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Introduction

The Corporate Governance Code ("Code") applies to all companies with shares listed on the Italian main market ("Mercato Telematico Azionario", hereinafter "MTA") managed by Borsa Italiana ("companies"). Adoption of this Code is voluntary and is disclosed in the report on corporate governance and ownership structures ("corporate governance report").

The Code is adopted with deliberation of the Board of Directors.

The Board of Statutory Auditors adopted recommendations applicable to it.

Each article of the Code is divided into principles, which define the objectives of good governance, and into recommendations, which indicate the behaviour that the Code deems appropriate to achieve the objectives indicated in the principles.

The Code is neutral with respect to the governance model specifically adopted by the company (traditional; "one-tier", which includes the so-called "modello monistico" for Italian companies; "two-tier", which includes the so-called "modello dualistico" for Italian companies). For companies adopting the "two-tier" model, the Code requires that the supervisory board is to be assigned the task of deliberating on the company's strategic guidelines and transactions of strategic importance (so-called "high level" management powers).

Companies apply the Code according to the principle of substance over form and the recommendations thereof on a "comply or explain" basis. Companies adopting the Code provide in their corporate governance report accurate, easily understandable and exhaustive, albeit concise, information on how the Code is applied.

The application of the Code is based on principles of flexibility and proportionality.

Companies disclose in their corporate governance report how they have specifically applied the Code's principles. The choice to depart from one or more recommendations of the Code may depend on factors internal and external to the company, whereby the practice recommended by the Code may not be functional or compatible with its governance model. The application of the Code implies, however, that each deviation is clearly indicated in the corporate governance

Detailed information on application modalities of the Code is disclosed in Eni's Corporate Governance and Shareholding Structure Report and, for recommendations related to remuneration, in the Remuneration Report.

¹ Unless otherwise specified, the recommendation is formally adopted.



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report and that companies: (a) explain how the best practice recommended by the Code has been disregarded; (b) describe the reasons for the deviation; (c) describe how the decision to depart from the recommendations has been made within the company; (d) if the deviation is limited in time, indicate when they plan to apply the related best practice; (e) describe any action adopted as an alternative to the best practice which they have not implemented and explain how this choice helps the company achieving the objective underlying the Code's principles and in any case contributes to good corporate governance.

Q&A

In addition to the Code's explicit recommendations on the information to be provided in the Corporate governance report, what information should the report provide on the various aspect of governance?

Full implementation of the Code is adequately illustrated in the corporate governance report and, for related matters, in the remuneration report, based on the instructions provided in the introductory section of the Code. In addition to the specific disclosure recommendations of the Code and the Q&A, the (non-binding) Format of Borsa Italiana offers an overview of the main information to be provided on the implementation of the Code.

In order to ensure a proportional application of the Code, some recommendations are calibrated according to the company's size and ownership structure, providing for:

- a set of recommendations intended only for larger companies (see "large companies" category contained in the Code's "definitions");
- a simplified application of some recommendations by companies other than the "large" ones;
- the adaptation of some recommendations to companies with concentrated ownership (cf. the category of "companies with concentrated ownership" contained in the Code's "definitions").

In the presence of primary or secondary regulations incompatible with the application of certain recommendations of the Code, disclosure of the reasons for their failed or partial application is not required.

Eni falls within the definition of "large company".



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The Committee monitors the state of the Code's application, the evolution of the applicable regulatory framework and the international best practices, and is responsible for updating the Code. To this end, it evaluates a possible revision of the Code usually every two years.

The application of the Code is facilitated by a set of Q&As, periodically updated also in consideration of any requests that might be submitted by those companies that apply the Code.

The present Code was approved by the Committee in January 2020. The companies adopting the Code are required to apply it starting from the first financial year that begins after 31 December 2020, while the disclosure shall be provided in the corporate governance report to be published during 2022.

Companies apply the quota of one-third for the less represented gender in the board of directors and control body (recommendation 8) starting from the first renewal following the expiry of the legislative provisions that impose a quota equal to or greater than that recommended by the Code.

Applicable law provides for a higher quota of at least 2/5 of the less represented gender for six terms, starting from 2020 (for Eni until 2038, considering that a term of office usually lasts three financial years). Eni By-laws provide for a quota of at least 2/5 of the less represented gender in management and control bodies, in force for the duration provided by the law.

"Large companies" apply the recommendations regarding the presence of independent directors in the board of directors (recommendation 5) starting from the first renewal of the board of directors following 31 December 2020.

Article 1. Role of the board of directors

Principles

I. The board of directors leads the company by pursuing its sustainable success.

Definition of Board of directors: *the collegial body that has the task of deliberating on strategic guidelines, monitoring their implementation, and on transactions of strategic importance. It corresponds to:*

- the board of directors for those companies that adopt the traditional or "one-tier" model (for Italian companies the so-

Eni adopted a **mission** incorporating the 17 Sustainable Development Goals, embracing all aspects of social, economic and environmental development in an organic and integrated way, with the aim of providing an active contribution to their achievement.

Furthermore, the interest of stakeholders other than shareholders has been considered since 2006 as one of the elements that Directors must evaluate in their informed decisions, aimed at creating value in the



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called "modello monistico");
 - the supervisory board and, limited to principle VII and recommendations 4 and 8, the management board for those companies that adopt the "two-tier" model (for Italian companies, the so-called "modello dualistico" whereby the Code requires that companies' bylaws assign the so-called "high level" management powers to the supervisory board).

Definition of Sustainable success: the objective that guides the actions of the board of directors and that consists of creating long-term value for the benefit of the shareholders, taking into account the interests of other stakeholders relevant to the company.

medium-to-long term.

II. The board of directors defines the strategies of the company and the group it heads in accordance with principle I and monitors its implementation.

III. The board of directors defines the corporate governance system that is most functional for carrying out the company's business and pursuing its strategies, taking into account the flexibility offered by the legal framework. If necessary, the board of directors evaluates and promotes the appropriate changes and submit them to the shareholders' meeting when such changes are necessarily subject to the shareholders' vote.

IV. The board of directors promotes dialogue with shareholders and other stakeholders which are relevant for the company, in the most appropriate way.

Without prejudice to the adoption of a policy promoting dialogue with shareholders and other relevant stakeholders, the Board provided that the Sustainability and Scenarios Committee may ask the CEO to consider organising meetings between the directors and institutional stakeholders, to hear their views.

Recommendations

1. The board of directors:

a) reviews and approves the business plan of the company and the group it heads, also on the basis of matters that are relevant for the long-term value generation. That analysis is carried out with the possible support of a committee whose composition and functions are defined by the board of directors;

Definition of Business plan: a plan which defines the company's strategic objectives and the actions to achieve them



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in line with the chosen level of risk exposure, with the aim of promoting the company's sustainable success (...).

Q&A

Which committee can be given the task of supporting the board of directors in analysing the issues relevant to long-term value generation?

The board of directors has a wide choice for assigning this task: in particular, the choice of using a collegial entity, such as a committee, may result in the identification of a board committee (new or already existing) or a mixed committee (managers and board members).

b) periodically monitors the implementation of the business plan and assesses the general course of the business, comparing the results achieved with those planned;

c) defines the nature and level of risk compatible with the company's strategic objectives, including all the elements that can be relevant for the company's sustainable success;

d) defines the corporate governance system of the company and the structure of the group it heads, and assesses the adequacy of the company's organisational, administrative and accounting structure and of its strategically important subsidiaries, with particular reference to the internal control and risk management system;

e) approves transactions of the company and its subsidiaries that have a significant impact on the company's strategies, profitability, assets and liabilities or financial position; to this end, it establishes the general criteria for identifying significant transactions;

f) on proposal of the chair in agreement with the chief executive officer, adopts a procedure for the internal and external management of documents and information concerning the company, with particular reference to inside information, in order to ensure the correct management of corporate information.

The Board of Directors defines the nature and level of risk compatible with the company's strategic objectives, based on an estimate of the probability and impact of the risks, as prepared (and, if necessary, updated during the year) by the Integrated Risk Management function, and includes in its evaluations all the elements that can be relevant for the company's sustainable success.

The assessment of the adequacy and effectiveness of the internal control and risk management system (ICRMS) is conducted every six months. The assessment of the adequacy and effectiveness of the ICRMS's organisational structure is carried out annually, unless changes require a six-monthly update.



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Definition of Chief executive officer (CEO): the person in charge of managing the company.

2. If deemed necessary for the effectiveness of the company's corporate governance system, the board of directors develops specific proposals to be submitted to the shareholders' meeting on the following issues:

a) choice and characteristics of the corporate model (traditional, "one-tier", "two-tier");

b) size, composition and appointment of the board of directors and term of office of its members;

c) structure of the shares' administrative and property rights;

d) percentages established for the exercise of the prerogatives set up to safeguard minority shareholders.

In particular, if the board of directors intends to propose to the shareholders' meeting the introduction of increased voting rights (so-called "voto maggiorato"), it provides adequate reasons in the report that will be submitted to the shareholders prior to their annual meeting. The report indicates the expected effects on the company's ownership and control structure and its future strategies. In the same report, the board discloses the decision-making process followed for the definition of such a proposal and any dissenting opinions voiced within the board.

Q&A

How often is the board of directors called upon to assess the need to develop reasoned proposals on the definition of the corporate governance system?

The Code does not recommend any specific frequency for this assessment. The need for an overall assessment of the corporate governance system in order to develop reasoned proposals to the shareholders' meeting is recognised by the board of directors, taking into account internal and external factors that could be relevant for this purpose, including the options offered by the legal system in terms of statutory autonomy.



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3. Upon proposal of the chair in agreement with the chief executive officer, the board of directors adopts and describes in the corporate governance report a policy for managing dialogue with the generality of shareholders, taking into account the engagement policies adopted by institutional investors and asset managers.

The chair ensures that the board of directors is in any case informed, within the first suitable meeting, of the development and the significant contents of the dialogue that has taken place with all the shareholders.

Article 2. Composition of the corporate bodies

Principles

V. The board of directors is comprised of executive and non-executive directors. All directors ensure professional skills and competence that are appropriate to their tasks.

Definition of Directors: *members of the board of directors (as defined above) and, in companies that adopt the "two-tier" model, also members of the body with managerial responsibilities (for Italian companies that adopt the so-called "modello dualistico", members of the management board).*

Definition of Executive directors:

- the chair of the company or a subsidiary with strategic importance, when delegated to manage or develop corporate strategies;

- directors who are recipients of managerial powers and/or hold managerial positions in the company or in a subsidiary with strategic importance, or in the parent company when the position also concerns the company;

- directors who are part of the company's executive committee and, in companies that adopt the "two-tier" model, directors who are part of the body with managerial responsibilities (for Italian companies that adopt the so-called "modello dualistico", members of the management board).

Q&A

Does being entrusted with deputy or temporary executive powers imply by itself that a director is an executive director?

The attribution of deputy or temporary powers to a director does not cause him or her to become automatically an

This recommendation is for shareholders rather than the Board and may be taken into account in the Board's advice for shareholders on the composition of the Board.



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executive director, unless the powers are, in fact, used with considerable frequency and/or for a prolonged period.

Q&A

Does participation in an executive committee imply by itself that a director is an executive director?

The participation of a director in an executive committee - with executive powers conferred by the board of directors - always implies that a director is executive for the purposes of the Code.

VI. The number and skills of non-executive directors ensure significant influence in the decision-making process of the board and guarantee an effective monitoring of management. A significant number of non-executive directors is independent.

This recommendation is for shareholders rather than the Board and may be taken into account in the Board's advice for shareholders on the composition of the Board.

VII. The company applies diversity criteria, including gender ones, to the composition of the board of directors, ensuring the primary objective of adequate competence and professionalism of its members.

Without prejudice to the provisions of applicable law and Eni's by-laws in relation to gender diversity, with reference to other diversity criteria and adequate competence and professionalism, this recommendation should be directed to the shareholders rather than the Board of Directors and may be taken into account in the Board's advice for shareholders on the composition of the Board.

VIII. The control body's composition is appropriate for ensuring the independence and professionalism of its function.

Without prejudice to the provisions of applicable law and Eni's by-laws, this recommendation should be directed to the shareholders and may be taken into account in the control body's advice to shareholders on the composition of the same body.

Definition of Control body: *the collegial body in charge of the functions of the "audit committee" (called the "internal control and audit committee" within the Italian framework) pursuant to Directive 2006/43/EC or functions similar to these for companies that have no registered office in a European Union country to which this Directive does not apply.*

For Italian companies, the control body is:

- the board of statutory auditors in the traditional model (i.e., "collegio sindacale");*
- the management control committee in the so-called "modello monistico" (i.e., "comitato per il controllo sulla gestione");*
- the ad hoc committee established within the supervisory board in the so-called "modello dualistico", assigning to the supervisory board the so-called "high level" management powers (i.e., "comitato per il controllo interno e la revisione contabile").*



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4. The board of directors defines the delegation of managerial powers and identifies who among the executive directors holds the position of chief executive officer. If the chair is entrusted with the position of chief executive officer or with significant managerial powers, the board of directors explains the reasons for this choice.

Q&A

Does the company need to identify only one chief executive officer?

Normally, companies identify a single executive director as the main officer (CEO).

The board of directors may identify more than one CEO if comparable management powers are assigned to several directors.

5. The number and skills of independent directors are appropriate to the needs of the company and to the well-functioning of the board of directors, as well as to the establishment of board committees.

Introduction of the Code: *"Large companies" apply the recommendations regarding the presence of independent directors in the board of directors (recommendation 5) starting from the first renewal of the board of directors following 31 December 2020.*

Definition of Large company: *the company whose capitalisation was greater than €1 billion on the last Exchange business day of each of the previous three calendar years. Companies that assume the status of "large company" as of 31 December 2020 apply the relevant principles and recommendations starting from the second financial year following the achievement of the "large company" status.*

Definition of Independent directors: *non-executive directors who do not enter into, nor have recently had, even indirectly, relations with the company or with subjects related to the latter, such as to condition their current autonomy of judgment (see criteria set forth in Article 2).*

The board of directors includes at least two independent directors, other than the chair.

This recommendation, applicable starting from the next renewal of the board of directors, should be directed to the shareholders rather than the Board of Directors and may be taken into account in the Board's advice for shareholders on the composition of the Board.

This recommendation, applicable from the first renewal of the board of directors after 31 December 2020, should be directed to the shareholders rather than the Board of Directors and may be taken into account in the Board's advice for shareholders on the composition of



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In large companies with concentrated ownership, independent directors account for at least one third of the board.

Definition of Companies with concentrated ownership: companies in which a single shareholder (or a plurality of shareholders which participates in a shareholders' voting agreement) holds, directly or indirectly (through subsidiaries, trustees or third parties), the majority of the votes that can be exercised in the ordinary shareholders' meeting. Companies that lose the status of "company with concentrated ownership" can no longer apply the proportionality measures provided for this category starting from the second financial year following the loss of the status.

In other large companies, independent directors account for at least half of the board.

Q&A

How is the proportion of half and one third of the independent directors calculated (rounding criterion)?

If the proportion of independent directors does not correspond to a whole number, the latter is rounded in accordance with the arithmetic criterion: down to the lower unit, if the decimal figure is smaller than 5; up to the higher unit, if the decimal figure is equal to or greater than 5.

Q&A

Is the independent chairman counted in the share of independent directors recommended for the composition of the board of directors?

Yes. The independent chairman is counted as an independent director for the purposes of the share of at least one third, required for large companies with concentrated ownership, and of at least half of independent directors in the board of directors, required for other large companies.

On the contrary, as expressly provided by the Code, the independent chairman is excluded from the calculation of the minimum requirement of two independent directors on the board of directors.

the Board.
The shareholder shall also comply with the relevant legal provisions.

In large companies, independent directors meet, in the absence



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of the other directors, on a periodic basis and at least once a year to evaluate the issues deemed of interest to the functioning of the board of directors and to the corporate management.

Q&A

What are the issues 'of interest' with respect to the workings of the board of directors that should be addressed in the meetings of independent directors only?

The meetings of independent directors are dedicated at least to the evaluation of the crucial aspects for the effective working of the board of directors, starting with the adequacy of the dialogue and reporting flows between executive and non-executive directors. Given the liaison role of the chairman of the board of directors (principle X), the meetings of independent directors dedicated to these issues do not include the participation of any independent chairman. For the same reasons, the independent directors may, if they deem it useful, invite the chairman to attend the meeting and/or send him/her the relevant main observations.

6. The board of directors assesses the independence of each non-executive director immediately after his or her appointment. The assessment is renewed during the mandate upon the occurrence of circumstances that concern his or her independence and at least once a year.

Each non-executive director provides all the elements necessary or useful for the assessment of the board of directors. On the basis of all the information available, the board considers any circumstance that affects or could affect the independence of the director.

Q&A

On what information is the independence assessment of individual directors based and, in particular, what is the meaning of "available information"?

The assessment of the board of directors is based on the information provided by the individual independent candidate (pursuant to the Code) at the time of appointment and that in the possession of the company regarding the presence of any significant relationships for the purposes of independence.

In assessing independence, the board of directors is required to examine the information held by the company and that

Periodic assessments of the independence requirements of Directors are performed annually by the Board of Directors with the support of the Nomination Committee, that carries out the preparatory work.



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received from the individual director with the diligence required by their office. If the available information is not considered sufficient to assess situations of potential non-independence (e.g, lack of elements useful for examining the significance of the relations being assessed), the board of directors shall request further information from the individual director.

Q&A

What checks is the board of auditors called upon to carry out regarding the board of directors' assessments of the independence of its non-executive members?

The board of auditors verifies, as part of the tasks assigned to it by law, the correct application of the assessment criteria and procedures adopted by the board of directors to assess the independence of its non-executive members. The outcome of these checks is disclosed to the market as part of the corporate governance report or the report of the board of auditors to the shareholders' meeting.

7. The circumstances that jeopardise, or appear to jeopardise, the independence of a director are at least the following:

a) if he or she is a significant shareholder of the company;

Definition of Significant shareholder: *the person who directly or indirectly (through subsidiaries, trustees or third parties) controls the company or is able to exercise significant influence over it or who participates, directly or indirectly, in a shareholders' agreement through which one or more persons exercise control or significant influence over the company.*

b) if he or she is, or was in the previous three financial years, an executive director or an employee:
 - of the company, of its subsidiary having strategic relevance or of a company subject to joint control;
 - of a significant shareholder of the company;

The Board of Directors has identified Versalis S.p.A., Eni International BV and Eni Plenitude S.p.A. Società Benefit as Eni's subsidiaries having strategic relevance.



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c) if he or she has, or had in the previous three financial years, a significant commercial, financial or professional relationship, directly or indirectly (for example through subsidiaries, or through companies of which he or she is an executive director, or as a partner of a professional or a consulting firm):

- with the company or its subsidiaries, or with their executive directors or top management;
- with a subject who, also together with others through a shareholders' agreement, controls the company; or, if the control is held by a company or another entity, with its executive directors or top management;

Definition of Top management: *senior managers who are not members of the board of directors and have the power and responsibility for planning, directing and controlling the activities of the company and the group it heads.*

d) if he or she receives, or received in the previous three financial years, from the company, one of its subsidiaries or the parent company, significant remuneration other than the fixed remuneration for the position held within the board and for the membership in the committees recommended by the Code or required by law;

Q&A

How do we define the "fixed remuneration for the office" and the "remuneration for participation in the committees recommended by the Code" which do not constitute a "significant additional remuneration" to be assessed for the purpose of evaluating the independence of a director?

The Code expressly excludes from the amount of the "significant additional remuneration" that could affect the

In order to evaluate the significance of commercial, financial or professional relationship, reference is made to related parties transactions or with subjects of interest² or close relatives not included in related parties, but relevant for this Code, excluding transactions for a small amount and ordinary transactions carried out at market or standard conditions, as defined by the internal regulations regarding related parties transactions.

The significance of these relations may be attenuated or excluded at the occurrence of at least two of the following circumstances: (i) the pre-existence of the relationship with respect to the appointment in Eni; (ii) incidence of the relationship with Eni lower than 5% of the annual turnover³ of the company controlled by the director or of which the director (or a close relative) is an executive director or of the professional firm or consultancy company of which the director (or a close relative) is a partner; (iii) termination of the relationship before the beginning of the term or no later than six months from the beginning of the term.

The amount of additional remuneration that could compromise the independence of a Director has been fixed at 30% of the fixed remuneration for the office. The remuneration for participation in the Sustainability and Scenarios Committee is not considered additional remuneration, as well as remuneration for participation in other Committees.

² As defined by internal regulations (MSG "Transactions involving the Interests of the Directors and Statutory Auditors and Transactions with Related Parties") available on Eni's website, i.e. subjects (individuals or corporate entities other than the Related Parties) indicated by Directors and Statutory Auditors of Eni SpA, subject to the significant influence of Directors or Statutory Auditors or of their close relatives, or in relation to whom the latter subjects may directly or indirectly have an interest, also potential, in relation to the activities carried out by Eni SpA and its subsidiaries or certain transactions.

³ Or similarly 5% of the income of a Director or of his/her close relative.



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independence of a director, the "fixed remuneration for the office" and the "remuneration for participation in the committees recommended by the Code."

By 'fixed remuneration for the office' we mean:

- *the remuneration determined by the shareholders' meeting for all directors or established by the board of directors for all non-executive directors within the overall amount approved by the shareholders' meeting for the entire board of directors;*
- *any remuneration attributed on the basis of the particular office held by the individual non-executive director within the board of directors (chairman, vice-chairman, LID), defined according to the best practices envisaged by recommendation 25 (i.e., taking into account the general remuneration practices in the reference sectors and for companies of similar size, also considering comparable international experience).*

On the contrary, remuneration received by the director of the company that adopts the Code for holding offices in the parent or subsidiary company is considered as 'additional remuneration' and is therefore assessed in its 'significance' for the purposes of recommendation 7, letter d).

By "remuneration for participation in the committees recommended by the Code" we mean the remuneration that the individual director receives by reason of his participation in board committees having a functional role in the application of the Code, including any committee established pursuant to recommendation 7, letter a), provided it is not an executive committee.

As expressly provided for by the Code, the remuneration from 'committees recommended by the Code' is also similar to the remuneration for participation in the committees (or bodies) provided for by current legislation, excluding any executive committee.

e) if he or she has served on the board for more than nine years, even if not consecutive, of the last twelve years;

f) if he or she holds the position of executive director in another company whereby an executive director of the company holds the office of director;

g) if he or she is a shareholder, quota-holder or director of a company or other legal entity belonging to the network of the external auditor of the company;

h) if he or she is a close relative of a person who is in any of the circumstances set forth in previous letters;

In line with the Corporate Governance Committee's Q&As, parents, children, spouses who are not legally



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Q&A

Who are to be considered "close relatives" for the purposes of the application of the independence criteria?

The Code does not generally define the persons who are considered "close relatives" for the purposes of assessing the independence of the individual director. Their identification is therefore left to the judgement of the board of directors.

Based on a mere illustrative and non-exhaustive list, "close relatives" are commonly defined as parents, children, spouses who are not legally separated and cohabiting.

separated and live together are considered "close relatives".

The board of directors defines ex ante, at least at the beginning of its mandate, the quantitative and qualitative criteria for assessing the significance of the situations set forth above in letters c) and d).

See application modalities related to situations set forth above in letters c) and d).

Q&A

When should the quantitative and qualitative criteria be defined to assess the significance of a relationship for the purposes of independence?

The quantitative and qualitative criteria have a general and abstract scope and are promptly defined by the board of directors before their actual application and therefore prior to the actual assessment of the independence of individual directors.

If the director is also a partner in a professional or a consulting firm, the board of directors assesses the significance of the professional relationships that may have an effect on his or her position and role within the professional or the consulting firm and in any event, those pertaining to important transactions of the company and the group it heads, even regardless of the quantitative parameters.

The chair of the board of directors, who has been nominated for such role according to recommendation 23, can be assessed as independent if none of the circumstances set forth above occurs.



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If the independent chair is member of the board committees recommended by the Code, such committees are made up in majority of independent directors, other than the chair. The independent chair of the board of directors cannot chair the remuneration committee and the control and risk committee.

8. The company defines the diversity criteria for the composition of the board of directors and the control body and identifies the most suitable tool for their implementation, taking into account its ownership structures.

At least a third of the board of directors and the control body, where the latter is autonomous, is to be comprised of members of the less represented gender.

Companies adopt measures to promote equal treatment and opportunities among genders within the entire organisation, monitoring their specific implementation.

9. All members of the control body meet the independence requirements set out in recommendation 7 for directors. The independence assessment is carried out, with the timing and manner provided for by recommendation 6, by the board of directors or by the control body; such an assessment is based on the information provided by each member of the control body.

Q&A

Which body is involved in the assessment of the independence of the members of the control body?

The assessment of the compliance with independence requirements under the Code by each member of the control body can be entrusted to the control body or the board of directors.

If entrusted to the control body, the independence assessment is filed in the form and with the appropriate time to allow for the board of directors to examine it before the publication of the press release to the public or the disclosure of related information in the corporate governance report.

If entrusted to the board of directors, the independence assessment is preceded by an adequate flow of information from the control body to the board of directors, in order to facilitate the assessment conducted by the latter.

The Board of Directors considers the advice to shareholders from the outgoing Board one tool for the implementation of the Corporate Governance Code recommendations on diversity in its composition.

See relevant application modalities in the last paragraph of the Introduction.

The Board of Statutory Auditors expressed its view that the limit of 30% established by the Board for additional remuneration that could compromise the independence (see application modality related to Recommendation 7, letter d) does not include any remuneration received by the Statutory Auditors for positions held on the control bodies of subsidiaries of Eni, taking due account of the 1997 Consob recommendation on the "group statutory auditor". In any case, the appointment of statutory auditors in group companies takes place in compliance with the provisions and limits on the maximum number of offices provided for by the internal regulations governing the composition of the control bodies of subsidiaries. Furthermore, the aforementioned limit does not include the remuneration received by the Statutory Auditor for the role of member of the 231 Supervisory Body of Eni SpA.



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10. The outcome of the assessments of independence of directors and members of the control body referred to in recommendations 6 and 9 is disclosed to the market immediately after the appointment through a specific press release and, later, in the corporate governance report. In both cases, the outcome of the assessment provides information about: the criteria used for the assessment of the significance of the relationships and, in case of any deviation from the circumstances set forth in recommendation 7, a clear and detailed reason for this choice motivated by the individual situation and characteristics of the director concerned.

Q&A

Is it possible to generally disapply one or more circumstances indicating the lack of independence, regardless of the assessment of the situation of the individual director?

The general non-application of one or more circumstances indicating the lack of independence, regardless of the assessment of the situation of the individual director, is not allowed.

The Code provides examples of the situations to be considered whenever the independence of the individual directors is assessed; in addition to the cases listed in the Code, the assessment may also extend to any further situations identified, voluntarily, by the company.

According to the principle of the 'prevalence of substance over form' and the 'comply or explain' criterion that inform the application of the entire Code, the board of directors will assess, on an individual basis, the compliance with independence requirement by one or more directors who find themselves in one of the situations defined by the Code (and any additional situations voluntarily identified by the individual company). In the event of a positive assessment, the board provides adequate and transparent information about the reasons for the deviation from one or more criteria for each individual director.

Article 3. Functioning of the board of directors and the role of the chair

Principles

IX. The board of directors defines the rules and procedures for its functioning, ensuring an efficient flow of information to directors.



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X. The chair of the board of directors plays a liaison role between executive and non-executive directors and ensures the effective functioning of the board.

XI. The board of directors ensures an adequate division of its functions and establishes board committees with preliminary, propositional and consultative functions.

XII. Each director ensures adequate time commitment for the fulfilment of their board responsibilities.

Recommendations

11. The board of directors develops internal rules that define the functioning of the board and its committees, including the means for recording the minutes of the meetings and the procedures for providing information to directors.

These procedures identify the prior notice for the submission of the documentation, ensuring that confidentiality issues are properly managed without affecting the timeliness and completeness of the flow of information.

The corporate governance report provides adequate information on the main contents of the board of director's internal rules and on compliance with the procedures aimed at ensuring the timeliness and adequacy of the information provided to the directors.

Q&A

Does the prior notice for the submission of the documentation also apply to the board committees?

The Code recommends the adoption of a regulation that defines the functioning - including the means for recording the minutes of the meetings and the procedures for providing information to directors - of both the board of directors and the board committees recommended by the Code.

Therefore, the recommendation on the prior notice for the submission of information to directors concerns both the board of directors and the board committees.

12. The chair of the board of directors, with the help of the board secretary, ensures that:



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a) the pre-meeting information and the complementary information provided during the meeting are suitable to allow directors to act in an informed manner;

Q&A

What is the role of the chair of the board of directors with relation to pre-meeting information?

Taking into account the chair's liaison role between executive and non-executive directors (principle X), the chair of the board of directors prepares the agenda and ensures, with the help of the board secretary, the timeliness and the completeness of the pre-meeting information.

When documentation made available to directors is particularly complex and voluminous, the chair, with the help of the board secretary, ensures that it is accompanied by a summary of the most significant and relevant points for the purposes of making decisions on the agenda.

When, in specific cases, it is not possible to provide the necessary information well in advance, the chair of the board of directors, with the help of the board secretary, ensures that adequate and timely in-depth analysis is carried out during the board sessions.

b) the activity of the board committees with preliminary, propositional and consultative functions is coordinated with the activity of the board of directors;

c) in agreement with the chief executive officer, the managers of the company and those of the companies of the group it heads, who are competent on the issues concerned, participate in the relevant board meetings to provide appropriate insights on the items on the agenda, also upon request of one or more directors;

d) all the members of the board of directors and control body can take part, after the appointment and during the mandate, in initiatives aimed at providing them with adequate knowledge of the industry in which the company operates, the company dynamics and their evolution, also in relation to the company's sustainable success. Such initiatives also cover the risk management issues as well as any relevant part of the regulatory and self-regulatory framework;



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e) to provide for the adequacy and transparency of the board review, with the support of the nomination committee.

13. The board of directors appoints an independent director as lead independent director:

a) if the chair of the board of directors is the chief executive officer or holds significant managerial powers;

b) if the office of chair is held by the person who controls, also jointly, the company;

c) in large companies, even in the absence of the conditions indicated in letter a) and b), if requested by the majority of independent directors.

14. The lead independent director:

a) collects and coordinates the requests and contributions of non-executive directors and, in particular, of independent ones;

b) coordinates the meetings of the independent directors.

15. In large companies, the board of directors expresses its guidelines on the maximum number of offices that can be considered compatible with an effective performance and the time commitment required by the role of the directors. The relevant offices are those held in corporate bodies of other listed companies and of companies having a significant size.

The Policy of the Board of Directors on the maximum number of offices takes into account also positions held in financial, banking or insurance company, and it varies depending on the executive or non-executive role of Directors.

Q&A

What are the relevant offices to be included in the calculation of the maximum number of directors' offices as per the advice of the board of directors?

Recommendation 15 indicates the minimum set of offices to be considered by the board of directors of large companies in the definition of their advice on the maximum number of offices to be held by directors, identifying, in particular, those in listed companies and in companies of significant size. In defining this advice, the board can also identify a wider set of offices (for example in companies in certain sectors) that could lead to an excessive commitment and which it therefore considers relevant for the objective of ensuring the effective performance of the role of director.

16. The board of directors sets up internal committees with

The Nomination, Remuneration and Control and Risk



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preliminary, propositional and consultative functions regarding appointments, remuneration and control and risks.

Q&A

What is the minimum or maximum number of members of board committees recommended by the Code?

The Code does not provide any indication of the minimum or maximum number of members of board committees.

The determination of the composition is left to the judgement of the body determining the establishment and composition of committees having regard to their functionality and taking into account the size of the company and that of the board of directors and related operational complexities.

These functions can be either assigned to the three board committees recommended by the Code or distributed in a different manner or even combined in a single committee. In any case, the company ensures an adequate disclosure on the tasks and activities carried out by each of the assigned functions, as well as an adequate composition of each committee.

The functions of one or more committees can even be assigned to the board of directors, under the coordination of the chair, provided that:

a) independent directors represent at least half of the board;

b) the board dedicates adequate sessions to the performance of such functions.

In the event that the functions of the remuneration committee are assigned to the board of directors, the last paragraph of recommendation 26 applies.

Companies other than large ones may assign the functions of the control and risk committee to the board of directors even in absence of the condition set forth above in letter a).

Companies with concentrated ownership, even large ones, can assign the functions of the nomination committee to the board of directors even in absence of the condition set forth above in letter a).

Committees of the Board of Directors, provided for by the Corporate Governance Code, shall not consist of a number of Directors representing a majority of the Board itself, so as to not alter the Board's decision-making process (solution adopted since 2006).

Eni's Board of Directors has always established all the Committees provided for by the Corporate Governance Code.

Eni's Board of Directors has already established a Sustainability and Scenarios Committee with proposing and consultative functions on sustainability issues.



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17. The board of directors defines the tasks of the committees and their composition, favouring the competence and experience of their members and avoiding, in large companies, an excessive concentration of offices.

Each committee is coordinated by a chair who informs the board of directors about the committee's activities at the first useful board meeting.

The chair of the committee may invite the chair of the board of directors, the chief executive officer, the other directors and, by informing the chief executive officer, the managers of the corporate functions that are competent on the matters of the committee meeting, to individual committee's meetings. The members of the control body can attend the meetings of each committee.

Board committees can have access to the information and the corporate functions that are necessary for the performance of their duties. Board committees have adequate financial resources and can avail themselves of external consultants according to the conditions set forth by the board of directors.

18. The board of directors, upon proposal of the chair, provides for the appointment and dismissal of the board secretary and defines his or her professional requirements and attributes in the board's internal rules. The board secretary supports the activities of the chair and provides impartial assistance and advice to the board of directors on all aspects relevant to the proper functioning of the corporate governance system.

The Chairmen of Committees have reported on the key issues examined by their Committees at each meeting of the Board since 2012. Committees also provide the Board of Directors with a report on activities performed on a half-yearly basis.

The board secretary supports the activities of the Chairman and provides impartial assistance and advice to the Board of Directors on all aspects related to the proper functioning of the corporate governance system including the functioning, powers and responsibilities of the Board and Committees.

Article 4. Appointment of directors and board evaluation

Principles

XIII. The board of directors ensures, within its competence, that the process of appointment and succession of directors is transparent and functional to achieve the optimal composition of the board according to the principles set forth in Article 2.

XIV. The board of directors periodically evaluates, through



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formalised procedures, its effectiveness and the contribution made by individual directors. The implementation of the board evaluation procedures is supervised by the board itself.

Recommendations

19. The board of directors entrusts the nomination committee to support it on:

- a) the evaluation of the board and its committees;
- b) the definition of the optimal composition of the board and its committees;
- c) the identification of candidates in case of the director's co-optation;
- d) the possible submission of a slate by the outgoing board, ensuring the transparency of the process that led to the slate's structure and proposition;

Q&A

What is the meaning of "methods that ensure (...) a transparent submission" of a slate by the outgoing board?

On top of statutory provisions and by-laws, the outgoing board:

- a) *ensures that the slate it submits is accompanied by all the information necessary to allow shareholders to express an informed vote, including an indication of the suitability of candidates to qualify as independent based on the provisions of recommendation 7;*
- b) *presents and discloses to the market, upon publication of the slate, the proposed resolutions for appointing the board of directors (e.g. determination of the number of its members, term of office and remuneration).*

Considering its general competence to handle the appointment process (principle XIII), the outgoing board:

- a) *invites shareholders presenting their own slate of candidates to the role of directors or auditors to comply with the indications referred to in the previous letter a);*
- b) *invites shareholders presenting a slate containing a number of candidates higher than half of the members to be elected to outline the proposals referred to in the previous letter b), if such proposals are not outlined by the same*



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<i>board.</i>	
e) the development, updating and implementation of succession plan for the chief executive officer and the other executive directors.	
20. The majority of directors of the nomination committee are independent.	
21. The board evaluation assesses the size, composition and functioning of the board and its committees. It includes also the board's active involvement in the definition of the company's strategy and in the monitoring of the management of the company's business as well as the appropriateness of the internal control and risk management system.	
22. The board evaluation is conducted at least every three years, before the renewal of the board of directors. In large companies other than those with concentrated ownership, the board evaluation is conducted on an annual basis and can be diversified according to the term of the board's mandate. In such companies, the board considers whether to appoint an external facilitator for its evaluation at least once every three years.	Eni performs a board evaluation exercise every year, always using an external consultant to ensure higher objectiveness in the evaluation process. The Board of Directors also carries out a "peer review", consisting in the evaluation by each Director of the contribution provided individually by other Directors to the work of the Board.
23. In companies other than those with concentrated ownership, the board of directors:	
- sets forth guidelines on board composition deemed optimal before its renewal, considering the outcome of the board evaluation;	
- requires anyone submitting a slate with a number of candidates that is higher than half the number of members to be elected to provide adequate information on the compliance of the slate with the board guidelines mentioned above, and with the board diversity criteria set forth in principle VII and recommendation 8. In such cases, the slate also identifies its candidate for the chairmanship of the board, whose appointment is conducted according to the company's bylaws. All the information mentioned in this paragraph are disclosed in the documentation attached to the slate during its filing process.	The company recommends that shareholders should disclose any proposal to be submitted to the shareholders' meeting in relation to topics on which directors did not formulate a proposal with proper advance.



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The board guidelines are published on the company's website before the publication of the notice of the shareholders' meeting convened for the board's renewal. They identify the managerial and professional profiles and the skills deemed necessary, having due consideration of the company's sectoral characteristics, the board diversity criteria set forth in principle VII and recommendation 8 as well as the board guidelines on the maximum number of offices set forth in recommendation 15.

24. In large companies, the board of directors:
 - elaborates, with the support of the nomination committee, a plan for the succession of the chief executive officer and executive directors by identifying, at least, the procedures to be followed in the event of an early termination of office;
 - ascertains the existence of appropriate procedures for the succession of the top management.

The Board of Directors, having heard the opinion of the Nomination Committee, has adopted a contingency plan which sets out the steps to be followed in the event of early termination of the CEO's service.

Article 5. Remuneration

Principles

XV. The remuneration policy for directors, members of the control body and the top management contributes to the pursuit of the company's sustainable success and takes into account the need to have, retain and motivate people with the competence and professionalism deemed adequate for their role.

XVI. The remuneration policy is developed by the board of directors through a transparent procedure.

XVII. The board of directors ensures that the remuneration paid and accrued is consistent with the principles and criteria defined in the policy, considering the results achieved and any other circumstances relevant for its implementation.

Recommendations

25. The board of directors entrusts the remuneration committee with the task of:

a) supporting it in the development of the remuneration policy;



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<p>b) submitting proposals or expressing opinions on the remuneration of executive directors and other directors who hold specific responsibilities, as well as on the setting of performance objectives related to the variable component of this remuneration;</p>	
<p>c) monitoring the actual application of the remuneration policy and verifying the effective achievement of the performance objectives;</p>	
<p>d) periodically assessing the adequacy and overall consistency of the remuneration policy for directors and the top management.</p>	
<p>In order to have people with adequate competence and professionalism, the remuneration of executive and non-executive directors and of the members of the control body is defined with due consideration of the remuneration practices that are common with regards to the company's reference sectors and size. It also considers comparable international practices, with the possible support of an independent consultant.</p>	
<p>26. The remuneration committee is made up of non-executive directors, the majority of whom are independent, and is chaired by an independent director. At least one member of the committee has adequate knowledge and experience in financial matters or remuneration policies; such skills are assessed by the board of directors before his or her appointment. No director takes part in the meetings of the remuneration committee in which proposals relating to his or her remuneration are made.</p>	
<p>27. The remuneration policy for executive directors and the top management defines:</p>	
<p>a) a balance between the fixed and the variable component which is consistent with the company's strategic objectives and risk management policy. Consistency is assessed taking into consideration the business's characteristics and the industry of the company. The variable component has in any case a significant weight on the overall remuneration;</p>	
<p>b) caps to the variable components;</p>	



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c) performance objectives, to which is linked the payment of the variable components, that are predetermined, measurable and predominantly linked to the long-term horizon. They are consistent with the company's strategic objectives and with the aim of promoting its sustainable success and includes non-financial parameters, where relevant;

d) an adequate deferral of a significant part of the variable component that has been already accrued. Such a deferral period is consistent with the company's business activity and its risk profile;

e) provisions that enable the company to recover and/or withhold, in whole or in part, the variable components already paid-out or due, where they were based on data which subsequently proved to be manifestly misstated. The company can identify other circumstances in which such provisions are applied;

f) clear and predetermined rules for possible termination payments, establishing a cap to the total amount that might be paid out. The cap is linked to a certain amount or a certain number of years of remuneration. No indemnity is paid out if the termination of the office is motivated by director's objectively inadequate results.

28. The share-based remuneration plans for executive directors and the top management are aligned with the interests of the shareholders over a long-term horizon, providing that a predominant part of the plan has an overall vesting and holding period of at least five years.

Q&A

In share-based remuneration plans, what is the meaning of "overall period" of vesting of rights and holding of the shares granted?

The overall period is the sum of the vesting period of the rights and the holding period of shares granted under the share-based remuneration plans.

29. The remuneration of non-executive directors is adequate to the competence, professionalism and commitment required by their role within the board of directors and its committees; this remuneration is not related to financial performance objectives,



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except for a non-significant part.

30. The remuneration of the members of the control body is adequate to the competence, professionalism and commitment required by their role and the company's size, industry and current situation.

This recommendation is directed to the shareholders. Besides, the company sets forth the remuneration it deems appropriate for the members of the control body in its Remuneration Policy.

31. On the occasion of the termination of office and/or dissolution of the relationship with an executive director or general manager, a press release is published as soon as the internal processes that led to the assignment or the recognition of any indemnities and/or other benefits has been concluded. The press release provides for detailed information on:

a) the assignment or the recognition of indemnities and/or other benefits, the circumstances that justify their accrual (e.g., due to the expiration of the term of office, its termination or a settlement agreement) and the decision-making process followed for this purpose within the company;

b) the total amount of the indemnity and/or other benefits, the related components (including non-monetary benefits, the vesting of rights connected with incentive plans, the compensation for non-competitive commitments or any other remuneration allocated to any reason and in any form) and the timing of their disbursement (distinguishing the part paid immediately from the part subject to deferral mechanisms);

c) the application of any claw-back or malus clauses;

d) the compliance of the elements indicated in letters a), b) and c) consistently with the remuneration policy, with a clear indication of the reasons and the decision-making process followed in the event of non-compliance, even if only partial, with the policy itself;

e) the procedures that have been or will be followed for the replacement of the executive director or the general manager whose office has been terminated.

Article 6. Internal control and risk management system

Principles

XVIII. The internal control and risk management system



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consists of a set of rules, procedures and organisational structures for an effective and efficient identification, measurement, management and monitoring of the main risks, aimed at contributing to the sustainable success of the company.

XIX. The board of directors defines the guidelines of the internal control and risk management system in accordance with the company's strategies and annually assesses its adequacy and effectiveness.

XX. The board of directors defines the principles concerning the coordination and the flow of information among the parties involved in the internal control and risk management system. Such principles aim at maximising the effectiveness of the system itself, reducing the duplication of activities and ensuring the successful performance of the duties of the control body.

See application modality related to Recommendation 1, letter d) above.

The Board of Directors, upon the proposal of the Chief Executive Officer and with the support of the Control and Risks Committee, defines the guidelines of the ICRMS within the Strategic Plan and in accordance with the strategies of the company, and assess their implementation annually, based on a report from the Chief Executive Officer, without prejudice to the ICRMS guidelines (the "ICRMS model") outlined in internal regulations.

The Board of Directors, upon the proposal of the Chief Executive Officer, after consulting the Control and Risks Committee and the Board of Statutory Auditors, outlines the principles ruling the coordination and information flows between the various subjects involved in the ICRMS.

Recommendations

32. The organisation of the internal control and risk management system involves:

a) the board of directors, which plays a role in guiding and assessing the adequacy of the system;

b) the chief executive officer, in charge of establishing and maintaining the internal control and risk management system;

Q&A

Can the company entrust the task of establishing and maintaining the internal control and risk management system to director other than the CEO?

The Code provides for the assignment of the task of establishing and maintaining the internal control and risk management system to the CEO.

The Board of Directors has always entrusted the CEO with the task to ensure the maintenance and workings of the internal control and risk management system.



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If, given the Recommendation characteristics of the business activity, the company entrusts this task, or part of it, to other directors (other than the CEO), it shall provide adequate disclosure of this in the report on corporate governance, based on the criterion of the 'comply or explain'. The director entrusted with this task is in any case considered "executive" pursuant to the Code.

c) the control and risk committee set up within the board of directors, with the task of supporting the board of directors' assessments and decisions relating to the internal control and risk management system and the approval of periodical financial and non-financial reports. In companies that adopt the "one-tier" or "two-tier" corporate model, the functions of the control and risk committee can be assigned to the control body;

d) the head of the internal audit function who is in charge of verifying that the internal control and risk management system is functional, adequate and consistent with the guidelines defined by the board of directors;

e) the other corporate functions involved in the internal control and risk management system (such as the risk management functions and the functions dealing with legal and non-compliance risk) which are articulated in relation to the company's size, sector, complexity and risk profile;

f) the control body, which monitors the effectiveness of the internal control and risk management system.

33. The board of directors, with the support of the control and risk committee:



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a) defines the guidelines of the internal control and risk management system consistently with the company's strategies and assesses, at least once a year, the adequacy of this system with respect to the company's characteristics and its risk profile, as well as its effectiveness;

The Chairman of the Board of Directors shall be consulted during the Board approval process of the guidelines for the internal control and risk management system, with regard to the part on internal audit activities.

The specific internal audit guidelines (Internal Audit Charter) are approved by the Board of Directors, acting on the proposal of the Chairman of the Board of Directors, in agreement with the CEO (as director in charge of the internal control and risk management system) and after hearing the Control and Risk Committee.

Internal rules governing the Internal Audit process are approved by the Chairman of the Board of Directors, after hearing the CEO and the Control and Risk Committee.

b) appoints and dismisses the head of the internal audit function, defining his or her remuneration which is consistent with the company policies. The board ensures that he or she has adequate resources to carry out his or her duties.

The proposal to appoint/remove the head of internal audit is submitted to the Board by the Chairman of the Board of Directors, in agreement with the CEO (as director in charge of the internal control and risk management system). The Board of Directors decides with the support of the Control and Risks Committee and the Nomination Committee, after having heard the Board of Statutory Auditors.

The Board of Directors, on the proposal of the Chairman of the Board, in agreement with the CEO, with the support of the Control and Risks Committee and having heard the Board of Statutory Auditors, approves the internal audit budget, ensuring that the person in charge of internal audit of Eni SpA has adequate resources to fulfil these duties.

The proposal on the remuneration structure for the head of internal audit is submitted to the Board by the Chairman of the Board of Directors, in agreement with the CEO. The Board of Directors decides with the support of the Control and Risks Committee after having heard the Board of Statutory Auditors.

If the internal audit function is entrusted, as a whole or by operating segments, to an external entity, the board ensures that it meets the adequate requirements of professionalism independence and organisation, providing adequate reasons for this choice in the corporate governance report;

The Internal Audit functions are entrusted to an internal unit.

c) approves, at least on an annual basis, the work plan prepared

Without prejudice to the Recommendations of this Code,



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by the head of the internal audit function, after hearing the control body and the chief executive officer;

the plan prepared by the head of internal audit is approved by Board of Directors, after hearing the Chairman of the Board of Directors.

d) evaluates the opportunity to take measures to ensure the effectiveness and impartial assistance of the other corporate functions mentioned in recommendation 32(e). To this end, the board verifies that such functions have adequate professionalism and resources;

e) assigns the supervisory functions pursuant to Art. 6(1)(b) of Legislative Decree No. 231/2001 to the control body or to a body established specifically for this purpose (the so-called functions of the "Organismo di Vigilanza"). If the body does not correspond to the control body, the board of directors considers whether to appoint within the body at least one non-executive director and/or a member of the control body and/or the head of a legal or supervisory function of the company, in order to ensure coordination among the various parties involved in the internal control and risk management system;

Eni SpA's Supervisory Body ("Organismo di vigilanza") is composed by three external members (including one acting as Chairman), the Chairman of the Board of Statutory Auditors and the Head of the Internal Audit function as internal member.

Q&A

Is the attribution of the supervisory functions pursuant to art. 6 of Legislative Decree 231/2001 to a body composed exclusively of external parties compatible with the Code?

The establishment of a Supervisory Body composed only of external members is compatible with the Code provided that - through the support of company units and adequate information flows -adequate coordination with the subjects involved in the internal control and risk management system is ensured. Choices on the composition and coordination of the Supervisory Body are adequately illustrated in the report on corporate governance.

f) evaluates, after consultation with the control body, the results presented by the statutory auditor in any letter of suggestions and in the additional report addressed to the control body;

g) describes, in the corporate governance report, the main characteristics of the internal control and risk management system and the methods of coordination among the subjects involved. The report provides information about the national and international reference models and best practices adopted and the board's overall assessment of the adequacy of the system itself. Moreover, it provides an adequate explanation of



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the composition of the control body referred to in letter e) above.

34. The chief executive officer:

a) identifies the main business risks, considering the characteristics of the activities carried out by the company and its subsidiaries, and periodically submit them to the examination of the board of directors;

As from 2014, the CEO must report at least quarterly to the Board of Directors on the main business risks.

b) implements the guidelines defined by the board of directors, providing for the design, implementation and management of the internal control and risk management system and constantly verifying its adequacy and effectiveness, as well as adapting it to the dynamics of the operating conditions and the legislative and regulatory landscape;

c) can entrust the internal audit with the tasks of carrying out specific controls on defined operational areas and on compliance with internal rules and procedures in the implementation of company transactions. Such requests are contextually conveyed to the chair of the board of directors, to the chair of the control and risk committee and to the chair of the control body;

Requests for controls may be submitted to the internal audit also by the Chairman of the Board of Directors, who must simultaneously notify the director in charge of the internal control and risk management system (CEO), the Chairman of the Control and Risk Committee and the Chairman of the Board of Statutory Auditors.

d) reports promptly to the control and risk committee on problems and critical issues that emerged in the performance of his or her activity or of which he or she nevertheless has information so that the committee can take appropriate actions.

35. The control and risk committee is comprised of non-executive directors, the majority of whom are independent, and is chaired by an independent director.

The committee has expertise that is consistent with the company's industry and assessment of its risks; at least one member of the committee has adequate knowledge and experience in accounting, finance or risk management.

It is provided that at least two members of the Control and Risk Committee possess adequate experience in accounting finance or risk management (solution adopted since 2006).

The control and risk committee, in assisting the board of directors:

a) assesses the external auditor and the control body, the



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correct application of the accounting principles and, in the case of groups, their homogeneity for the purposes of preparing the consolidated financial statement, after hearing the manager responsible for the corporate financial documents;

b) assesses whether the periodic financial and non-financial information is suitable to correctly represent the company's business model, its strategies, the impact of its business and the performance achieved, in coordination with the committee mentioned in recommendation 1(a), if established;

Q&A

What are the essential tasks of the control and risk committee with respect to assessing the "suitability of periodic financial and non-financial information, to correctly represent the company's business model, its strategies, the impact of its business and the performance achieved"?

When the assessment referred to in recommendation 35, letter b) is carried out with the collaboration of other bodies, committees or units, the control and risk committee at least assesses the correctness of the process of preparing periodic financial and non-financial information, so that it assists in correctly representing the company's business model, its strategies, the impact of its business and the performance achieved.

c) examines the content of the periodic non-financial information relevant to the internal control and risk management system;

d) expresses opinions on specific aspects relating to the identification of the main corporate risks and supports the board of directors' assessments and decisions relating to the management of risks deriving from prejudicial facts of which the latter has become aware;

e) examines the periodic and particularly relevant reports prepared by the internal audit function;

f) monitors the autonomy, adequacy, effectiveness and efficiency of the internal audit function;

g) can entrust the internal audit with the task of carrying out specific controls on defined operational areas. Such a request is



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<p>contextually conveyed to the chair of the control body;</p>	
<p>h) reports to the board of directors, at least upon the approval of the annual and half-yearly financial report, on the activities carried out and on the adequacy of the internal control and risk management system.</p>	
<p>36. The head of the internal audit function is not responsible for any operational area. He or she depends hierarchically on the board of directors and has direct access to all information that is useful for carrying out his or her duty.</p>	<p>The head of internal audit depends hierarchically on the Board, and on its behalf, the Chairman, without prejudice to the provisions of Recommendation 33 and his functionally reporting to the Control and Risk Committee and the CEO as director in charge of the internal control and risk management system. Therefore, the Control and Risk Committee oversees the activities of the Internal Audit Department, with regard to the Board's duties in this area (solution adopted since 2012). It also reports to the Board of Statutory Auditors in its capacity as Audit Committee pursuant to US law (solution adopted since 2006).</p>
<p>The head of the internal audit function: a) verifies, both on an ongoing basis and in relation to specific needs and in compliance with international standards, the functioning and the suitability of the internal control and risk management system according to the audit plan. The audit plan is approved by the board of directors and is based on a structured process of analysis and prioritisation of the main risks;</p>	
<p>b) prepares periodic reports containing adequate information on its activity, on the ways in which risk management is conducted, as well as on compliance with the plans defined for the containment of risks. The periodic reports contain an assessment of the suitability of the internal control and risk management system;</p>	
<p>c) prepares promptly, at the request of the control body, reports on events of particular relevance;</p>	
<p>d) submits the reports referred to in letters b) and c) to the chairs of the control body, of the control and risk committee and of the board of directors, as well as to the chief executive officer, except in cases where the matter of these reports specifically concerns the activity of these subjects;</p>	



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e) verifies, as part of the audit plan, the reliability of the information systems, including the accounting systems.

37. The member of the control body who, on his or her own behalf or on behalf of third parties, has an interest in a specific transaction of the company, provides prompt and exhaustive information to the other members of the same body and to the chair of the board of directors about the nature, terms, origin and extent of his or her interest.

The control body and the control and risk committee promptly exchange relevant information for the performance of their respective duties. The chair of the control body, or another member of the control body designated by its chair, takes part in the meetings of the control and risk committee.

Q&A

Can other members of the control body participate in the work of the control and risk committee?

The chair of the control body, or another member of the control body designated by its chair, always takes part in the meetings of the control and risk committee. At any rate, as per recommendation 17, the members of the control body can always attend committee meetings, regardless of their designation by the chair of the control body.

See application modality related to Principle XX above.