



Report on Corporate Governance

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This report on corporate governance is designed to provide a complete overview of Eni's governance system. In order to comply with applicable listing standards, information is furnished regarding ownership and adherence to governance codes as established by institutional bodies and relevant commitments to observe them, as well as the options the company has elected in implementing its governance. This report is published in Eni's website www.eni.it in the corporate governance section and is transmitted to Borsa Italiana according to set rules and deadlines.

Code of Ethics

The Board of Directors of Eni has deemed it appropriate to provide a clear definition of the value system that Eni recognizes, accepts and upholds and the responsibilities that Eni assumes internally and externally in order to ensure that all Group activities are conducted in compliance with laws, in a context of fair competition, with honesty, integrity, correctness and in good faith, respecting the legitimate interests of shareholders, employees, suppliers, customers, commercial and financial partners and the communities where Eni operates.

All those working for Eni, without exception or distinction, are committed to observing these principles within their function and responsibility and to ensure that others observe them. The belief of working for the advantage of Eni does not justify behaviours contrary to such principles. These values are stated in a Code of Ethics whose observance by employees is evaluated by the Board of Directors, based

on an annual report by the Guarantor for the Code of Ethics.

In its meeting of March 14, 2008 Eni's Board of Directors resolved to update Eni's Code of Ethics in order to include regulatory developments, to better capture the issues of human rights and sustainability, to guarantee compliance with international best practices and make the necessary updates to take into account the changes undergone by Eni's organizational structure.

The Code represents a general principle of Model 231 of which it is an integral part, that cannot be waived.

Eni's Code of Ethics is published on Eni's website www.eni.it.

Corporate Governance Code

In its meeting of December 13, 2006, the Board of Directors resolved to adopt a new code of corporate governance issued by Borsa Italiana on March 14, 2006 ("Borsa Italiana Code")¹ by adopting an Eni Code (the "Code"). Certain recommendations of the Borsa Italiana Code have been adapted to the specific setup of Eni, while certain others have been clarified thus strengthening Eni's corporate governance. The aim of the Code is to clearly and fully disclose Eni's corporate governance system.

The Code takes into consideration the fact that Eni is a parent company, is not controlled by any other company and is not subject to direction and coordination by any Italian or foreign entity (company or body); hence, all the principles expounded in the Borsa Italiana Code not consistent with this status have been

(1) The Corporate Governance Code issued by Borsa Italiana and adopted by Eni is available on Borsa Italiana Spa website, at Internet address: www.borsaitaliana.it.

adjusted to avoid misunderstanding among Eni's shareholders and stakeholders.

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

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

Certain provisions of the Borsa Italiana Code regarding matters reserved to the Shareholders' Meeting were merely indicated or suggested by the Eni Code as the Board of Directors cannot resolve on matters reserved to the Shareholders' Meeting. All this notwithstanding, the Board is committed to ensure that the Shareholders and the Shareholders' Meeting focus a fair deal of attention on such matters or otherwise promote integrations to Eni By-laws.

Certain generic recommendations of the Borsa Italiana Code have been specified in the Eni Code, in particular criteria regarding the independence of directors, by clearly stating the levels of "supplementary remuneration", which jeopardizes the independence requirement, and the meaning of "close relatives".

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

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

necessary time to diligently perform their duties;

- the number of members of Board committees shall be lower than the majority of Board members in order not to interfere with the Board's decision-making process;
- the Internal Control Committee's opinion on corporate rules has been introduced, ensuring that all transactions carried out with related parties and transactions in which a director has an interest, are performed in a transparent way and according to the criteria of substantial and procedural fairness;
- the proposal of appointment of the manager delegated to internal control to the Board of Directors is drafted by the CEO, in agreement with the Chairman;
- at least two members of the Internal Control Committee must have adequate experience in accounting and finance (the Borsa Italiana Code foresees only one member with these skills).

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

In its mentioned meeting of December 13, 2006, the Board of Directors approved several rules regarding the implementation and specifying the provisions of the Code; in particular:

- the tasks of the Board of Directors have been redefined: the Board maintains an absolute central role in Eni's corporate governance system, with wide responsibilities that cover also Eni and its subsidiaries' organization;
- the most important transactions of Eni and its subsidiaries, that require the approval of the Board of Directors, have been defined;
- the Board of Directors has a central role in defining sustainability policies and approving the sustainability report submitted also to the Shareholders' Meeting;
- the subsidiaries with strategic relevance have been identified;
- the Board of Directors has expressed its position on the admissible maximum number of positions in other companies that can be held by Eni's directors to ensure a sufficient amount of time for the effective performance of their duties;
- the principle of the respect of managerial autonomy of subsidiaries listed on a regulated market (as Saipem and Snam Rete Gas) has been expressly stated as well as Eni's commitment to observing such principles as defined in the Borsa Italiana Code regarding persons

holding significant positions in the share capital of listed companies.

In its meeting of March 16, 2007, the Board of Directors as prescribed by the Code and with the positive opinion of the Internal Control Committee, entrusted the Internal Audit Manager as manager delegated for the Internal control.

In its meeting of March 29, 2007, the Board of Directors approved changes in the regulations regarding the functioning and the tasks of the Internal Control Committee and the Compensation Committee, to align them to the prescriptions of the Eni Code. As a consequence, in its meeting of June 7, 2007, it reduced the number of members of the Internal Control Committee from five to four, lower than the majority of Board members.

* * *

Eni's corporate governance model, therefore, complies with the provisions of the Borsa Italiana Code and foresees certain provisions intended to improve the level of corporate governance. In compliance with the recommendations of the Code a procedure for transactions with related parties is currently being prepared and will be approved after Consob issues general principles as per Article 2391-bis of the Civil Code. Pending the publication of such rules by Consob, Eni's internal rules provide that transactions with related parties are submitted to the Board of Directors, even when amounting to less than the materiality threshold set for the transactions to be approved by the Board.

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

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In accordance with the requirements and indications of Borsa Italiana SpA, in particular, the "Guidelines for the preparation of the yearly report on corporate governance" of February 12, 2003, follows information on Eni's corporate governance system. The "Guide to the preparation of the report on corporate governance" published by Assonime and Emittenti Titoli SpA in March 2004 has also been taken into account in preparing this report.

Eni's organizational structure

Eni's organizational structure follows the traditional model of companies in which the Board of Directors is

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

According to Article 25 of Eni's By-laws, the Chairman and the CEO represent the company.

The Board of Directors established committees with consulting and proposing functions.

The Board of Directors also appointed three General Managers responsible for the three operational divisions of Eni SpA.

Certain organizational and management choices presented in this report have been made in application of the U.S. law to which Eni must conform due to the listing of its shares on the New York Stock Exchange.

The Board of Directors

Tasks

On June 1, 2005, the Board of Directors appointed Mr. Paolo Scaroni as Chief Executive Officer (and General Manager) and delegated all necessary powers for the administration of the Company to him, with the exception of those powers that cannot be delegated in accordance with current legislation (Article 2381 of the Italian Civil Code) and those retained by the Board of Directors (as amended by the Board of Directors in its meeting of October 11, 2005). Eni's CEO is assisted by a Steering Committee made up of Corporate Senior Vice Presidents and General Managers of Eni Divisions, who hold a function of consultancy.

As mentioned above, in its meeting of December 13, 2006, the Board of Directors modified these resolutions in order to update their contents to the Code's prescriptions, implement a more effective coordination with the By-laws and entrust the Board of Directors with a central role in the Group's sustainability policies. Further changes were approved by the Board in its meeting of April 17, June 7 and July 4, 2007.

The Board, in accordance to these rules, retained the following powers, in addition to those that cannot be delegated under applicable laws:

1. Establishes the Company and Group Corporate Governance system and rules. In particular, after consulting the Internal Control Committee, the Board approves the rules that ensure the substantial and procedural transparency and correctness of the transactions carried out with related parties and those in which a director holds an interest, on his

behalf or on behalf of third parties. The Board adopts a procedure for the management and disclosure to third parties of documents and information concerning the Company, having special regard to price sensitive information.

2. Establishes among its members one or more committees with proposing and consulting functions, appoints their members, establishes their responsibilities, determines their compensation and approves their regulations.
3. Appoints and revokes the powers of the Chief Executive Officer and the Chairman; establishes the terms, limits and operating methods of the exercise of such powers and determines the compensation related to the powers, on the basis of proposals from the Compensation Committee and after consulting the Board of Statutory Auditors. The Board may issue instructions to the Chief Executive Officer and the Chairman and reserve to itself any operations that pertain to its powers.
4. Establishes the guidelines of the organizational, administrative and accounting structure of the parent company, of the most important subsidiaries and of the Group; evaluates the adequacy of the organizational, administrative and accounting structure set up by the Chief Executive Officer in particular with regard to the management of conflicts of interest.
5. Establishes, in particular, based on the recommendations of the Internal Control Committee, the guidelines of the internal control system, in order to ensure the identification, measurement, management and monitoring of the main risks faced by the Company and its subsidiaries. Evaluates the adequacy, effectiveness and effective functioning of the internal control system managed by the Chief Executive Officer on an annual basis.
6. Establishes, based on the recommendation of the Chief Executive Officer, Company and Group strategies and objectives, including Sustainability policies. Examines and approves the Company's and Group's strategic, operational and financial plans and the strategic agreements to be signed by the Company.
7. Examines and approves annual budgets for Eni's Divisions and the Company, as well as the Group's consolidated budget.
8. Evaluates and approves interim quarterly and half-yearly reports, as per current regulations. Evaluates and approves the sustainability report, submitted also to the Shareholders' Meeting.
9. Receives from Board members with powers, at every

Board meeting or at least every two months, reports informing the Board of activities carried out in exercising the powers attributed as well as updates on activities carried out by the Group and on atypical or unusual transactions or transactions with related parties that were not previously submitted to the evaluation and approval of the Board.

10. Receives half-year updates on the Board Committees' activities.
11. Evaluates the general performance of the Company and the Group, on the basis of information received from Board members with powers, with particular attention to situations of conflicts of interest and compares results achieved – as contained in the annual report and interim financial statements, as per current regulations – with the budget.
12. Evaluates and approves any transaction executed by the Company and its subsidiaries that have a significant impact on the company's results of operations and liquidity. Particular attention is paid to situations in which Board members hold an interest on their own behalf or on behalf of third parties, and to related parties transactions. The Board ensures the principle of operational autonomy with specific regard to the listed companies of the Eni Group. It also ensures the confidentiality of trade relations between said subsidiaries and Eni or third parties for the protection of the subsidiaries' interests. Transactions with a significant impact on the company's results of operations and liquidity include the following:
 - a) acquisition and disposal of shareholdings, investments, businesses and individual properties, contributions in kind, mergers and de-mergers exceeding €50 million, notwithstanding Article 23.2 of the By-laws;
 - b) investments in fixed assets exceeding €200 million, or less if of particular strategic importance or particularly risky;
 - c) any exploration initiatives and portfolio operations in the E&P sector in new areas;
 - d) sale and purchase contracts relating to goods and services other than investments, for an amount exceeding €1 billion or a duration exceeding twenty years;
 - e) financing to entities other than subsidiaries: i) for amounts exceeding €50 million or, ii) in any case, if the amount is not proportionate to the interest held;
 - f) issuing by the Company of personal and real guarantees to entities other than subsidiaries: i) for amounts exceeding €200 million, if in the

interest of the Company or of Eni subsidiaries, or ii) in any case, if the guarantees are issued in the interest of non-controlled companies and the amount is not proportionate to the interest held. In order to issue the guarantees indicated in section i) of letter f), if the amount is between €100 million and €200 million, the Board confers powers to the Chief Executive Officer and the Chairman, to be exercised jointly in case of urgency.

13. Appoints and revokes, on recommendation of the Chief Executive Officer and in agreement with the Chairman, the General Managers of Divisions and attributes powers to them.
14. Appoints and revokes, on recommendation of the Chief Executive Officer and in agreement with the Chairman, and with the approval of the Board of Statutory Auditors, the Manager charged with preparing the Company's financial reports as per Legislative Decree No. 58/1998 delegating to him adequate powers and resources.
15. Appoints and revokes, on recommendation of the Chief Executive Officer and in agreement with the Chairman, after consulting the Internal Control Committee, the person in charge of internal control and determines his/her compensation in line with the Company's remuneration policies.
16. Ensures a person is identified as responsible for handling the relationships with the Shareholders.
17. Establishes, on the basis of the proposals received from the Compensation Committee, the criteria for top management compensation and implements the stock incentive plans approved by the Shareholders' Meeting.
18. Examines and decides on proposals submitted by the Chief Executive Officer with respect to voting powers and to the appointment of members of the management and control bodies of the most important controlled subsidiaries. With specific regard to the shareholders' meetings of listed companies of the Eni Group, the Board ensures the observance of the Corporate Governance Rules regarding the shareholders' meetings.
19. Prepares the proposals to be submitted to the Shareholders' Meeting.
20. Examines and resolves on other matters that the Chief Executive Officer deems appropriate to submit to the Board because of their importance and sensitivity.

On July 4, 2007 the Board of Directors determined the criteria under which the Board of Directors approves for a second time certain projects the terms and conditions of which have significantly changed with respect to the first approval.

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

On June 1, 2005, the Board of Directors entrusted the Chairman Roberto Poli with powers to conduct strategic international relations, pursuant to Article 24.1 of Eni's By-laws.

In accordance with Article 27 of Eni's By-laws, the Chairman chairs Shareholders' Meeting and oversees the implementation of decisions made by it.

In its meeting of January 15, 2008 the Board of Directors evaluated as adequate the organizational, administrative and accounting setup of the company.

In its meeting of March 14, 2008 the Board of Directors evaluated the internal control system of the company to be adequate and effective.

Appointment

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

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

The Minister for Economy and Finance chose not to appoint such member.

In order to allow for the presence of representatives elected by minority shareholders, as provided for by Legislative Decree No. 58 of February 24, 1998 (Testo Unico della Finanza – TUF), the appointment of the Board of Directors calls for a list vote. According to article 17 of Eni's By-laws and the provisions of law No. 474 of 1994, shareholders representing at least 1% of voting shares, alone or together with other shareholders, and the Board of Directors have the right to present lists for the appointment of directors. Each shareholder can present or participate in presenting only one list.

Entities controlling a shareholder and companies controlled by a common entity are forbidden from presenting or otherwise concurring to the presentation of additional lists.

Lists are to be filed at Eni's headquarters at least ten days before the date set for the Shareholders' Meeting on first call (20 days in case of the Board of Directors presenting a list) and published in at least three national (two economic) newspapers. Lists must be also be filed with Borsa Italiana and published on Eni's Internet site. These

lists must include the specification of which candidates are independent. All candidates must possess the honorability requirements as provided for by the applicable legislation and Eni's By-laws. Lists must include a professional curriculum of each candidate and statements in which each candidate attests the possession of the honorability and independence requirements, lest the lists be considered inadmissible. The list vote is applied only when the whole Board is re-elected.

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

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

Composition

The Board of Directors presently in office is made up of nine members appointed by the Shareholders' Meeting of May 27, 2005, for a three-year term; their mandate expires with the Meeting convened to approve financial statements for fiscal year 2007.

The current Board of Directors is formed by the Chairman, Roberto Poli, the CEO, Paolo Scaroni, and directors, Alberto Clô, Renzo Costi, Dario Fruscio (until January 30, 2008)², Marco Pinto, Marco Reboa, Mario Resca, and Pierluigi Scibetta.

Roberto Poli, Paolo Scaroni, Dario Fruscio, Marco Pinto, Mario Resca and Pierluigi Scibetta were candidates included in the list of the Ministry for Economy and Finance;

Alberto Clô, Renzo Costi and Marco Reboa were in the list presented by institutional investors coordinated by Fineco Asset Management SpA.

Since June 1, 2006, the Secretary of the Board of Directors is Roberto Ulissi, the Group's senior vice president for Corporate Affairs and Governance.

Positions held by directors in other Boards

Based on information received, follows information on positions held in other Boards of Directors or Boards of Statutory Auditors of companies listed in regulated markets also outside Italy, financial, banking or insurance or large companies by members of Eni's Board of Directors. The personal and professional

curriculum of Directors is available on Eni's website.

ROBERTO POLI

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

PAOLO SCARONI

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

ALBERTO CLÔ

Board member of ASM Brescia SpA (until December 31 2007), Atlantia SpA, Italcementi SpA, De Longhi SpA.

MARCO REBOA

Board member of Seat PG SpA, Interpump Group SpA, IMMSI SpA, Intesa Private Banking SpA. Chairman of the Board of Statutory Auditors of Luxottica Group SpA.

MARIO RESCA

Chairman of Italia Zuccheri SpA, Board member of Mondadori SpA, ARFIN SpA, Finance Leasing SpA.

PIERLUIGI SCIBETTA

Board member of Gestore del Mercato Elettrico SpA.

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

In its meeting of December 13, 2006, the Board of Directors expressed its opinion on the matter of the admissible number of positions held by directors in other companies, as required by the Eni Code, and following the resolution of the meeting held on June 20, 2007:

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

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

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

In case a director exceeds said limits in terms of positions held, he should timely inform the Board, who shall judge the situation taking into account the interest of the Company and call upon the interested director to make a decision on the matter. In any case, before accepting the office of director or statutory auditor (or member of any other control entity) of a company not related to Eni, the executive director informs the Board of Directors that evaluates its compatibility with his office at Eni and the interests of Eni. This rule applies also to the General Managers of Eni's divisions. On the basis of available information, in its meeting of February 15, 2008, the Board of Directors verified that the number of positions held in other companies complies with these limits.

Independence and honorability requirements, causes for ineligibility and incompatibility

Legislative Decree No. 58 of February 24, 1998 (TUF), as amended by Legislative Decree No. 303 of December 29, 2006 states that at least one member, or two members if the Board is composed by more than seven members must possess the independence requirements provided for Statutory Auditors of listed companies.

Article 17.3 of Eni's By-laws states that at least one member, if the Board is made up by up to five members, or three Board members, in case the Board is made up by more than five members, shall have the independence requirement. This rule actually increases the number of independent directors in Eni's Board, as compared to what is required by the law. In addition Eni's By-laws provides for a substitution mechanisms that guarantees in any case the presence of the minimum number of independent directors in the Board.

Eni's Code foresees further independence requirements, in line with the ones provided by the Borsa Italiana Code. The TUF, as implemented in article 17.3 of Eni's By-laws, provides that the persons acting as directors and managers of listed companies possess the honorability requirements prescribed for the member of control entities of listed companies. Directors must comply with additional requirements specifically determined for them.

In accordance with Article 17.3 of Eni's By-laws, the Board periodically evaluates independence and honorability of directors and the absence of reasons for ineligibility and incompatibility. Eni Code also provides for the Board of Statutory Auditors to verify the proper

application of criteria and procedures adopted by the Board to evaluate the independence of its members. In accordance with Article 17.3 of Eni's By-laws, should the independence and honorability requirements be impaired or cease or the minimum number of independent directors diminish below the threshold set by Eni's By-laws, the Board declares the termination of office of the member lacking said requirements and provides for his substitution. Board members are expected to inform the company if they lose their independence and honorability requirements or any reasons for ineligibility or incompatibility that might arise.

On February 15, 2008, Eni's Board of Directors, in accordance with the provisions of Eni's By-laws and Code, determined that five out of its eight members are independent, specifically: non-executive directors Alberto Clô, Renzo Costi, Marco Reboa, Mario Resca and Pierluigi Scibetta³.

Renzo Costi was confirmed to be independent notwithstanding his permanence as board member for a period longer than nine years, due to the fact that he has been nominated by minority shareholders (specifically institutional investors) and has demonstrated ethical and professional qualities and independence when expressing his opinion during this period.

The Board of Statutory Auditors verified the proper application of criteria and procedures adopted by the Board to evaluate the independence of its members. In the same meeting, based on the statements received, the Board of Directors verified that all its members possess the honorability requirements.

Meetings and functioning

The general public is informed, with advance notice normally before the closing of the year, of the dates of meetings convened for the approval of annual, semi-annual, preliminary and quarterly accounts, to announce the amount of interim dividends and final dividends, and related ex-dividend and payment dates, and the general Shareholders' Meeting approving the annual financial statements. The financial calendar is available on Eni's website.

In its meeting of June 1, 2005, the Board of Directors defined the rules for the calling of its meetings. In particular, the Chairman convenes Board meetings, and, in agreement with the CEO, defines agenda items. Notice is sent to the Directors, Statutory Auditors and the Magistrate of the Court of Accounts within five days of the meeting's date, at least 24 hours in advance in case of urgency.

(3) As mentioned above, Dario Fruscio resigned from the Board of Directors on January 30, 2008. In its meeting of February 22, 2007, the Board of Directors determined Dario Fruscio as independent director.

Eni's By-laws allow meetings to be held by video or teleconference.

Board members, Statutory Auditors and the Magistrate of the Court of Accounts receive in advance adequate and thorough information on all issues subject to Board evaluation and resolutions, except when confidentiality is deemed necessary.

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

In 2007, the Board of Directors met 25 times (of which 17 ordinary meetings and 8 extraordinary meetings) for an average duration of two hours and twenty minutes (the average duration of ordinary meetings was about three hours). The average attendance rate to Board meetings was 91%, the attendance rate of independent non-executive Board members was 87%.

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

Until this date, non-executive and independent members have always met in presence of the other members of the Board; Eni's By-laws allow them to decide whether it is necessary to hold meetings attended exclusively by non-executive and independent members.

Following the self evaluation performed in 2007, the Directors also agreed upon holding informal meetings to gain more insight on specific managerial and business matters, in order to better perform assigned duties.

Board self evaluation

The Board of Directors performed its self assessment of size, composition and functioning for the second year, in accordance with Eni's and Borsa Italiana Codes.

In accordance with Eni's Code, the Board of Directors has been supported by a specialized consulting firm, Egon Zehnder, the same company of the preceding year, to guarantee not only the maximum objectiveness of its assessment, but also continuity and homogeneity of analyses.

Egon Zehnder's work was focused on: a) the level of functioning and efficiency of the Board; b) identifying areas of improvement or weakness in the functionality and efficacy of the Board; c) efficiency of improvement actions decided after the previous board review and the related level of satisfaction of Board members; d) assessing Eni's Board efficiency by benchmarking it against national companies of comparable size, complexity and scope.

Consultants performed an in-depth interview of each member and presented the results to the Board of

Directors, that discussed and confirmed them in its meeting of February 28, 2008. The review was substantially positive, even better than that of the previous year.

As concerns the Board, whose size was considered adequate, the main items highlighted were: greater engagement of members; the satisfying level of quantity and quality of information provided even in the periods between meetings; the transparency in presenting issues to the Board.

These factors and a proper and constructive climate contributed to a more active participation and higher quality of interventions.

As concerns the Committees, the Board considers their size and composition optimal and appreciates their activities. The Board also stressed the cohesion, the cooperation between the Internal Control Committee, the Board of Statutory Auditors and the Internal Audit department.

Project for the training of Board Members

Eni prepared a training plan for the Board of Directors that shall be appointed at the date of approval of Eni's financial statements for 2007, aimed at providing Board members with a precise knowledge of Eni's activities, business segments and organization and the role the Board is expected to play in relation to the company's specific features. This training plan should involve also Statutory Auditors and later on, members of the Board Committees, for specific matters.

Remuneration

Board members' emoluments are determined by the Shareholders' Meeting, while the emoluments of the Chairman and CEO, in relation to the powers attributed to them, are determined by the Board of Directors, based on proposals of the Compensation Committee and after consultation with the Board of Statutory Auditors.

On May 27, 2005 the Shareholders' Meeting resolved to determine the annual emolument of the Chairman in €265,000 and of Board members in €115,000. It also resolved a bonus up to a maximum of €80,000 for the Chairman and €20,000 for each Board member. The amount of the bonus is determined in accordance with the performance of Eni shares in the reference year as compared with the performance of the seven largest international oil companies for market capitalization. The share performance takes account of the dividend paid. Said bonus amounts to €80,000 or €40,000, and €20,000 or €10,000 for the Chairman and each Board member, respectively, depending on whether the performance of Eni shares is rated first or second, or

third or fourth in the reference year, respectively. No bonus is paid in case Eni scores a position lower than the fourth one.

In the meeting of March 29, 2007, the Board verified that Eni rated third in the mentioned positioning in 2006.

In the meeting of July 27, 2006, the Board of Directors, as proposed by the Compensation Committee and advised by the Board of Statutory Auditors, determined an additional element of remuneration for the Board members holding positions in Board's committees, with the exclusion of the Chairman and CEO. Said fee amounts to €30,000, and €20,000 for the position of chairman of a committee and of member of a committee, respectively. This amount decreases to €27,000 and €18,000 in case a member holds positions in more than one committee.

The remuneration of the Chairman is made up of a fixed emolument and a bonus in relation to the powers delegated to him by the Board. The remuneration of the CEO, the general managers and other managers with strategic responsibilities⁴ is made up of a base salary, an annual bonus, and long term incentives.

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

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

Management's bonuses are paid yearly, based on the achievement of both financial, operational and strategic company targets and individual performance targets pertaining to each business or functional unit. The bonuses of the Chairman and CEO are determined based on the achievement of the Company's targets. Bonuses paid in 2007 were determined based on the achievement of Eni's target for 2006 as approved by the Board of Directors on proposal of the Compensation Committee and defined consistently with the targets of the strategic plan and yearly budget. These targets include a set level of profitability and cash flow from operations (with a 40% weight), divisional operating performance (30%), strategic projects (20%) and corporate efficiency (10%). Results achieved have been assessed assuming a constant trading environment and

have been verified by the Compensation Committee and approved by the Board of Directors. Based on these results, bonuses equalled 116% of the target level, within an interval ranging from 85% to 130% of said target level.

In March 2006, the Board of Directors approved a new long-term incentive plan for senior managers of Eni and its subsidiaries (excluding listed subsidiaries), as proposed by the Compensation Committee. This new scheme is intended to motivate more effectively and retain managers, linking incentives to targets and performance achieved in a tighter way than previous incentives schemes. This new incentive scheme applies to the 2006-2008 three year period and is composed of a deferred monetary incentive, linked to the achievement of certain business growth and operating efficiency targets, replacing the previous stock grant plan, and of a stock option incentive focused on the achievement of certain targets of total shareholder return.

This scheme is intended to balance the monetary and stock-based elements of the remuneration, as well as links financial and operating results to share performance in the long term. The deferred monetary incentive granted in 2007 is paid after three years from the grant depending on the achievement of the annual EBITDA targets preset for the 2007-2009 period. Results in terms of EBITDA are assessed by comparing actual results with set targets under a constant trading environment for each year. Stock options granted in 2007 can be exercised after three years from the grant in a percentage depending on the performance of Eni shares measured in terms of Total Shareholder Return⁵ as compared to that achieved by a panel of major international oil companies over the 2007-2009 three-year period.

At the end of the three year period, the results of the long term incentive plan are reviewed by the Compensation Committee and approved by the Board of Directors.

Eni's Shareholders' Meeting of May 25, 2006, determined to extend to all Board Directors and to Statutory Auditors the insurance against professional risks included in agreements for Eni managers. This insurance reflects market terms and standard conditions.

Follows the breakdown of the 2007 remuneration of the Chairman, the CEO, the divisional General Managers and other managers with strategic responsibilities:

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

(5) For a definition of TSR see "Glossary".

	Chairman	CEO	Divisional General Managers	Other managers with strategic responsibility
Base salary	66%	30%	42%	43%
Bonuses (linked to performance)	34%	27%	27%	32%
Long term incentive (linked to performance) (*)	-	43%	31%	25%
Total	100%	100%	100%	100%

(*) Evaluation of the deferred bonus (discounted) and the fair value of stock options assigned for target result; for the CEO the deferred bonus comprises also the deferred bonus linked to the market performance of ENI shares.

Information required by Consob regarding salaries, emoluments, bonuses and stock-based compensation of directors and management is provided in the Eni 2007 Annual Report - Corporate Governance - Remuneration.

Board Committees

The Board has instituted three committees with proposal and advisory functions. Their composition, tasks and functioning are defined by the Board of Directors in respect of the criteria established by the Eni Code. They are: a) the Internal Control Committee, b) the Compensation Committee and c) the International Oil Committee, composed almost exclusively of independent Directors.

In its meeting of June 1, 2005, the Board appointed the following directors as members of the Committees:

- *Internal Control Committee*: Marco Reboa (Chairman, independent), Alberto Clô (independent), Renzo Costi (independent), Marco Pinto (non-executive) and Pierluigi Scibetta (independent); on June 7, 2007 the number of directors in the Internal Control Committee declined from five to four due to the resignation of Marco Pinto, non executive director, in accordance with the provisions of Eni's Code. All members of this committee are currently independent and the chairman is a director elected by minority shareholders;
- *Compensation Committee*: Mario Resca (Chairman, independent), Renzo Costi (independent), Marco Pinto (non-executive) and Pierluigi Scibetta (independent).
- *Oil & Gas Committee*: Alberto Clô (Chairman, independent), Paolo Scaroni (CEO), Dario Fruscio (independent, until January 30, 2008) and Marco Reboa (independent).

The Code, in line with the Borsa Italiana Code, suggests the creation of a "Nominating Committee". The Board of Directors has not formed this Committee in consideration of the shareholding characteristics of Eni.

Internal Control Committee

The Internal Control Committee is entrusted with advisory and consulting tasks in respect of the Board in the area of monitoring general management issues. In its meeting of March 29, 2007, the Board of Directors approved the new chart of the Internal Control Committee (the text is available on Eni's website) following adoption of a new version of the self-discipline code by Eni in order to adhere with the governance code adopted by Borsa Italiana. In 2007, the Internal Control Committee convened 14 times, with an average attendance rate of 77%, and reviewed the following items: (i) the 2006 activities report (operational audit, Watch Structure activity as required by Legislative Decree No. 231/2001, implementation of SOA activities and other non recurring activities) and the 2007 audit plan and its progress; (ii) the 2006 activities report and 2007 audit plan prepared by Saipem and Snam Rete Gas functions; (iii) outcomes of planned and unplanned Eni's internal audit activities, as well as results of monitoring activities on progresses made by operating units in implementing planned remedial actions in order to eliminate deficiencies highlighted by internal audit activities; (iv) outcomes from Eni's internal auditing interventions as required by Eni's control bodies; (v) the periodic reports concerning complaints collected; (vi) the Eni Internal Audit operating handbook and the new procedure for evaluating auditing activities (Risk Scoring Index); (vii) the new organization structure of Eni Internal Audit department; (viii) the proposal to entrust the Internal Audit Manager as manager delegated for internal control; (ix) disclosures on certain inquiries conducted by both judicial and administrative authorities belonging to Italy and foreign states related to crimes which were allegedly committed by Eni or its subsidiaries and their managers; (x) the essential features of the 2006 financial statements, through meetings with top level representatives of administrative functions of main Eni subsidiaries, Chairmen of Boards of Statutory auditors and

responsible partners from independent audit companies for each subsidiary; the draft 2007 half year report and the report on interim dividends; Eni's policies regarding risk management; (xi) change in the methodology for assessing the recoverability of the carrying amounts of tangible and intangible assets; (xii) the report on the progress of implementation of SOA activities; (xiii) the essential features of Eni's Annual Report on Form 20-F, updating on programs and controls to prevent and detect frauds and review of information furnished by management in response to SEC comment letters; (xiv) the report on the administrative and accounting setup of the parent company and the proposal to appoint the Chief Financial Officer as manager responsible for the preparation of the company's financial report, in accordance with Italian listing standards, the verification of the adequacy of his powers and means for the fulfilment of this task; (xv) the recommendations on the company's internal control over financial reporting presented by Eni's independent auditors in coincidence with the auditing activity regarding 2005 financial statements; (xvi) the report on the Internal Control System, to be included in the Corporate Governance section of the 2006 Annual Report; (xvii) reporting on the team work on the fulfilment as art.18-ter and 18-sexies of Consob Regulation No. 11971; (xviii) the situation of appointments of external auditors as per December 31, 2006 filed with Consob; (xix) the report on audit reports for 2006 prepared by external auditors, their costs and the final report on the fees paid in 2006 to external auditors and companies in their network; (xx) the report presented by the Watch Structure established as required by Legislative Decree No. 231/2001; (xxi) Eni's policy on managing exposure to market risks; (xxii) the main aspects of the reorganization of the Group procurement activities and the procedures for reviewing suppliers selection following detection of illegal behaviours; (xxiii) the procedure for the "Ascertainment of alleged illicit behaviour on the part of Eni employees"; (xxiv) the issue of the recruiting of personnel outside Italy in the E&P division.

Compensation Committee

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

performance and incentive plans.

In 2007, the Compensation Committee met four times with an average attendance of 88%, and accomplished the following: (i) reviewed the chart of the Committee, in accordance with the Self Discipline code for listed companies approved by Borsa Italiana and the Eni Code. This new chart was approved by the Board of Directors in March 2007 (available on Eni's website); (ii) examined the 2006 results and the objectives for 2007 in view of defining annual and long term incentives; (iii) reviewed the bonuses of the Chairman and CEO based on 2006 performance; (iv) reviewed the benchmarks for top management remuneration and the criteria of the annual remuneration policy; (v) the implementation of the long term incentive plans for the year 2007 and relevant grants to the CEO.

Oil & Gas Committee

The Committee is entrusted with the monitoring of trends in oil markets and the study of their aspects. In 2007 the International Oil Committee met 4 times with a 75% participation of its members.

In their meetings the members discussed Eni's 2008-2020 Master Plan – a key document in the planning process defining Eni industrial strategies. The first meeting concerned the analysis of worldwide energy market prospects to 2020, in particular world demand of oil and the evolution of the world's refining system (as a conclusion of the work started in late 2006). The other meetings concerned the main challenges of the energy industry, Eni's position in this industry, Eni's vision and long term strategy and the possible strategic options to respond to these challenges.

General Managers

In accordance with article 24 of Eni's By-laws, the Board of Directors can appoint one or more general managers defining their powers on proposal of the CEO in agreement with the Chairman, after ascertaining the honorability requirements provided for by the law. The Board periodically reviews the honorability of general managers, any default in said requirements entail immediate termination of office. The general managers must also observe what resolved by the Board of Directors on the issue of other offices held.

The Board of Directors appointed three General Managers responsible of Eni's three operating divisions:

- Stefano Cao, General Manager of the Exploration & Production division;
- Domenico Dispenza, General Manager of the Gas & Power division;
- Angelo Caridi, General Manager of the Refining & Marketing⁶ division.

(6) Angelo Caridi was appointed in August 2007, replacing Angelo Taraborrelli.

- In its meeting of February 15, 2008, the Board of Directors, based on the statements presented, confirmed that the General Managers possess the honorability requirements and respect the limits to the number of offices held for Directors. In particular, Stefano Cao is also member of the Board of Directors of Telecom SpA.

Controls

Board of Statutory Auditors

The Board of Statutory Auditors, in accordance with Legislative Decree No. 58/1998 (TUF), monitors: (i) the respect of laws and of Eni's memorandum of association; (ii) the respect of the principles of fair administration; (iii) the adequacy of the company's organizational structure, for the parts covered by the Board's responsibility, of its internal control system and financial reporting system as well as the reliability of the latter in fairly representing the Company's transactions; (iv) the actual implementation of corporate governance rules foreseen by codes prepared by market regulators and company associations to which the company publicly declares to adhere; (v) the adequacy of instructions conveyed by the parent company to its subsidiaries according to Article 114, paragraph 2 of the above mentioned decree.

In accordance with the Eni Code, in line with the Borsa Italiana Code, the Board of Statutory Auditors monitors the independence of the principal external auditors, verifying both the compliance with the provisions of applicable laws and regulations governing the matter, and the nature and extent of services other than the audit services provided to Eni by the auditing firm and the entities belonging to its network.

According to the TUF, the Board of Statutory Auditors drafts a proposal regarding the appointment of the principal external auditors and their fee to be submitted to the Shareholders' Meeting for approval.

The Board of Directors, in its meeting of March 22, 2005, in accordance with the provision of the SEC Rule 10A-3 for non-US companies listed on US stock exchanges, elected the Board of Statutory Auditors to fulfil the role performed by the audit committee in US companies under the Sarbanes-Oxley Act and SEC rules, within the limits set by Italian legislation from June 1, 2005. On June 15, 2005, the Board of Statutory Auditors approved its chart for carrying out the tasks attributed to the audit committee under US laws⁷. This chart is published on Eni's website.

Composition and appointment

The Board of Statutory Auditors is comprised of five auditors and two alternate auditors, appointed by the Shareholders' Meeting for a three-year term. Statutory Auditors are appointed by means of a list vote; at least two auditors and one substitute are elected from minority candidates. Eni applies the special norms provided for by Law No. 474 of 1994 as concerns timing and modes for filing lists which are slightly different from Consob rules. Eni, however, endorses Consob rules as well and implemented them in its By-laws.

According to Article 28.2 of Eni's By-laws, as revised by the Shareholders' Meeting of May 25, 2006, to implement the provision of Law No. 262 of December 28, 2005 (Law on the protection of savings), the Shareholders' Meeting shall elect Chairman of the Board of Statutory Auditors a member elected from a list other than the one obtaining the majority of votes; this prescription will be effective in the next appointment of the Board of Statutory Auditors due on the Shareholders' Meeting approving 2007 financial statements.

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

On May 27, 2005, Eni's Shareholders' Meeting appointed the following statutory auditors for a three-year period and however until the Shareholders' Meeting approving financial statements for fiscal year 2007: Paolo Andrea Colombo (Chairman), Filippo Duodo, Edoardo Grisolia, Riccardo Perotta and Giorgio Silva. Francesco Bilotti and Massimo Gentile are alternate auditors. The same Meeting also determined the yearly compensation of the Chairman of the Board of Statutory Auditors and each Auditor amounting to €115,000 and €80,000 respectively.

Paolo Andrea Colombo, Filippo Duodo, Edoardo Grisolia and Francesco Bilotti were candidates in the list presented by the Ministry for Economy and Finance; Riccardo Perotta, Giorgio Silva and Massimo Gentile were candidates in the list presented by institutional investors coordinated by Fineco Asset Management SpA.

(7) The chart was amended on March 30, 2007, taking into account changes introduced by the TUF, Eni Code, and a different organization structure compared to the one existing on June 15, 2005, when the previous chart was approved.

The personal and professional curriculum of these auditors is published on Eni's website.

Expertise, honorability and independence, reasons for ineligibility and incompatibility

As reported in the Code, the Statutory Auditors shall act with autonomy and independence also towards the shareholders who elected them.

In accordance with the TUF, Statutory Auditors shall possess specific requirements of independence, and the professional and honorability requirements as prescribed by a regulation of the Minister of Justice.

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

Eni's auditors are all chartered auditors.

Article 28 of Eni's By-laws also allows statutory auditors to assume other appointments in control entities according to the limits set by Consob coming in force on June 30, 2008. Until that date Eni's By-laws prohibits the appointment as statutory auditor of persons that are statutory auditors or members of the supervisory board or members of the management control committee of at least five companies with registered securities in regulated markets not subsidiaries of Eni SpA.

Statutory Auditors declared to possess independence and honorability requirements as foreseen by the law.

In its meeting of March 12, 2008 the Board of Statutory Auditors verified that all its members comply with the independence criteria prescribed.

Meetings and functioning

Statutory auditors receive information on all issues on the agenda of the Board of Directors at the same time as the Directors.

In line with the provisions of the Eni Code, an Auditor who has an interest, either own or on behalf of third parties, in a certain transaction of the issuer, shall inform the Board of Directors and the other Auditors. Meetings can be held by video or telephone conference. In 2007, the Board met 18 times with an average participation of 89% of its members and an average duration of 2 hours and 40 minutes.

The table attached at the end of this section indicates, the percentage of participation of each auditor to the Board of Auditors meetings.

Further Auditors' appointments

Based on information received, information on positions held by the members of Eni's Board of Statutory Auditors in other Boards of Directors and Boards of Statutory Auditors of listed companies, also abroad, financial, banking, insurance or large companies is provided below.

PAOLO ANDREA COLOMBO

Independent Director of Mediaset SpA, Interbanca SpA. Iniziative Gestione Investimenti SGR SpA, SIAS SpA. Director of Versace SpA. Chairman of the Board of Statutory Auditors of Ansaldo STS and Saipem SpA. Auditor of Aviva SpA, Lottomatica SpA and Sirti SpA.

FILIPPO DUODO

Chairman of the Board of Statutory Auditors of Banca Meridiana SpA. Auditor of Benetton Group SpA.

RICCARDO PEROTTA

Chairman of the Board of Statutory Auditors of Gewiss SpA. Auditor of Snam Rete Gas SpA, Mediaset SpA and ECS International Italia SpA.

GIORGIO SILVA

Chairman of the Board of Statutory Auditors of Trevisan Cometal SpA. Auditor of Luxottica SpA and RCS Mediagroup SpA.

Other controls

External Auditors

As provided for by Italian law, the auditing of financial statements is entrusted to external auditors registered on the register held by Consob. The principal external auditor is appointed by the Shareholders' Meeting. Eni's external auditor, PricewaterhouseCoopers SpA, was appointed for the first time on June 1, 2001 and was reappointed by the Shareholders' Meeting of May 28, 2004 for a three-year term. The Shareholder's Meeting of May 24, 2007 under proposal of the Board of Statutory Auditors, as foreseen by Eni's By-laws, resolved to renew the appointment for the 2007-2009 period, as it did not yet complete the maximum nine year period allowed by the TUF.

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

Eni group companies are forbidden from engaging the principal external auditor and its affiliates for services other than audit and audit-related services. Certain services that are not prohibited by Consob and SOA can be awarded subject to approval by the Board of Directors of said company upon favorable opinion of their respective Board of Statutory Auditors and of Eni's Board of Statutory Auditors in case of direct subsidiaries. Eni's Board of Statutory Auditors must be informed of all engagements of the principal external auditors by Eni Group companies.

Italian Court of Accountants

The accounts of the parent company Eni SpA are subject also to the review of the Italian Court of Accountants. The relevant activity is performed by the Magistrate delegated to control, Lucio Todaro Marescotti (alternate Magistrate Angelo Antonio Parente), as decided on July 19-20, 2006, by the Governing Council of the Italian Court of Accounts. The Magistrate delegated to control attends the meetings of the Board of Directors, the Board of Statutory Auditors and the Internal Control Committee.

Model 231

According to Italian laws regarding the "Liability of legal entities for administrative crimes" as defined in Legislative Decree No. 231 of June 8, 2001, legal entities, among them corporations, may be considered liable and therefore be subject to sanctions for crimes committed or attempted in Italy and abroad on their behalf or to their advantage. Legal entities can adopt organizational, management and control models adequate for preventing such crimes.

In its meetings of December 15, 2003 and January 28, 2004 the Board of Directors approved a "Model for organizational, management and control according to Legislative Decree No. 231/2001" and established a Watch Structure. In its meeting of June 5, 2007 the Board of Directors resolved to change the structure of the Watch Structure, originally comprising three members, by including two external members, one of them appointed as chairman of the Watch Structure. Subsequently, due to new laws relating to the field of application of Legislative Decree No. 231, the CEO provided for the implementation of three Addenda, dedicated to Crimes with terroristic aims or intended to subvert democracy and crimes against individuals, market abuse, protection of savings and discipline of financial market, and transnational crimes, respectively. On March 14, 2008 the Board of Directors approved an updating of the model intended to adapt it to changes

in Eni's organizational setup, recent developments in courts' decisions, studies on this matter and laws and regulations, experience gained from the application of the model, including experiences made in legal proceedings, the practice of Italian and foreign companies in these kinds of models, outcomes of audit and control activities.

The new Code of Ethics of Eni derives directly from the updating of the model 231 and is an integral part of it, that cannot be waived.

The Watch structure reports on the implementation of model 231, the emergence of any issues and on the outcomes of activities performed in executing its tasks. It reports to the Chairman, the CEO, who in turn informs the Board of Directors while reporting on the exercise of powers entrusted to him, the Internal Control Committee and the Board of Statutory Auditors. The updates of model 231 are transmitted to Group companies so that they too adopt and/or update their respective models and establish their own watch structures.

Representatives nominated by Eni in the management bodies of subsidiaries, consortia and joint ventures promote the principles and contents of model 231 in their respective areas.

The principles of the "231 model" are published on Eni's website.

Manager in charge of the preparation of financial reports

In accordance with article 24 of Eni's By-laws, as provided for by the TUF, the Board of Directors under proposal of the CEO in agreement with the Chairman and with the approval of the Board of Statutory Auditors appoints a manager in charge of the preparation of financial reports. The appointed person must be chosen among persons who for at least three years:

- a) have been in charge of financial reporting or control activities or business administration for listed Italian or European or OECD companies with share capital of at least one million euro, or
- b) have acted as external auditors of the same companies described above, or
- c) have performed professional activities or teaching at university level in accounting and finance, or
- d) have held managerial positions in private or public entities engaged in finance, accounting and control.

The Board of Directors verifies the adequacy of his powers and means in order to fulfil this task and the respect of relevant administrative and accounting procedures.

In its meeting of June 20, 2007, the Board of Directors, with the approval of the Board of Statutory Auditors, appointed Eni's Chief Financial Officer, Marco Mangiagalli, as Manager in charge of the preparation of financial reports, in accordance with Article 154-bis of Legislative Decree No. 58/1998 verifying the adequacy of his powers and means in order to fulfil this task. In the same meeting, the Board of Directors approved the Guidelines on Eni internal control system over financial reporting prepared by the manager in charge of the preparation of financial reports, defining rules and methodologies on the implementation and maintenance of the internal control system over financial reporting, as well as on the evaluation of the system's effectiveness. In its meeting of January 18, 2006 the Board of Director assessed the means available to the CFO in his quality of manager in charge of the preparation of financial reports as adequate.

Internal Control System

Eni has long established an internal control system designed to address main company risks. Internal control rules, processes and structures are supported by the Eni's Code of Ethics which states that Eni employees at every organizational level shall comply with behavioural standards of legitimacy from a formal and substantial standpoint when executing their tasks. The Code also affirms the values of the transparency of accounts and disclosures and the spreading of a control oriented attitude. Eni is aware that investors trust that Eni's Bodies, management and employees observe the rules of the internal control system. The Board of Directors assesses the consistency of the internal control system with the company size, complexity and scope. The Board of Directors in the resolution of December 13, 2006, confirming the provisions of the Eni Code, reserved to itself the responsibility of designing, having reviewed assessments from the Internal Control Committee, Guidelines for the company's internal control system so as to ensure that the main Group companies risks are correctly identified, measured, managed and monitored. To this end the Internal Control Committee reports to the Board at least every six months at the date of the approval of the annual and semi-annual financial statements on the activity performed as well as on the adequacy of the internal control system. The Committee, in addition to assisting the Board in performing its tasks in the area of internal control, among other things: (i) assesses in conjunction with the Manager entrusted with the preparation of financial

reports and the External Auditors the proper use of accounting principles and their homogeneity for the preparation of the consolidated financial statements; (ii) examines the integrated audit plan, the periodical Internal Audit reports on activities performed and their outcomes; (iii) assesses the outcomes of Eni's internal auditing ordinary operating activity, review activity performed by Eni Internal Audit also to account of complaints, reports from the Board of Statutory Auditors and individual Statutory Auditors, reports and management letters of External Auditors, the annual report of the Guarantor of the Code of Ethics, reports of the Watch Structure, reports of the Manager responsible for internal audit and reports and investigations from third parties. The activities of the Internal Control Committee are described in the specific paragraph above.

The CEO is entrusted with the task of implementing the Guidelines designed by the Board and overseeing the functioning of the internal control system with the assistance of the manager in charge of the internal control and of the internal audit department.

The Internal Audit manager has been appointed as manager responsible of internal control by the Board of Directors in its meeting of March 16, 2007 on proposal of the CEO and in agreement with the Chairman, after consultation with the Internal Control Committee. The internal control manager is entrusted with the task of monitoring that the internal control system is adequate and fully operating, does not hold any responsibility over operating areas, reports directly to the CEO, the Internal Control Committee and the Board of Statutory Auditors and assesses the ability of the internal control system to achieve a tolerable company risk profile. Among the actors of the internal control system, an important role is played by the Internal Audit department, directly reporting to the CEO and the Board of Statutory Auditors acting as Audit Committee under the SOA. The Internal Audit department is entrusted with the task to provide an independent and objective activity aimed at promoting improvement of efficiency and efficacy of the internal control system and of the company's organization. In 2007 Eni completed the unification of the Group's internal audit functions in the Corporate Internal Audit department, except for the listed subsidiaries and those subsidiaries due to be unbundled. This organizational setup was adopted in line with the role assigned to the parent company in defining guidelines and assessing the adequacy, efficacy and actual operations of the internal control system as a whole. Eni SpA's Internal Audit department monitors

the internal control systems by means of: (i) an integrated audit plan prepared annually with a top-down-risk-based approach, preventatively examined by the Internal Control Committee and the Board of Statutory Auditors and approved by the Board of Directors and for the aspects relevant to Legislative Decree No. 231/01 by the Watch Structure; (ii) planned and unplanned internal audit activities decided upon request of management, top management, the Internal Control Committee, the Board of Statutory Auditors, the Watch Structure and complaints received (also anonymous) under current company's rules and procedures; (iii) independent monitoring activities performed for periodic financial reporting as explained below. The Internal Audit function reports periodically to the control bodies and the top management on the outcomes of its activities and monitoring and corrective actions designed to take account of internal audit's outcomes. The Internal Audit Manager, the Internal Audit department and the external auditors have the fullest access to data, information and documentation which can support the performance of auditing activities.

Periodic financial reporting

Eni has long adopted controls and procedures as to ensure that information required to be disclosed in periodic reports be recorded, processed, summarized and reported. These controls and procedures support the Group companies in the preparation of financial statements and the collection of information to be disclosed in accordance with generally accepted accounting standards and policies, uniformity of behavior, the disclosure of timely, complete and accurate financial information on the Group. Eni's disclosure controls and procedures have been designed in accordance with the provisions of the Sarbanes-Oxley Act of 2002 (SOA) which Eni has to comply with as its securities are listed on the New York Stock Exchange. In application of U.S. laws, on March 22, 2005 Eni's Board of Directors, make use of the option assigned by the SEC to foreign issuers listed on regulated U.S. markets, identified the Board of Statutory Auditors as the body performing, within the limitations of Italian law, the tasks attributed to the Audit Committee by the SOA and SEC rules. In application of Italian laws on June 20, 2007, Eni's Board of Directors appointed Eni's CFO as manager responsible of the preparation of financial statements

and approved Guidelines on Eni's control system of financial reporting that define norms and procedures for the establishment, maintenance and assessment of said system, specifying tasks and responsibilities of group managers and departments.

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

- to extend control to all the levels of the organizational structure, consistently with the operating task entrusted to each level;
- sustainability of controls in the long term, so as to ensure that the performance of controls is increasingly integrated in and compatible with operating needs; for this purpose, specific controls have been selected in order to identify such critical controls as to mitigate the level of risk.

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

- disclosure controls and procedures;
- internal control over financial reporting.

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

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

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

The key objective of internal control over financial reporting is to mitigate risks due to negligence and risks of fraud, significantly impacting financial

statements. In addition, a specific risk assessment has been performed on fraud risks, and from this anti-fraud measures and controls have been designed. Management has developed its own assessment procedures to evaluate the design of Eni's internal control over financial reporting and its operating effectiveness. To that end, management has implemented ongoing monitoring activities entrusted to managers who are responsible of conducting primary processes or activities, and separate evaluations have been entrusted to Eni's Internal Audit department. This department operates according to a preset plan of interventions defining scope and objectives of each intervention.

Outcomes from all monitoring activities are reported periodically in order to ascertain the state of Eni's internal control over financial reporting. All levels of Eni's organizational structure are involved in this reporting process.

In 2007 simplification actions have been performed according to a risk based approach that lead to the reduction in the number of processes and controls while engaging the same number of subsidiaries.

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

In accordance with the TUF and with Article 23.3 of Eni's By-laws, the Directors shall timely inform the Board of Statutory Auditors on transactions in which they have an interest.

During each Board of Directors' meeting, the Chairman expressly asks the Directors to declare any of their potential interest in transactions on the agenda.

The Eni Code, in accordance with the Borsa Italiana Code, foresees the adoption, by the Board of Directors, of measures ensuring that transactions in which a director has an interest, directly or on behalf of third parties, and all transactions carried out with related parties, are performed in a transparent way and meet

criteria of substantial and procedural fairness. In addition, the Eni Code foresees a specific opinion of the Internal Control Committee on the rules adopted by the Board of Directors.

Preparation of a procedure regarding transactions with related parties is underway; however its finalization is stalling due to the circumstance that Italian listed companies are awaiting the emission on part of Consob of certain Guidelines as provided for by Article 2391-bis of the Italian Civil Code. Pending the emission of such Guidelines, Eni's internal rules provide that transactions with related parties be submitted to the Board of Directors, also in case amounts are lower than the materiality threshold set for the transactions to be approved by the Board. The Board of Directors' resolution defining the matters reserved to the Board itself requires to pay particular attention to those transactions in which a director has an interest and to transactions with related parties.

Moreover, Eni is committed to observing principles as defined in the Borsa Italiana Code regarding such persons holding significant positions in the share capital of listed companies and in particular respecting their managerial autonomy.

In the ordinary course of its business, Eni enters into transactions concerning the exchange of goods, provision of services and financing with related parties as defined by IAS 24. These include non consolidated subsidiaries and affiliates as well other entities owned or controlled by the Italian Government.

All such transactions are conducted on an arm's length basis and in the interest of Eni Group companies. Eni's Directors, General Managers and managers with strategic responsibilities disclose every six months any transactions with Eni SpA and its subsidiaries that require disclosure under IAS 24.

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

Shareholders and information on shareholding structure⁸

Share capital and main shareholders

Eni SpA's share capital issued at December 31, 2007, amounted to €4,005,358,876 fully paid and was represented by 4,005,358,876 ordinary shares, at a nominal value €1 each. Shares are not divisible and give right to one vote. Shareholders can exercise the rights to participate in profits or assets and to vote as provided by the law and subject to any applicable legal limitations.

In 1995 Eni issued a sponsored ADR (American Depositary Receipts) program directed to US investors. An ADR is a certificate issued by a US depository bank which represents shares of a non US company and are held and traded on US stock markets. One ADR is equal

to two Eni ordinary shares; ADRs are listed on the New York Stock Exchange.

On May 24, 2007 Eni's Shareholders' meeting authorized the Board of Directors to purchase up to 400 million Eni shares, nominal value €1 within 18 months of the Shareholders' Meeting date, and within an authorized plafond of €7,400 million. The purchase price shall not be lower than the nominal value and not higher than the reference price recorded on the day preceding each purchase increased of 5%.

Eni is not aware of any pact involving shareholders.

Based on information available and received in accordance with Consob Decision No. 11971/1999, as of December 31, 2007, shareholders holding more than 2% of Eni's share capital were the following:

Shareholders	Shares held	% of capital
Ministry of Economy and Finance	813,443,277	20.31
Cassa Depositi e Prestiti SpA ^(a)	400,288,338	9.99
Barclays Global Investor Group	80,267,278	2.01
Eni SpA (own shares)	348,525,005	8.70

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

Shareholders by area

Shareholders	Number of shareholders	Number of shares	% of capital ^(a)
Italy	314,517	2,512,562,966	62.73
UK and Ireland	1,056	140,946,897	3.52
Other UE	4,138	507,550,360	12.67
USA and Canada	1,857	343,761,345	8.58
Rest of world	1,425	135,500,715	3.39
Own shares at the dividend date		336,892,397	8.41
Other		28,144,196	0.70
Total		4,005,358,876	100.00

(a) At the dividend payment date, June 21, 2007 (ex-dividend date was June 18, 2007).

Shareholders by amount of shares held

Shareholders	Number of shareholders	Number of shares	% of capital ^(a)
>10%	1	813,443,277	20.31
3%-10%	1	400,288,338	9.99
2%-3%	0	0	0
1%-2%	11	718,332,508	17.93
0.5%-1%	4	99,289,018	2.48
0.3%-0.5%	16	247,086,313	6.17
0.1%-0.3%	54	355,070,012	8.87
≤ 0.1%	322,906	1,006,812,817	25.14
Own shares at the dividend date		336,892,397	8.41
Other		28,144,196	0.70
Total		4,005,358,876	100.00

(a) At the dividend payment date, June 21, 2007 (ex-dividend date was June 18, 2007).

(8) Under Italian listing standards, information on indemnities to be paid in case of termination of the office of Directors is provided under the Item "Remuneration earned by members of the Board of Directors, Statutory Auditors, General Managers and other managers with strategic responsibilities".

Limitation of ownership and voting rights

In accordance with Article 6 of Eni's By-laws, no shareholder, excepted the Italian Government, can directly or indirectly own more than 3% of Eni SpA's share capital; the shares held above this limit do not allow to exercise the relevant rights.

Special powers of the State - golden share

Eni's By-laws in Article 6.2 attribute to the Minister of Economy and Finance, in agreement with the Minister of Economic Development, the following special powers to be used in compliance with the criteria indicated in the Decree of the President of the Council of Ministers of June 10, 2004: (a) opposition with respect to the acquisition of material shareholdings representing 3% of the share capital of Eni SpA having the right to vote at ordinary Shareholders' Meetings. Such opposition is required to be expressed within 10 days of the date of the notice to be filed by the Board of Directors at the time a request is made for registration in the Shareholder' register, should the transaction be considered prejudicial to vital interests of the State; (b) opposition with respect to the subscription of shareholders' agreements or other arrangements (as defined by Article 122 of Legislative Decree No. 58 of February 24, 1998) whereby 3% or more of the share capital of Eni SpA having the right to vote at ordinary Shareholders' Meetings is involved; (c) veto power – duly motivated by the case of prejudice to the interests of the State – with respect to shareholders' resolutions to dissolve Eni SpA, to transfer the business, to merger or to demerger, to transfer the registered office of Eni SpA outside Italy, to change the corporate purposes or to amend or modify any of the special powers described in this section; (d) appointment of a Board member without voting right.

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

Law No. 266 of December 23, 2005 (Budget Law) in Article 1, paragraphs 381 to 384 in order to favor the process of privatization of and the diffusion among the public of shareholdings in companies in which the State holds significant stakes, introduced the option to include in the by-laws of listed companies formerly entirely owned by the State, as in the case of Eni SpA, provisions for the issuance of shares and securities bearing the same characteristics as shares which give to the special meeting of relevant holders the right to request the issuance on their behalf of new shares, also at par value, or securities bearing the right to vote at both ordinary and extraordinary meetings. The

introduction of these norms in Eni's By-laws would entail the cancellation of the 3% threshold to individual shareholdings, except for the State, as contained in Article 6.1 of Eni's By-laws. To date Eni's By-laws have not yet been modified to adopt this provision.

Significant agreements that come into force, are modified or expire in case of a change in the control of Eni

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

In particular, the agreements that fall in this category concern: (i) provisions of the agreement existing between Eni, Amorim Energia, and Caixa Geral de Depósitos for the joint management of Galp Energia SGPS SA, that provide that in case of change of control of any participating company, the option for the other partners to purchase the Galp shareholding held by the party whose controlling entity has modified; (ii) any expiry of the natural gas distribution licence of the subsidiary Distribuidora de Gas Cuyana SA, due to the provisions of applicable laws if the company were controlled by a shareholder active in Argentina, directly or through subsidiaries in the activities of production, storage or distribution of natural gas.

The Shareholders' Meeting

During meetings, shareholders can request information on issues in the agenda. Information is provided within the limits of confidentiality, taking account of applicable rules regulating the matter of price sensitive information.

With the aim of facilitating the attendance of shareholders, calls for meetings are published in the Official Gazette of the Italian Republic and in the "Il Sole 24 Ore", "Corriere della Sera" and "Financial Times" newspapers. Eni's By-laws allow vote by correspondence and the collection of powers of attorney in Articles 13 and 14. Shareholders representing alone or jointly one fortieth of the share capital may request, within five days from the publication of the call for meeting, an integration to the items on the agenda.

In addition, as provided by article 14 of Eni's By-laws, in order to facilitate the collection of powers of attorney of shareholders that are also employees of Eni and

Group companies and members of associations of shareholders that comply with current regulations, Eni provides areas for communicating and collecting proxies to said associations in ways to be agreed from time to time with their legal representatives.

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

Shareholder and investor relations

In concert with the launch of its privatization process, Eni adopted a communication policy, confirmed by the Code of Ethics, aimed at promoting an ongoing dialogue with institutional investors, shareholders and the markets to ensure systematic dissemination of exhaustive complete, selective and timely information on its activities, with the sole limitation imposed by the confidential nature of certain information. Information made available to investors, markets and the press is provided in the form of press releases, regular meetings with institutional investors and the financial community and the press, in addition to general documentation released and constantly updated on Eni's website. Within the month of December Eni disseminates and publishes on its Internet site its financial calendar detailing events for the following year. It also publishes all its annual and quarterly reports, its Code and the procedures concerning corporate governance, its By-laws, the information to shareholders and bondholders, shareholders' meeting agenda and proceedings of meetings. Documents are free and can be requested filling in the relevant form on Eni's website.

Relations with individual investors, institutional investors, shareholders and the press are handled by dedicated Eni departments.

Relations with investors and financial analysts are held by the Investor Relations manager. Information is available on Eni's website and can be requested by sending an email to investor.relations@eni.it.

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

Handling of company information

On February 28, 2006, Eni's Board of Directors updated the "Procedure for the disclosure of information to the market concerning Group activities" approved on December 18, 2002 and published on Eni's website. The procedure acknowledges Consob Guidelines and the "Guidelines for information to the market" issued in June 2002 by the Ref Forum on company information and those included in the laws implementing the European directive on market abuse, defines the requirements for disclosure to the public of price sensitive events (materiality, clarity, homogeneity, information symmetry, consistency and timeliness) and the information flows for acquiring data from Group companies and providing adequate and timely information to the Board and the market on price sensitive events. It also contains sanctions applied in case of violation of its rules in accordance with the crimes identified and sanctioned by the new law on the protection of savings. This procedure has been updated on September 29, 2006 to take into consideration the Consob interpretation expressed on March 28, 2006. Eni's Code of Ethics defines confidentiality duties upheld by Group employees relating to the treatment of sensitive information.

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

Register of the persons having access to privileged information

On February 28, 2006, the Board of Directors approved a procedure for establishing and maintaining a register of persons with a right to access privileged information, as provided for by Article 115-bis of Legislative Decree No. 58 of February 24, 1998.

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

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

(9) As far as rules on the appointment and replacement of Directors, see the specific item "Board of Directors" of this report. Information on changes on Eni By-Laws, the Company applies the ordinary rules, except for information reported in item "Special powers of the State – golden share". Article 23.2 of Eni By-Laws entrusts the Board of Directors to amend the By Laws in accordance to new laws.

Internal Dealing

On February 28, 2006, the Board of Directors approved the “Internal dealing procedure” for the identification of relevant persons and the communication of transactions involving securities issued by Eni SpA and its listed subsidiaries made by these persons, replacing the Internal Dealing Code approved by the Board on December 18, 2002.

The procedure implements the provisions of Article 114, paragraph 7 of Legislative Decree No. 58 of February 24, 1998.

Eni’s procedure, implementing Consob Decision on listed companies: (i) identifies relevant persons: (ii) defines the transactions involving securities issued by Eni SpA; (iii) determines the terms and conditions for the disclosure to the public of such information.

The procedure states that managers having regular access to privileged information, during specific periods of the year (blocking periods), are not allowed to buy or sell shares.

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

* * *

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

Structure of the Board of Directors and its Committees

Members	Board of Directors					Internal Control Committee		Compensation Committee		International Oil Committee	
	executive	non executive	independent	% attendance	other appointments ^(a)	members	% attendance	members	% attendance	members	% attendance
Chairman											
Roberto Poli		X		100	4						
CEO											
Paolo Scaroni	X			100	4					X	
Directors											
Alberto Clô ^(*)		X	X	92	4	X	64			X	100
Renzo Costi ^(*)		X	X	84		X	79	X	75		
Dario Fruscio		X	X	68						X	100
Marco Pinto		X		92		^(b)		X	75		
Marco Reboa ^(*)		X	X	96	5	X	100			X	100
Mario Resca		X	X	92	3			X	100		
Pierluigi Scibetta		X	X	92	1	X	71	X	100		
Number of meetings in 2007				25			14		4		4

(*) Appointed by the minority list.

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

(b) In June 2007, Marco Pinto resigned by the Internal Control Committee: until June, he participated to five meeting of the Committee, with a percentage of attendance equal to 71%.

The Corporate Governance Code issued by Borsa Italiana foresees the possibility to form, within the Board, a Committee for the proposal on the entrustment of Directors “especially in those case the Board of Directors notices the difficulty of the shareholders in organising the proposal for the appointment, as being in listed companies”. The Board of Directors has not formed this Committee in consideration of the shareholding characteristics of Eni.

Board of Statutory Auditors

Members	% attendance Meeting of the Board of Statutory Auditors	% attendance Meeting of the Board of Directors	Number of other appointments ^(a)
Chairman			
Paolo Andrea Colombo	100	100	6
Auditors			
Filippo Duodo	89	84	1
Edoardo Grisolia	72	72	
Riccardo Perotta ^(*)	100	96	3
Giorgio Silva ^(*)	83	92	3
Number of meetings in 2007	18	25	

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

(*) Appointed by the minority list.

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

Other information to be disclosed under the Corporate Governance Code (published by Borsa Italiana in 2002)

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

(*) Procedures will be prepared after the publication by Consob of the general principles as per art. 2391 bis of the Civil Code. Following the new procedure, the operations are submitted to the Board of Directors, even when the amount is lower than the defined relevant threshold.

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