters or remuneration policies, as assessed by the Board at the time of their appointment and recognised, with regards to the current composition of the Committee, to the Chairman.

Below are the details of the composition and the meetings of the Committee in 2014, distinguishing between the composition before and after the renewal of the corporate bodies that took place at the Shareholders' Meeting of 8th May, 2014.

Composition of the Compensation Committee (1/1/2014 - 5/8/2014)

- Mario Resca - Chairman
- Carlo Cesare Gatto
- Roberto Petri
- Alessandro Profumo

All non-executive and independent directors in accordance with the law and the Corporate Governance Code

4 meetings in 2014, lasting an average of 1.15 hours with an average attendance rate of 93.75%

Composition of the Committee Currently in Office (5/9/2014 - 12/31/2014)

- Pietro A. Guindani - Chairman
- Karina Litvack
- Alessandro Lorenzi
- Diva Moriani

All non-executive and independent directors in accordance with the law and the Corporate Governance Code

8 meetings in 2014, lasting an average of 3.28 hours with an average attendance rate of 97%

The Chief Services & Stakeholder Relations Officer of Eni or, on his behalf, the Executive Vice President Compensation & Benefits, shall acts as Secretary to the Committee.

The Committee carries out the following proposal and advisory functions towards the Board of Directors, consistent with the recommendations of the Corporate Governance Code (art. 6.P.4 and art. 6.C.5):

- submits for approval by the Board of Directors, the Remuneration Report and in particular the Remuneration Policy for Directors and Managers with strategic responsibilities, to be presented to the Shareholders' Meeting called to approve the year's financial statements, pursuant to applicable law;
- periodically evaluates the adequacy, overall consistency and the actual implementation of the adopted Policy, formulating proposals to the Board of Directors on the subject;

(9) For more information regarding the Eni governance system, please refer to the "Corporate Governance Report" published in the "Governance" section of the Company website.
(10) The regulations for the Compensation Committee are available in the "Governance" section of the Company's website, at the following address: http://www.eni.com/it_IT/governance/consiglio-di-amministrazione/cda-comitati/comitati.shtml.

- presents proposals for the remuneration of the Chairman and of the Chief Executive Officer, with reference to the various forms of compensation and benefits;
- presents proposals for the remuneration of the members of the Committees of Directors established by the Board;
- having examined the Chief Executive Officer's evaluations, it proposes the general criteria for the compensation of Managers with strategic responsibilities, annual and long-term incentive plans, including equity-based plans, defining the performance objectives and assessing the Company results of the performance plans related to the determination of the variable part of the remuneration of Directors with delegated powers and to the implementation of incentive plans;
- monitors the execution of the resolutions passed by the Board;
- reports to the Board, at least once every six months regarding the activities carried out.

Furthermore, in exercising its functions, the Committee issues the opinions that may be required by the company procedure in force regarding operations with related parties, in accordance with the terms specified in the procedure itself.

Operating Methods

The Committee meets as often as is necessary to fulfil its functions, usually on the dates established in the annual meeting schedule, approved by the Committee itself, and in the presence of at least the majority of its current members. The Chairman of the Committee calls and chairs the meetings; in case of absence or impediment, the meeting is chaired by the oldest attending member. The Committee decides with an absolute majority of those present; in the case of equal votes, the Committee Chairman casts the deciding vote. The Committee Secretary, who may be assisted in this by the Executive Vice President Compensation & Benefits, prepares the minutes of the meetings.
The Chairman of the Board of Auditors (or another Statutory Auditor appointed by the Chairman) may attend the meetings of the Committee. Other Auditors may also participate when the Committee discusses matters for which the Board of Directors decides together with the mandatory opinion of the Board of Statutory Auditors. The meetings may be attended, at the invitation of the Chairman of the Committee, by the Chairman of the Board of Directors and the Chief Executive Officer; at the request of the Chairman of the Committee, the meetings may also be attended by Officers of the Company or other persons, including other members of the Board of Directors, to provide information and feedback on individual agenda items.
No Director will participate in Committee meetings wherein proposals are submitted to the Board relating to his own personal remuneration. The provisions applicable to related party transactions remain unchanged.
The Committee, in carrying out its functions, has the right to access the information and company functions necessary to perform its duties, and to make use of external consultants who are not in a position to find themselves in situations that could compromise their independence, within the terms and limits of the budget set by the Board of Directors.

Cycle of the Compensation Committee's Work

The Committee's activities are carried out in implementation of an annual programme, which involves the following steps:

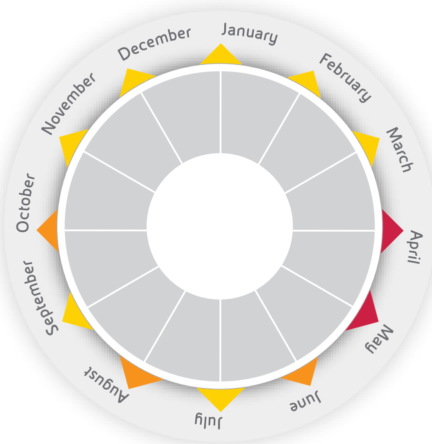
- verifying the adequacy, overall consistency and actual application of the Policy adopted in the previous year, in relation to the results achieved and to the compensation benchmark studies provided by highly specialised providers;
- defining the policy proposals for the following year as well as proposals relating to performance targets linked to short and long-term incentive plans;
- defining proposals regarding the implementation of the short and long-term variable incentive plans in force, after having verified the results obtained in relation to the performance targets in the same plans;
- preparing the Remuneration Report to be submitted at the Shareholders' Meeting on an annual basis, subject to the approval of the Board of Directors;
- examination of the results of the vote expressed by the shareholders at the Meeting regarding the Policy approved by the Board;
- monitoring the developments of the regulatory framework and the voting policies of the main proxy advisors and institutional investors, as part of the preliminary activities planned in support of the proposed Policy for the following year.

Compensation Committee activity cycle

November to December
- Monitoring of the regulatory framework and the voting policies of the major proxy advisors and instistutional investors

September
- Implementation of the 2013 Long-Term Monetary Incentive Plan (LTMI)

July
- Review of the results of the Shareholders' vote on the planned Remuneration Policy



January
- Periodic assessment of the policy adopted in the previous year
- Definition of the targets related to the variable incentive plans
- Definition of the Remuneration Policy

February - March
- Final balance of the results related to the variable incentive plans
- Implementation of the 2013 Deferred Monetary Incentive Plan (DMI)
- Preparation of the Remuneration Report

April - May
- Presentation of the Remuneration Report the Shareholders' Meeting

Performed and planned activities

During 2014, the Compensation Committee met a total of 12 times, with an average attendance of 96% of its members.
Earlier in the year, the Committee focused its activities in particular on the following topics: i) periodic assessment of the Remuneration Policy implemented in 2013, also for the purposes of defining the proposed Policy Guidelines for 2014; ii) definition of the proposed revision of the Long-Term Monetary Incentive Plan; iii) closing of the 2013 corporate results and definition of 2014 performance targets related to the variable incentive plans; iv) definition of the proposals for the implementation of the Deferred Monetary Incentive Plan for the Chief Executive Officer and General Manager and other managerial resources; v) review of the 2014 Eni Remuneration Report; vi) recognition of the term end indemnity for the outgoing Executive Directors.
Following the renewal of the Board, the new Committee was called to update the text of its Regulations and to define the proposals regarding the remuneration of Executive Directors for the 2014-2017 term. These proposals were developed and submitted for approval to the Board of Directors Meeting on 28th May, 2014, in light of the principles and criteria of the 2014 Eni Remuneration Policy, the shareholders' resolutions regarding the reduction of the remuneration of executive directors under Law no. 98/2013, as well as market benchmarks, both nationally and internationally, for similar positions of equivalent rank. For the purpose of the proposal on the remuneration of the Chief Executive Officer and General Manager, the Committee also took account of the maximum levels of incentives provided by the 2014-2016 Long-Term Monetary Incentive Plan, defining the balance between the short and long-term incentive components, as well as the guidelines contained in the EU recommendations on the containment of severance pay up to a limit of two yearly fixed remunerations. In the second part of the year the Committee analysed the results of the 2014 Shareholders' Meeting season, regarding the Eni Remuneration Report, the main Italian listed companies as well as companies in the peer group of reference, the Committee also analysed the corporate practices for relations with shareholders and investors, with a focus on communication policies followed on the issues of remuneration, and we finalized the implementation proposal (2014 assignment) of the Long-Term Monetary Incentive Plan for the Chief Executive Officer and General Manager and for critical managerial resources.
The Committee also reviewed the proposals for implementing the new recommendations regarding remuneration as set forth in the Corporate Governance Code, in the edition approved on 14th July, 2014, proposing its full adoption to the Board, resolved on 11th December, 2014, and it performed extensive analyses on the system of targets related to the Eni incentive plans, sharing in particular the criteria for the identification of annual and long-term performance indicators (regarding the Deferred Monetary Incentive Plan) for the purposes of the proposed Remuneration Policy 2015. Finally, the Committee conducted a detailed review of corporate practices, the regulatory framework in question and the market practices regarding clawback, for the definition of the proposed guidelines on the Remuneration Policy 2015.

Main topics covered in 2014

Compensation Committee activities in 2014		
Month	**Remuneration**	**Governance**
January	Incentive plans for the management: definition of performance targets for 2014 Proposed revision of LTMI Plan	Remuneration Policy: assessment of the 2013 implementation and drafting of 2014 proposals Review of the draft of the Remuneration Report
February	Incentive plans for the management: balance of the 2013 results Implementation of Variable incentive plans for the Directors Implementation of the Deferred Monetary Incentive Plan for the CEO and GM and the other managerial resources	Final review of the Remuneration Report
April	Review of the end-of-mandate executive directors fees	
May	Definition of the proposals for the remuneration of new Executive Directors, also in implementation of the shareholder resolutions on remuneration reduction for the new term in accordance with Law no. 98/2013	Updating the text of the Committee Regulation
July		Analysis of the results of the vote on the Remuneration Policy - 2014 Shareholders' Meetings season
September	Implementation of the Long-term Monetary Incentive Plan for the Chief Executive Officer and General Manager and the critical managerial resources	
October/November	Review of the performance indicators linked to the short term target chart for the Chief Executive Officer and General Manager	Review of the proposals for compliance with the new recommendations on remuneration introduced in the Corporate Governance Code in July 2014 Review of the regulatory framework, market practices and guidelines for the application of the clawback mechanisms

For 2015, the Committee in office scheduled eight meetings, four of which have already been held at the date of approval of this Report, and focused in particular on: i) the periodic assessment of the remuneration policies implemented in 2014 for the definition of the policy proposals for 2015; ii) the actual results and the definition of the performance targets linked to the implementation of the short and long-term variable incentive plans; iii) the revision of the general principle of clawback and the definition of the related application criteria; iv) the finalisation of the proposals for the implementation of the Annual Variable Incentive Plan and the Deferred Monetary Incentive Plan (2015 assignment) for the Chief Executive Officer and General Manager and the other managerial resources; v) the review of this Report for the purposes of its submission for approval to the Board of Directors. The results of the 2015 Shareholders' Meeting season will be examined and the LTMI Plan for the Chief Executive Officer and General Manager and the critical managerial resources will be implemented in the second half of 2015, in line with the defined annual cycle of activities.
The Committee shall report on the operational procedure of its own functions to the Board of Directors, every six months, as well as at the annual Shareholders' Meeting by means of its Chairman, in compliance with the indications given by the Corporate Governance Code and with the aim of establishing an appropriate dialogue with shareholders and investors.
Full information regarding the remuneration of Directors and management is available under the "Remuneration" heading of the "Governance" section of the Company website.

Remuneration Policy 2015 approval process

The Compensation Committee, in exercising its responsibilities, has defined the structure and the contents of the Remuneration Policy for the purposes of preparing this Report, particularly at the meetings held on 27th January and 18th February, 2015, in accordance with the recommendations of the Corporate Governance Code.
In taking its decisions, the Committee took into account the results of the periodic assessment carried out regarding the adequacy, overall consistency and actual application of the Guidelines Policy approved for 2014 and, as regards the Directors, the resolutions approved regarding the renewal of the corporate bodies.
For the purposes of preparing this Report, the national and international standards on remuneration topics disclosure were also evaluated.
The Committee also availed itself of advice from leading law firms as well as the salary benchmarks prepared by international independent consulting firms, for the preliminary analysis aimed at the preparation of the 2015 Remuneration Policy proposals.
The 2015 Eni Remuneration Policy for Directors and other Managers with strategic responsibilities was approved by the Board of Directors at their meeting on 12th March, 2015 based on a proposal by the Compensation Committee, at the same time as this Report's approval.

Implementing the remuneration policies defined, in accordance with the instructions from the Board of Directors, is done by the delegated bodies with assistance from the relevant Company departments.

Purpose ang general principles of the Remuneration Policy

Purpose

The Eni Remuneration Policy is defined in accordance with the governance model adopted by the Company and with the recommendations of the Corporate Governance Code (which refer below to the main implementation Principles and Criteria), in order to attract, motivate and retain people of high professional and managerial profile (art. 6.P.1) and to align the management's interests with the primary target of creating value for shareholders over the medium to long term (art. 6.P.2).
Eni's Remuneration Policy contributes to achieving the Company's mission, values, and strategies, through:

- promoting actions and conduct that mirror the Company's values and culture, respecting the principles of diversity, equal opportunity, recognition of the knowledge and skills of individuals, fairness, non-discrimination and integrity as described in the Code of Ethics[11] and the Eni Policy "Our People"[12];
- recognising the roles and responsibilities assigned, the results achieved, and the quality of the professional contribution given, taking into account the reference context and the remuneration markets;
- the definition of incentive systems relating to the achievement of economic/financial objectives, to business development, to operational and individual targets, all of them in terms of sustainability of the results in the long-term, in line with the guidelines of the Strategic Plan of the Company and with the responsibilities assigned.

General principles

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

- remuneration of non-executive Directors commensurate with the efforts required of them in relation to their participation in the Board Committees set up in accordance with the Articles of Association (art. 6.P.2), with appropriate differentiation between the remuneration provided for the Chairman and that of the members of each Committee, in view of the roles that these hold regarding coordination of work and liaison with the Corporate bodies and the Company functions;
- unless otherwise decided by the Shareholders' Meeting, non-executive Directors are not beneficiaries of variable incentive plans, including equity-based (art. 6.C.4);
- remuneration package for the Chief Executive Officer and Managers with strategic responsibilities, properly balanced

(11) For more information on the Code of Ethics, please refer to the relevant paragraph contained in the Report on Corporate Governance and Ownership Structure 2014, available on the Company website (www.eni.com).
(12) Policy approved by the Board of Directors on 28th July, 2010.

between: i) a congruent fixed component based on assigned proxies and/or responsibilities, as well as sufficient remuneration for the services provided in the event of non-payment of the variable component (art. 6.C.1 subparagraph c), and ii) a variable component defined within maximum limits (art. 6.C.1 subparagraph b) and aimed at anchoring the remuneration to the performance actually achieved, also taking into account the risk profiles connected to the exercised business (art. 6.C.1 subparagraph a);

- consistency of the total remuneration with the standard market values applicable for similar positions or roles with a similar level of responsibility and complexity in the context of Company panels which are comparable with Eni, through specific remuneration benchmarks carried out with the support of international providers of information regarding remuneration;
- variable remuneration of the executive roles with the greatest influence on business performance levels and which are characterised by a significant percentage of incentive components, particularly on long-term (art. 6.P.2), owing to the incentives being suitably deferred over a period of at least three years in line with the long-term nature of the business activities performed and with the associated risk profiles (art. 6.C.1 subparagraph e);
- predetermined targets related to variable remuneration, measurable and complementary to each other, in order to fully represent the priorities essential to the overall performance of the Company, consistent with the four-year Strategic Plan and with the expectations of shareholders and stakeholders (art. 6.C.1 subparagraph d), promoting a strong results orientation. These targets are defined so as to ensure:
  i. annual performance assessment, on the basis of a balanced scorecard that values the overall business and individual performances, defined in relation to the specific targets for the area of responsibility, and for those in charge of internal audit responsibilities, in line with the assigned role (art. 6.C.3);
  ii. the definition of long-term incentive plans using methods that allow Company performance to be evaluated both in absolute terms, with reference to the capacity to generate increasing, sustainable levels of profitability, and in relative terms compared to a peer group, with reference to the capacity to generate performance levels superior to those of the main international competitors;
- incentives linked to variable remuneration paid at the end of a detailed process that verifies the achieved results, by assessing the performance targets assigned net of the effects of the exogenous variables[13], in order to recognize the actual business performance derived from the managerial actions;
- benefits consistent with the remuneration practices in the reference market and in line with local regulations to complete and enhance the overall remuneration package, taking into account the roles and/or responsibilities assigned, favouring social security and insurance components;
- any possible additional payments upon termination of employment and/or mandate for executive roles, and non-competition agreements for roles at greater risk of "poaching" by competitors, defined within a certain amount or number of years of remuneration, in line with the remuneration received and the performance achieved, including in reference to the recommendation set forth in the implementation criteria 6.C.1 subparagraph g).

General principle of clawback

A clawback mechanism will be adopted, through a specific regulation, allowing to reclaim the variable remuneration components already paid, or to withhold those subject to deferral, whose achievement took place on the basis of data that subsequently proved to be manifestly misstated (art. 6.C.1 subparagraph f), or allowing the recoupment of all the incentives of the year (or the years) for which fraudulent alteration was detected in the results data used in order to achieve the right to incentives, and/or the commission of serious and deliberate violations of the law and/or regulations, the Code of Ethics or the Company rules, if relevant to the employment and trust relationship, without prejudice to any other action permitted by law and regulations to protect the interests of the Company.

Remuneration Policy Guidelines 2015

The guidelines for the 2015 Remuneration Policy for Executive Directors reflect the decisions made by the Board of Directors on 28th May, 2014 following the renewal of the corporate bodies, based on the shareholders' resolutions of 8th May, 2014 reducing remuneration under art. 84-ter of Law No. 98/2013 and approving the 2014-2016 Long-Term Monetary Incentive Plan under art. 114-bis of the Consolidated Law on Finance (TUF).
For Managers with strategic responsibilities, the 2015 Guidelines provide for the same instruments used in 2014 and in particular the short and long-term incentive plans strictly in line with those of Chief Executive Officer and General Manager to better guide and align managerial actions with the targets defined in the Company's Strategic Plan.

Market references

The market references used for remuneration benchmarks are: i) for the Chairman, Non-executive Directors and the Chief Executive Officer and General Manager, similar roles in the main international companies in the Oil sector as well as in the largest national and European listed companies of greatest capitalization; (ii) for Managers with strategic responsibilities, the roles with the same level of responsibility and managerial complexity in large national and international industrial companies.

Chairman of the Board of Directors

Remuneration of the Chairman for the delegated powers

The Policy Guidelines for the Chairman of the Board of Directors reflect the decisions taken by the Board of Directors on 28th May, 2014, which defined a fixed remuneration for the delegated powers amounting to 148,000 euros, in addition to remuneration for the position determined by the Shareholders' Meeting on 8th May, 2014 amounting to 90,000 euros, in compliance with

(13) Exogenous variables are those events that, due to their nature or through Company choice, are not under the control of the managers, such as, for example, oil and gas prices, the euro/dollar exchange rate.

the maximum of 238,000 euros defined by the same Shareholders' Meeting. These Guidelines do not provide for variable remuneration[14].

Payments due in the event of termination of office or employment[15]
No specific term end payments are envisaged for the Chairman, nor do any agreements exist for indemnities in the case of early termination of the mandate.

Benefits
For the Chairman, the Remuneration Policy Guidelines provide, in line with the decisions taken by the Board of Directors on 28th May, 2014, insurance coverage for the risk of death and permanent disability.

Non-executive directors

Remuneration for participation in Board Committees
The Board of Directors Meeting of 9th May, 2014 confirmed the maintenance of an additional annual remuneration[16] for Non-executive and/or Independent Directors for participating in Board Committees, to the following extent:
- for the Control and Risk Committee, the remuneration amounts to 45,000 euros for the Chairman and 35,000 euros for the other members;
- for the Compensation Committee, the Sustainability and Scenario Committee and the Nomination Committee the remunerations amount to 30,000 euros for the Chairman and 20,000 euros for the other members.

The Policy Guidelines subsequently approved by the Board on 12th March, 2015 provide for, in relation to the growing and significant commitment required of Committee members and to the results of the remuneration benchmarks, the increase in remuneration for participation in the Control and Risk Committee, proposing a remuneration of 60,000 euros for the Chairman and 40,000 euros for the other members, and the elimination, starting in 2015, of the criterion of remuneration reduction by 10% set forth in the 2014 Policy in the case of participation in several Committees, a reduction that was not objectively justified by the mode of performance of multiple roles.

Payments due in the event of termination of office or employment[17]
No specific payments are provided for the term end of Non-executive Directors nor do any agreements exist that provide for indemnities in the case of early termination of the mandate.

Chief Executive Officer and General Manager

For the Chief Executive Officer and General Manager, the remuneration structure in 2015 defined by the Board of Directors for a full term takes into account the specific delegated powers in accordance with the Articles of Association, the instructions contained in the chapter "Principles and general purposes of the Remuneration Policy", as well as the 25% reduction of the maximum payable overall remuneration of the previous mandate, in accordance with the Shareholders' resolution of 8th May, 2014. The remuneration envisaged by the Board in relation to the delegated powers includes both the compensation for Directors determined by the Shareholders' Meeting on the May 8, 2011, as well as any compensation that may be due for participating in the Board of Directors of Eni's subsidiaries or associated companies.

Fixed remuneration
The total fixed remuneration is set at a gross annual amount equal to 1,350,000 euros, of which 550,000 euros for the position of Chief Executive Officer and 800,000 euros for the position of General Manager.
In his capacity as Eni Senior Manager, the General Manager is also entitled to receive an indemnity for travel, in Italy and abroad, in line with the applicable provisions provided by the relevant national collective labour agreement for senior managers and complementary Company level agreements.

Annual variable incentive
The 2015 annual variable incentive plan is linked to the achievement of the predefined targets for 2014 as described in the 2014 Remuneration Report, measured according to a performance scale 70÷130, in relation to the weight assigned to each target (below 70 points, the performance of each target is considered to be zero). For the purposes of the incentive, the minimum overall performance is 85 points. This Plan provides for remuneration calculated pro-rata based on the time in office in 2014[18], with reference to a minimum incentive level (perfomance = 85), target (performance = 100) and maximum (performance = 130), respectively equal to 85%, 100% and 130% of the total fixed remuneration, in connection to the results achieved by Eni in the previous year.
The 2015 targets approved by the Board Meeting of 12th March, 2015 for the 2016 annual variable incentive plan provide for a structure focused on the essential goals, consistent with the strategies outlined for the new term and balanced against the prospects of interest to the various stakeholders. The structure and the weight of the different targets are represented in the table below.

2015 objectives for the 2016 variable incentive plan	
Economic and financial results (25%) EBT Free cash flow	**Operating results and sustainability of the economic performance (25%)** Hydrocarbon production Reserves replacement rate
Environmental sustainability and human capital (25%) CO_2 emissions Accident frequency rate	**Efficiency and financial strength (25%)** ROACE Debt/EBITDA

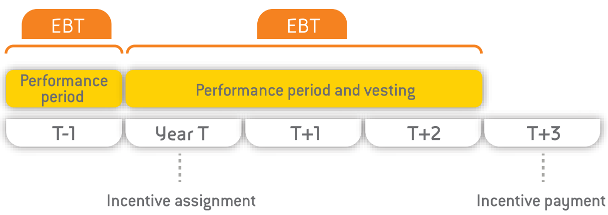
(14) For the Chairman in office until 8th May, 2014 the annual monetary incentive linked to the 2014 performance will be paid pro-rata based on the time in office, on the basis of the incentive scheme approved in the previous mandate.
(15) In view of the reference to this Report contained in the Report on Corporate Governance and Ownership Structures 2014, available in the Governance section of the Company website (www.eni.com), such information is provided also under art. 123-bis, paragraph 1, subparagraph i) of the CFA (Agreements between the company and the directors, the members of the management or supervisory board, providing for compensation in case of resignation or dismissal without just cause or if their relationship is terminated following a public purchase offer).
(16) This remuneration supplements the one established by the Shareholders' Meeting of 8th May, 2014 for the remuneration of Non-executive Directors, amounting to 80,000 euros annual gross.
(17) Information also provided under art. 123-bis, paragraph 1, subparagraph i) of the CFA, as set out in note 15.
(18) For the Chief Executive Officer and General Manager in office until 8th May, 2014 the annual monetary incentive linked to the 2014 performance will be paid pro-rata based on the time in office, on the basis of the incentive scheme approved in the previous term.

Long-term variable incentives

The long-term variable component consists of two distinct plans:

– Deferred Monetary Incentive Plan (DMI), also envisaged for all the managers of the Company, with three annual assignments, starting in 2015 and linked to the Company performance measured in terms of Earnings Before Taxes (EBT). The conditions of the Plan include in particular: i) incentive to be given each year based on the EBT results achieved by the Company in the previous year, measured on a performance scale 70÷130, for a minimum, target and maximum value respectively equal to 34.4%, 49.2% and 64% of the total fixed remuneration. If the results are below the minimum level of performance, no assignment is made; (ii) the incentive to be paid at the end of the three-year vesting period set on the basis of the average annual EBT results achieved during the vesting period, as a percentage between zero and 170% of the assigned value, according to a scale between 70% and 170%. Where results are below the minimum level of 70%, the performance is considered to be zero.

DMI plan - Timeline

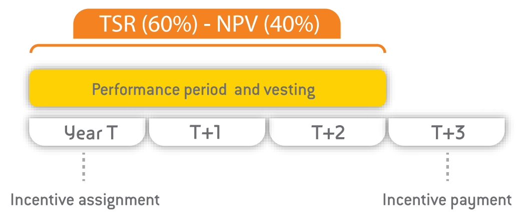


Payments Incentive scale

> target	target	< target	<< target
170%	130%	70%	0

– Long-Term Monetary Incentive Plan (LTMI) approved by the Shareholders' Meeting of 8th May, 2014, also provided for managerial resources critical to the business[19], with three annual assignments from 2014 and linked to the performance parameters measured in relative terms compared to the peer group of reference. These parameters, in line with international best practices, are designed to ensure greater alignment with the interests of shareholders in the medium to long term, through the use of the "Total Shareholder Return"[20], and a more sustainable value creation in the medium to long term, through the use of the "Net Present Value" of proved reserves[21]. The conditions of the Plan include, in particular: i) incentive to be given every year equal to 100% of the overall fixed remuneration; ii) incentive to be paid at the end of the three-year vesting period determined in relation to the results achieved in terms of variation of the identified parameters (TSR with a weighting of 60% and NPV of proved reserves with a weighting of 40%) in the three-year period in question in relative terms compared to a peer group consisting of the following international oil companies: Exxon, Chevron, Shell, BP, Total and Repsol. The amount to be paid is defined as a percentage of the amount assigned according to the average annual placements achieved during the vesting period, compared with those achieved by the companies in the peer group according to the following scale: 1st place = 130%; 2nd place = 115%, 3rd place = 100%; 4th place = 85%; 5th place = 70%; 6th and 7th place = 0%. The minimum incentive threshold involves reaching 5th place for both indicators in at least one year of the three-year vesting period.

LTMI plan - Timeline



Payments Incentive scale

Ranking	1°	2°	3°	4°	5°	6°	7°
Multiplier	130%	115%	100%	85%	70%	0%	0%

Both Plans envisage that, should the current office not be renewed, the payment of each incentive assigned will occur at the natural expiry of the related vesting period, in accordance with the performance conditions defined in the Plan.

Payments due in the event of termination of office or employment[22]

For the Chief Executive Officer and General Manager, in line with the practices of reference and with the provisions of the European Commission Recommendation no. 385 of 30th April, 2009, as well as to protect the company from potential competitive risks, the following payments are provided for:

- upon termination of the management employment relationship, due to non-renewal or early termination of the 2014-2017 administrative mandate, even for resignations caused by a reduction of delegated powers, there is a provision to pay an indemnity supplementing the severance pay, with mutual exemption from notice, of two years of total fixed remuneration (equal to 1,350,000 euros), for a total

(19)The executives of Eni and its subsidiaries identified during the annual implementation of the Plan among those who occupy the positions that are most directly responsible for the business performance or that are of strategic interest and who, at the date of allocation, are employees and/or in the service of Eni SpA and its subsidiaries, including Eni SpA Managers with strategic responsibilities.
(20) The Total Shareholder Return (TSR) measures the overall return of a stock investment, taking into consideration both the price change and the dividends paid and reinvested in the same stock, in a specific period.
(21) The Net Present Value represents the present value of the future cash flows of proved hydrocarbon reserves, net of future production and development costs and related taxes. It is calculated on the basis of standard references defined by the Securities Exchange Commission on the basis of the data published by oil companies within the official documentation (Form 10-K and Form 20-F).
(22) Information also provided under art. 123-bis, paragraph 1, subparagraph i) of the CFA, as set out in note 15.

gross amount equal to 2,700,000 euros. Also with reference to the recommendation in criterion 6.C.1 subparagraph g) of the Corporate Governance Code, it is stated that, in relation to the applicable contractual provisions, such compensation is not paid in case of dismissal for "just cause" under art. 2119 of the Italian Civil Code or in cases of resignations as Chief Executive Officer before the expiry of the mandate, not justified by an essential reduction of delegates powers, as well as in the event of death governed by art. 2122 of the Italian Civil Code;
- non-competition agreement that can be activated by the Board of Directors through an option right, to be exercised within a possible second administrative term, against a specific consideration of 500,000 euros gross to be paid in three annual instalments. If the option is exercised by the Board and the agreement is implemented, the consideration is paid against a commitment undertaken by the Chief Executive Officer and General Manager not to perform, for the twelve months following the expiry of the mandate, any activities of Exploration & Production that could be in competition with Eni in key markets worldwide. This amount will be set by the Board of Directors to a linearly varying degree from 1,500,000 euros to a maximum of 2,250,000 euros based on the performance of the previous three years, making reference to the total annual remuneration, and will be paid at the expiry of the term of the agreement. Any violation of the non-competition agreement will involve the non-payment of the consideration (or its restitution, where the violation has come to Eni's awareness after the payment), and the obligation to pay damages consensually and conventionally set at an amount equal to twice the amount of the non-competition agreement, without prejudice to Eni's right to seek fulfilment in specific form.

Benefits
For the Chief Executive Officer and General Manager, the Policy Guidelines provide for insurance coverage for the risk of death or permanent disability, and in compliance with what is provided for in the national collective labour agreement and the supplementary corporate agreements for Eni senior managers, enrolment in the complementary pension plan (FOPDIRE[23]) as well as in the supplementary health plan (FISDE[24]) are also provided, together with a company car for business and personal use.

Managers with strategic responsibilities

Fixed remuneration
The fixed remuneration is based on the assigned role and responsibilities, taking into consideration a graduated and possibly inferior positioning compared to the limits set by the median references of the national and international executive markets for roles with similar levels of managerial responsibility and complexity, and it may be updated periodically during the annual salary review that involves all managerial resources.
The 2015 Guidelines, in consideration of the context of reference and current market trends, provide for selective criteria, while maintaining appropriate levels for competitiveness and motivation. In particular, the proposed actions will cover measures to adapt the selective fixed/one-off for holders of positions that have increased the scope of responsibility or the level of coverage of the role, and in consideration of retention needs and excellent quality performance.
In addition, as Eni officers, the Managers with strategic responsibilities are entitled to receive the indemnities due for travel in Italy and abroad, in line with the applicable provisions of the relevant national collective labour agreement for senior managers and in the corporate complementary agreements.

Annual variable incentives
The annual variable incentive plan provides for remuneration to be awarded in 2015, calculated with reference to Eni performance results, for the business areas and individuals, achieved in the previous year and measured in accordance with a performance scale of 70÷130 with a minimum incentive level equal to 85 points, below which no incentive is due, as already described for the Chief Executive Officer and General Manager. The target incentive level (performance = 100) differs by up to a maximum of 60% of the fixed remuneration, based on the role.
The targets of the Managers with strategic responsibilities are based on those assigned to the Senior Management and are focused for each business area on the economic/financial, operational and industrial performance, on internal efficiency and on sustainability issues (in terms of health and safety, environmental protection, stakeholder relations), as well as on individual targets assigned in relation to the scope of responsibilities of the role, consistent with the provisions of the Company's Strategic Plan.

Long-term variable incentives
The Managers with strategic responsibilities, in line with the provisions for the Chief Executive Officer, participate in the 2015-2017 Deferred Monetary Incentive Plan (DMI) approved by the Board of Directors on 12th March, 2015 and in the 2014-2016 Long-Term Monetary Incentive Plan (LTMI) approved by the Board of Directors on 12th February, 2014 and by the Shareholders' Meeting on 8th May, 2014. In particular, the Plans have the following characteristics:
- 2015-2017 Deferred Monetary Incentive Plan, designed solely for the managerial resources who have delivered the performance results established in the annual Variable Incentive Plan (threshold target). The Plan provides for three annual assignments, starting in 2015, with the same performance conditions and characteristics as those described above for the Chief Executive Officer and General Manager. For the Managers with strategic responsibilities, the incentive to be assigned each year is set in relation to the EBT results achieved by the Company in the previous year, measured on a performance scale of 70÷130. The target incentive level differs, based on the role, by up to a maximum

(23) Defined contribution retirement plan with individual capitalisation (www.fopdire.it).
(24) Plan that reimburses health expenses for working and retired executives and their families (www.fisde-eni.it).

of 40% of the fixed remuneration. The incentive to be paid at the end of the three-year vesting period is determined on the basis of the average annual EBT results achieved during the three-year period, as a percentage between zero and 170% of the assigned value;

- 2014-2016 Long-Term Monetary Incentive Plan, scheduled for the managerial resources critical for the business with three annual assignments, starting in 2014, with the same performance conditions and characteristics already described for the Chief Executive Officer and General Manager. For the Managers with strategic responsibilities, the incentive to be assigned each year differs depending upon the level of the role up to a maximum of 75% of the fixed remuneration. The incentive to be paid at the end of the three-year vesting period is set in relation to the results of the identified parameters (TSR with a weighting of 60% and NPV of proved reserves with a weighting of 40%) in the three-year period in question in relative terms compared to the peer group, as a percentage between zero and 130% of the assigned value.

Both Plans include clauses aimed at promoting employee retention, envisaging, in the case of consensual contract termination or transfer and/or loss of control on the part of Eni of the company of which the individual in question is an employee during the course of the vesting period, that the employee in question maintains the right to the incentive in a smaller measure based on the period between the assignment of the incentive and the occurrence of these events and in relation to the actual results for the period; no payment is envisaged in the case of unilateral termination of employment.

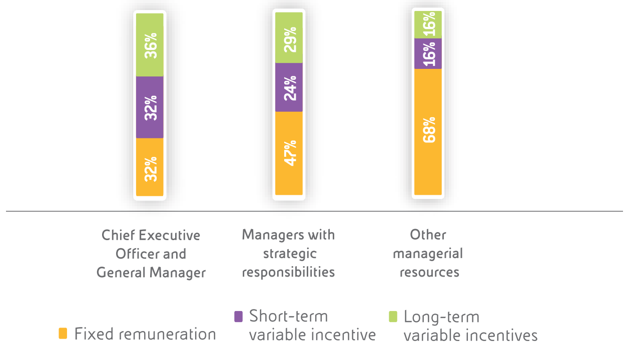
Payment due in the event of termination of employment
For Managers with strategic responsibilities, as for Eni senior managers, the payment due for employment termination as per the relevant national collective labour agreement is envisaged, together with any other additional severance indemnity agreed upon on an individual basis upon termination, according to the criteria established by Eni for cases of early resolution and/or retirement. These criteria take into account the retirement age and the actual age of the manager at the time when the employment is terminated and the annual remuneration received. For cases of termination that present high competitive risks relating to the criticality of the position held by the Manager, non-competition agreements may also be entered into with payments defined in relation to the remuneration received and the conditions of duration and efficacy of the agreement.

Benefits
For Managers with strategic responsibilities, in line with the policy implemented in 2014 and in line with what is provided for in the national collective labour agreement and the complementary company level agreements for Eni managers, the Policy Guidelines provide for enrolment in the supplementary pension plan (FOPDIRE) as well as in the complementary health plan (FISDE), insurance coverage for the risk of death or disability, together with a company car for business and personal use, and the possible assignment of housing based on operational and mobility requirements.

Pay-mix

The 2015 Remuneration Policy Guidelines lead to a remuneration mix in line with the managerial role held, with greater weight placed upon the variable component, in particular in the long-term, for roles characterised by a greater impact on company results, as highlighted in the Pay-mix diagram below, calculated by considering the value of short and long-term incentives offered for results within the target values.

Pay-mix



Section II – Compensation and other information

This Section has been omitted pursuant to the provisions of art. 84-quater, paragraph 1, of Consob Issuers' Regulation.

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€4,005,358,876 fully paid
Tax identification number: 00484960588
Branches:
San Donato Milanese (Milan) - Via Emilia, 1
San Donato Milanese (Milan) - Piazza Ezio Vanoni, 1

Publications
Financial Statement pursuant to rule 154-ter paragraph 1
of Legislative Decree No. 58/1998
Integrated Annual Report
Annual Report on Form 20-F
for the Securities and Exchange Commission
Fact Book (in Italian and English)
Eni in 2014 (in English)
Interim Consolidated Report as of June 30 pursuant
to rule 154-ter paragraph 2 of Legislative Decree No. 58/1998
Corporate Governance Report pursuant to rule 123-bis
of Legislative Decree No. 58/1998
(in Italian and English)
Remuneration Report pursuant to rule 123-ter
of Legislative Decree No. 58/1998 (in Italian and English)

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