Remuneration Report 2014

Mission

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

Countries of activity

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

AFRICA
Algeria, Angola, Cameroon, Congo, Democratic Republic of Congo, Egypt, Gabon, Ghana, Kenya, Liberia, Libya, Mauritania, Morocco, Mozambique, Nigeria, South-Africa, Togo, Tunisia, Uganda

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

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

Remuneration Report

2014

approved by the Board of Directors on March 17, 2014

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

Letter from the chairman of the compensation committee

Mario Resca
Chairman of
the Compensation
Committee

Dear Shareholders,
2013 was characterized by a great deal of attention to the issue of directors' remuneration, and the Compensation Committee has followed closely the debate on this matter, also in relation to recent developments in legislation, taking them into account in the evaluation of the proposals for the Remuneration Policy for 2014.
In reviewing briefly the main efforts made, please note that the Committee dedicated the first part of the year to the assessment of adequacy, overall consistency and practical application of the Remuneration Policy implemented in 2012, for the purposes of the proposed policy for 2013. It also verified the performance results and proposed the definition of performance metrics linked to the variable incentive plans in place, to support the resolutions of the Board of Directors.
The results of the shareholders' vote on the first section of the 2013 Remuneration Report, duly analysed by the Committee at its meeting in July, confirmed a significant appreciation of the planned policies, approved by about 96% of the participants, with an increase of approximately 3.6 percentage points compared to 2012.
The last two meetings of the year were devoted to the examination of the rules that set out, for listed companies controlled by the public administrations, that at the time of the first renewal of the corporate bodies, a proposal be submitted to the shareholders' meeting that limits the remuneration of directors with delegated powers up to 75% of the total remuneration determined for any reason, in the course of the previous term of office (Law 98 of August 9, 2013).
The remuneration policy guidelines for 2014 therefore provide – as the main change compared to 2013 – that the remuneration of Executive Directors in the next term be determined by the competent corporate bodies within the constraints set by the recent regulatory reform, also taking into account the powers that will be attributed and the general principles described in the first section of the Report, in line with the recommendations of the Corporate Governance Code that Eni has adopted.
Furthermore new Guidelines introduced in this Report, in line with international best practices and with the directions of the major proxy advisors, have regard to:
- the new Long-Term Monetary Incentive Plan for managerial resources critical for the business, as well as for the Chief Executive Officer to be appointed after the next renewal of the Board, whose performance parameters have been more closely aligned with the shareholders' interests (Total Shareholder Return) and with the creation of sustainable value over the long-term (Net Present Value of the proved reserves);
- the severance indemnities for the Chief Executive Officer to be appointed after the next renewal of the Board, with the possibility to recognize such indemnities within the limit of two years' remuneration.

The 2014 Report, which retains the structure already defined in 2013, is a testament to our ongoing commitment to adequately represent the strategies defined by Eni for the remuneration of its management, in support of the business goals and in line with the corporate values and principles.
In sincerely thanking the directors Carlo Cesare Gatto, Roberto Petri and Alessandro Profumo for the significant contribution to the common discussion, I would finally like to send my greetings and best wishes to the members who will be called to be part of the new Compensation Committee, aware of the complexity of the challenge that awaits them.
Dear Shareholders, also on behalf of the other members of the Committee, many thanks for your feedback and for the support you will give to the policies planned for 2014.

February 12, 2014

Chairman of the
Compensation Committee

Foreword

This Report, approved by the Board of Directors on March 17, 2014, following a proposal by the Compensation Committee, in accordance with the applicable legal and regulatory obligations[1], defines and illustrates:

- in the first section, the 2014 Policy adopted by Eni SpA (hereafter "Eni" or the "Company") for the Remuneration of Directors, Chief Operating Officers of Eni's Divisions and other Managers with strategic responsibilities[2], specifying the general aims pursued, the bodies involved, and the procedures used to adopt and implement the Policy; the general principles and guidelines defined in the Eni Policy are also applicable in determining the remuneration policies of companies directly or indirectly controlled by Eni[3];
- in the second section, the remuneration paid in 2013 to Eni Directors, Statutory Auditors, Chief Operating Officers and other Managers with strategic responsibilities.

The two sections of the Report are preceded by a summary of the main information in order to provide the market and the investors with a prompt framework regarding the key elements of the 2014 Policy.

Finally, the Report illustrates the shareholdings held by Directors, Statutory Auditors, Chief Operating Officers and other Managers with strategic responsibilities[4].

The Policy described in the first section of this Report:

- is consistent with the recommendations on remuneration as set forth in the Corporate Governance Code for listed companies (hereafter "Corporate Governance Code"), to which Eni adheres[5];
- Taking into account the constraints provided by art. 84-ter of the Italian Legislative Decree of June 21, 2013 no. 69, converted with amendments by Law no. 98 of August 9, 2013 concerning the remuneration of executive directors of companies directly or indirectly controlled by public administrations. To this end, as provided by the Law, at the time of the renewal of the corporate bodies a proposal will be submitted for approval by the shareholders' meeting, relating to the remuneration of Directors with delegated powers of Eni and its subsidiaries, according to the criteria provided by the aforementioned Law, which provides that the remuneration referred to in art. 2389, third paragraph, of the Italian Civil Code, for the Directors to whom the Board of Directors will confer the powers in the next term, can not be set at more than 75% of the "total remuneration" for any reason, including any employment relationship with the Company, during the current term of office. "Total remuneration determined for any reason" means, to this end, the maximum potential pay in relation to the various components of remuneration provided for in the relevant resolutions and/or contracts. The remuneration of Executive Directors in the next term, subject to the approval of the aforementioned proposal at the Shareholders' Meeting, will therefore be reduced by an amount equal to at least 25% compared to that determined during the current term of office, with particular regard, to this end, to the maximum incentive levels provided in relation to the variable short and long-term components.

The text of this Report will be made available to the public at the Company's registered headquarters and on the Company website in the sections "Governance" and "Investor Relations" (www.eni.com), no later than twenty-one days before the date of the Shareholders' Meeting scheduled to approve the 2013 financial statements and to resolve, with a non-binding resolution, on the first section of said Report, in accordance with current regulations[6].

The informational documents relative to the existing compensation plans based on financial instruments are available on the "Governance" section of the Company website[7].

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

Overview

The Eni Remuneration Policy is approved by the Board of Directors following a proposal by the Compensation Committee, made up of non-executive, independent Directors, and it is defined in accordance with the governance model adopted by the Company and with the recommendations of the Corporate Governance Code. This Policy aims to align the interests of management with the prime objective of creating sustainable value for shareholders over the medium-long term, in accordance with the guidelines defined in the Strategic Plan of the Company.

For the purposes of this Report, the Compensation Committee has taken into account the positive results from the vote of the Shareholders' Meeting and of the feedback received from the shareholders regarding the 2013 Report, the changes in the regulatory framework as well as the national and international remuneration disclosure best practices, with the aim to provide the greatest clarity, completeness and understanding of the information provided.

The Board of Directors of Eni was appointed by the Shareholders' Meeting on May 5, 2011 for a term of three years, until the Shareholders' Meeting called to approve the financial statements for the year ended December 31, 2013. The 2014 Remuneration Policy described in detail in the first section of this Report, provides for the following:

- for the Directors in office, whose term ends on the date of the Shareholders' Meeting called to approve the financial statements for the year ended December 2 31, 013, the 2014 Guidelines reflect the decisions taken by the Board of Directors on June 1, 2011 and do not provide, therefore, significant changes to the Policy already adopted in the previous year;
- for the Directors to be appointed for the new term, the main change compared to 2013 is the introduction, subject to approval of the Shareholders' Meeting, of the proposed reduction in remuneration in accordance with Article 84-ter of the aforementioned Law No. 98/2013, with a limit to the remuneration of Directors with delegated powers in an amount equal to 75% of the "total remuneration" determined for any reason in the course of the current term (defined as the maximum potential remuneration), as already mentioned in the Foreword. For the Chief Executive Officer to be appointed after the next renewal of the Board, there will be variable remunerations designed to reward the performance achieved in a year, linked to the defined objectives for the previous year, and on the medium to long-term through the participation in the variable incentive plans provided for the Chief Operating Officers of Eni's Divisions and other Managers with strategic responsibilities. For the non-executive Directors who will be part of the Control and Risk Committee, in relation to the significant and growing engagement required for performing the task, the possibility is provided for an increase in the related remuneration, maintaining the criterion of differentiation between the Chairman and other members;
- for the Chief Operating Officers of Eni's Divisions and other Managers with strategic responsibilities, the 2014 Guidelines provide the same compensation instruments defined in 2013, with the adoption of a new Long-Term Monetary Incentive Plan for critical managerial resources, which, in replacing the previous one, provides some changes to the performance conditions, in order to ensure greater alignment with shareholder interests and enhance the sustainability of value creation in the long term, taking into account the guidelines of the proxy advisors and major institutional investors. The Long-Term Monetary Incentive Plan for 2014-2016 provides, as performance parameters, both the Total Shareholder Return (TSR) and the Net Present Value (NPV) of proved reserves. The Plan, being also linked to the performance of Eni stock, will therefore be subject to the approval of the shareholders in their annual meeting scheduled for May 8, 2014. The conditions of the Plan will therefore be described in detail in the information document made available to the public on the Company's website (www.eni.com), in application of current legislation (art. 114-bis of Italian Legislative Decree 58/98 and Consob implementing regulations). For more information on the characteristics of the new Plan, please refer to the "long-term variable incentives", on page 20 of the Report.

The following table describes the main elements of the approved Guidelines for the remuneration of the Chief Executive Officer, of the Chief Operating Officers of Eni's Divisions and other Managers with strategic responsibilities (MSR).

2014 Remuneration Policy

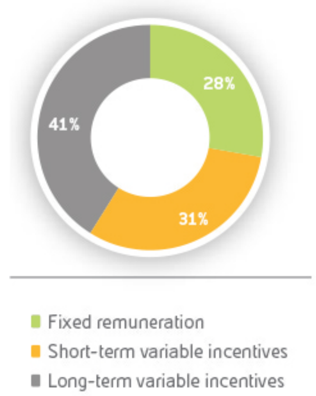
Component	Purpose and characteristics	Conditions for the implementation	Values
Fixed remuneration	Values the expertise, experience and contribution required by the assigned role	- Setting of the remuneration levels through benchmarks consistent with the characteristics of Eni and the assigned roles	- CEO/GM[1]: 1,430,000 Euro per year (amount unchanged since 2005) - MSR: remuneration set based on the assigned role with possible adjustments in relation to annual competitive positioning (average market values) settings
IMA - Annual variable incentives	- Promotes the achievement of annual budget targets - Beneficiaries: all managerial resources	2014 CEO targets: - Cash flow - Ebit (40%) - Implementation of strategic guidelines (30%), - Divisions' operating performance (20%) - Sustainability (10%) - MSR targets: business and individual targets based on those of the CEO/GM and the assigned responsibilities - Incentives paid on the basis of the results achieved in the previous year and evaluated according to a performance scale 70÷130 points[2], with a minimum threshold for the incentive equal to an overall performance of 85 points - Clawback in cases of violation of company or legal rules and regulations	- CEO/GM[1]: level of incentive target equal to 110% of fixed remuneration (min 87.5% and max 155%) - MSR: levels of incentive targets differentiated according to the assigned role, up to a maximum of 60% of the fixed remuneration
DMI - Deferred Monetary Incentives	- Promotes the growth of profitability of the business over the long-term - Beneficiaries: managerial resources who have achieved their annual targets	- EBITDA performance measured relative to the value of the Planned EBITDA - Incentives awarded on the basis of the EBITDA results achieved during the previous year according to a performance scale of 70÷130[2] - Incentives paid as a percentage varying between zero and 170% of the amounts assigned, according to the average of the annual results achieved during the vesting period, according to an annual performance scale of 70÷170[2] - Three-year vesting - Clawback in cases of violation of company or legal rules and regulation	- CEO/GM[1]: incentive to be awarded for targets (the third and last awarding) equal to 55% of the fixed remuneration (min 38.5% and max 71.5%) - MSR: incentives awarded based on targets differentiated according to the assigned role, up to a maximum of 40% of the fixed remuneration
LTMI - Long-Term Monetary Incentives	- Promotes the alignment with shareholder interests and the sustainability of value creation in the long term - Beneficiaries: Managerial Resources Critical for the Business	- Performance measured in terms of variation of the TSR parameters[3] (60%) and Net Present Value of proved reserves[3] (40%), compared to the variation achieved by the companies of a peer group of reference (Exxon, Chevron, Shell, BP, Total, Repsol) - Incentives paid as a percentage varying between zero and 130% of the amounts awarded, according to the average of the annual positioning achieved during the vesting period: 1° Place 130% 2° Place 115% 3° Place 100% 4° Place 85% 5° Place 70%[5] 6° Place 0% 7° Place 0% - Three-year vesting - Clawback in cases of violation of company or legal rules and regulations	- CEO[4]: incentive to be awarded for targets in relation to a restructuring of the remuneration provided by Law No. 98/2013 - MSR: incentives awarded based on targets differentiated according to the assigned role, up to a maximum of 75% of the fixed remuneration
Benefits	- Supplementing the salary package following a total reward logic by means of predominantly social security and welfare benefits - Beneficiaries: all managerial resources	- Conditions defined by the national collective labour agreements and the complementary company agreements applicable to senior managers	- Supplementary pension - Supplementary health care - Insurance coverage - Car for business and personal use

(1) The information shown concerns the CEO/GM in office at the date of approval of this Report by the Board of Directors. In implementation of Law No. 98/2013, the new CEO will be entitled to an overall level of remuneration that is lower, by at least 25%, than the total remuneration determined for any reason during the current term of office. The remuneration of the new CEO, and the related levels of incentives, will be duly resolved by the Board of Directors, after the Shareholders' Meeting that will resolve the renewal of the corporate bodies, in implementing the provisions of the Italian Civil Code (art. 2389, third paragraph), taking into account the powers granted and the constraints introduced by Law 98/2013.
(2) Performance rated below the minimum threshold (70 points) is considered equal to zero.
(3) The Total Shareholder Return is an indicator that measures the overall return of a stock investment, taking into consideration both the price change and the dividends paid and reinvested in the same stock, in a specific period. The Net Present Value of the proved reserves is an indicator that represents the present value of the future cash flows of proved reserves, net of future production and development costs and related taxes. It is calculated on the basis of standard references defined by the Securities Exchange Commission on the basis of the data published by oil companies within the official documentation (Form 10-K and Form 20-F).
(4) Incentive to be awarded to the new CEO in relation to the decisions that will be taken by the Board of Directors, as stated in Note 1.
(5) The minimum incentive threshold involves reaching 5th place for both indicators in at least one year of the three-year vesting period.

Pay-mix in 2014 and remuneration paid in 2013

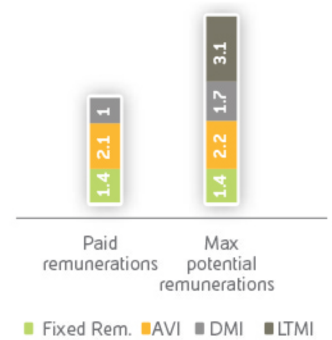
The compensation package for the Chief Executive Officer and General Manager maintains, for 2014, the same levels of fixed remuneration and the same variable incentive Plans for the short and long-term as those applied in 2013. The pay-mix of the Chief Executive Officer and General Manager is characterised by a significant variable component, equal to a total of 72%, subject to the attainment of predefined performance objectives with greater weight being given to the long-term component. In implementation of Law No. 98/2013, subject to the Shareholders' Meeting approval, the new Chief Executive Officer will be entitled to an overall level of remuneration that could be lower, by at least 25%, than the total remuneration determined during the current term of office. The various components of remuneration will be determined by the new Board of Directors in compliance with this constraint, ensuring a pay-mix consistent with the guidelines of the chapter "Principles and general purposes of the Compensation Policy".

CEO/GM Pay Mix



The remuneration paid in 2013 to the Chief Executive Officer and General Manager are shown in the table below, in comparison with the maximum overall potential pay on an annual basis, in relation to the various components of short and Long-Term fixed and variable remuneration.

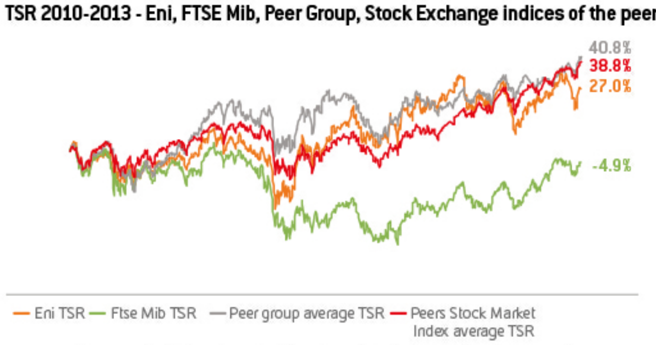
2013 CEO/GM remunerations comparison: paid vs maximum potential
(amounts in million euro)



Remuneration, performance, sustainability

In the period 2010-2013, Eni provided its shareholders with a total shareholder return of 27% compared to -4.9% of the FTSE MIB, while the Peer Group[1] provided an average TSR of 40.8% compared to 38.8% of the average of the Stock Exchange indices of reference of the peers[2].

TSR 2010-2013 - Eni, FTSE Mib, Peer Group, Stock Exchange indices of the peers



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

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

The ratio between the added value created for Eni shareholders in the three year period 2010-2012 (in terms of market capitalisation changes, reinvested dividends, value of any re-purchased shares) and the overall remuneration paid to the Chief Executive Officer/GM in the same period is equal to euro 1,187 for each euro received, significantly higher than the figure for 2009-2011 (euro 601). The average figure of the same indicator for the other companies of the FTSE MIB is equal to 205 euro, compared to the 188 euro of 2009-2011[1].

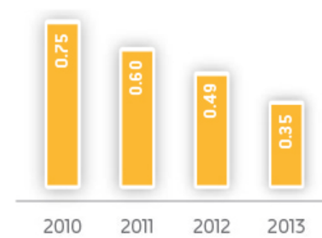
Value created for the shareholders in relation to remuneration paid to the Chief Executive Officer/GM
(2010-2012 vs 2009-2011)

Source: calculations by Pearl Meyer & Partners

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

In 2013, Eni also achieved the goal of confirmation in the main sustainability indexes at the international level (Dow Jones Sustainability World Index and the FTSE4Good). In the context of the more general commitment on sustainability issues, particular relevance is taken on by injury prevention and safety. The injury rate in the period 2010-2013 is steadily decreasing.

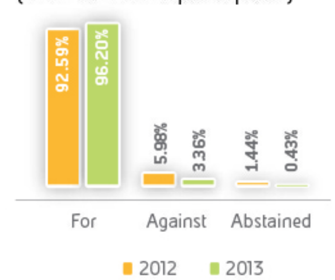
Injury frequency rate for employees and contractors
(No. of accidents per million of worked hours)



Remuneration Report 2013 (section I) - results of the shareholders' vote

The Shareholder's Meeting of May 10, 2013, in accordance with the provisions set out by the legislation in force (Article 123-ter, comma six of Legislative Decree 58/98), expressed an advisory vote on the first section of the 2013 Remuneration Report, with 96.20% of the participants voting in favour of its approval. Compared to 2012, an increase was recorded in the favourable votes by 3.6 percentage points, vis-a-vis a significant increase in participation in the Shareholders' Meeting (from 56.38% in 2012 to 61.08% in 2013).

Results of shareholders' vote on Eni Remuneration Report
(2013 vs. 2012 - % participants)



Section I - Remuneration Policy 2014

Governance of the remuneration process

Bodies and parties involved

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

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

In line with Eni's Governance Model[8], the Board is also responsible for:

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

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

Eni Compensation Committee

Composition, appointments and tasks

The Eni Compensation Committee was established by the Board of Directors for the first time in 1996. The composition and appointment, tasks and operating methods of the Committee are governed by a specific regulation, approved by the Board of Directors and made available to the public on the Company website[9].

In line with the provisions of the most recent ecommendations of the Corporate Governance Code, the Committee consists of four independent, non-executive Directors, as required by Law and by the Corporate Governance Code. The Regulations do allow, however, for the Committee to be composed of non-executive Directors where the majority is independent, and in this case, the Chairman is selected from the independent Directors. The Regulations also require at least one Committee member to possess adequate knowledge and experience of finance or remuneration policies, as assessed by the Board at the time of their appointment.

The following non-executive Directors currently form the Committee, all of whom are independent in accordance with the Law and the Corporate Governance Code: Mario Resca, serving as Chairman, Carlo Cesare Gatto, Roberto Petri, and Alessandro Profumo.

The Chief Corporate Operations Officer or, on his behalf, the Executive Vice President Compensation & Benefits, shall act as the Secretary to the Committee.

The Committee carries out the following consultative and advisory functions towards the Board of Directors:

- submits for approval by the Board of Directors, the Remuneration Report and in particular the Remuneration Policy for Directors and Managers with strategic responsibilities, to be presented to the Shareholders' Meeting called to approve the year's financial statements, pursuant to applicable Law;
- periodically evaluates the adequacy, overall consistency and the actual implementation of the adopted Policy, formulating proposals to the Board of Directors on the subject;
- presents proposals for the remuneration of the Chairman and of the Chief Executive Officer, with reference to the various forms of compensation and benefits;
- presents proposals for the remuneration of the members of the Committees of Directors established by the Board;
- having examined the Chief Executive Officer evaluations, it proposes the general criteria for the compensation of Managers with strategic responsibilities, annual and Long-Term incentive plans, including equity-based plans, defining the performance objectives and assessing the Company results of the performance plans related to the determination of the variable part of the remuneration of Directors with delegated powers and to the implementation of incentive plans;
- monitors the execution of the resolutions passed by the Board;
- reports to the Board, at least once every six months, on the activities carried out.

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

Operating Methods

The Committee meets as often as is necessary to fulfil its functions, usually on the dates established in the annual meeting schedule, approved by the Committee itself, and in the presence of at least the majority of its current members. The Chairman of the Committee calls and chairs the meetings.

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

The Committee decides with an absolute majority of those present; in the case of equal votes, the Committee Chairman casts the deciding vote.
For the proper execution of its analysis and reporting functions, the Compensation Committee makes use of the relevant Company structures and may also, by means of said structures, call upon the assistance of external consultants who are not in situations that would compromise the independence of their judgment.
The Chairman of the Board of Auditors (or another Statutory Auditor elected by the Chairman) is invited to attend the meetings of the Committee. Other Auditors may also participate when the Committee discusses matters for which the Board of Directors decides together with the mandatory opinion of the Board of Auditors. At the request of the Chairman of the Committee, the Managers of the Company or other entities may also participate in meetings in order to provide information and comments on individual items on the agenda.
No director will participate in meetings of the Committee in which proposals are submitted to the Board relating to his own personal remuneration.

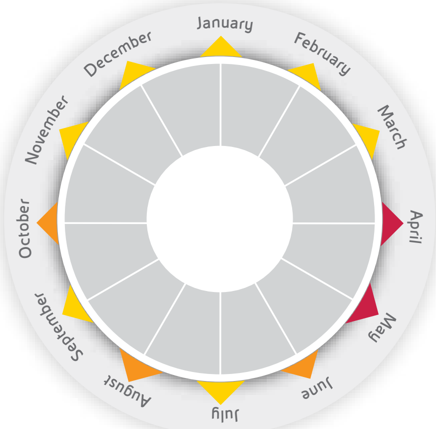
Cycle of the Compensation Committee's Work
The Committee's activities are carried out in implementation of an annual programme, which involves the following steps:
- verifying the adequacy, overall consistency and actual application of the Policy adopted in the previous year, in relation to the results achieved and to the compensation benchmark studies provided by highly specialized providers;
- defining the policy proposals for the following year as well as proposals relating to performance targets linked to short and Long-Term incentive plans;
- defining proposals regarding the implementation of the short and Long-Term variable incentive plans in force, after having verified the results obtained in relation to the performance targets in the same plans;
- preparing the Remuneration Report to be submitted at the Shareholders' Meeting on an annual basis, subject to the approval of the Board of Directors,
- examination of the results of the vote expressed by the shareholders at the Meeting regarding the Policy approved by the Board.

Compensation Committee activity cycle

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

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

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



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

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

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

Performed and planned activities
During 2013, the Compensation Committee met a total of 7 times, with an average attendance of 92.85% of its members. The Committee focused the activities of the first half of the year on the periodic evaluation of the Compensation Policy implemented in 2012, including for the purpose of defining the proposed Policy Guidelines for 2013, on the finalisation of the 2012 business performance, and on the definition of the 2013 performance objectives linked to the variable incentive plans, on the definition of the proposals for the implementation of the Deferred Monetary Incentive Plan for the Chief Executive Officer and General Manager and for the other managerial resources, as well as on the examination of the Eni Remuneration Report 2013. During the second half of the year the Committee analysed the results of the shareholders' vote on the Remuneration Policy 2013 and the planned guidelines for the preparation of the 2014 Report, and it finalized its proposal for the implementation of the Long-Term Monetary Incentive Plan for the Chief Executive Officer and General Manager and for the critical managerial resources. The Committee also examined the effects for Eni of the new Law No. 98/2013 in terms of reduction of the remuneration of executive directors of listed companies controlled by Public Administrations.

For the first quarter of 2014, the Committee in office scheduled two meetings, already held at the date of approval of this Report, and focused in particular on the periodic assessment of remuneration policies implemented in 2013 for the definition of policy proposals for 2014, as well as the definition of the actual results and the definition of the performance objectives linked to the implementation of the variable incentive plans. The subsequent meetings will be scheduled by the new Committee,

Main Activities covered in 2013	
January	- Remuneration Policy: assessment of the 2012 implementation and drafting of 2013 proposals - Proposal for revision of the performance parameters of the IMLT Plan - Review of the draft of the Remuneration Report
February	- Incentive plans for the management (definition of the actual results for 2012 and setting performance goals for 2013) - In-depth study of the performance parameters of the IMLT Plan - Implementation of Variable Incentive Plans for the Directors - Implementation of the Deferred Monetary Incentive Plan for the Chief Executive Officer and General Manager and the other managerial resources - Final review of the Remuneration Report
March	- Review of the additions to the 2013 Eni performance chart - In-depth study of the Efficiency programme
July	- Analysis of the results of the vote on the Remuneration Policy - 2013 Shareholders' Meetings season
September	- Implementation of the Long-Term Monetary Incentive Plan for the Chief Executive Officer and General Manager and the other managerial resources
October - December	- Review of the new rules on the remuneration of executive directors of listed companies controlled by Public Administrations (art. 84-ter of Law No. 98/2013)

following the renewal of the corporate bodies.
The Committee shall report on the operational procedure of its own functions to the Board of Directors, every six months, as well as at the annual Shareholders' Meeting through its Chairman, in compliance with the indications given in the Corporate Governance Code and with the aim of establishing an appropriate dialogue with shareholders and investors.
Full information regarding the remuneration of Directors and management is available under the "Remuneration" heading of the "Governance" section of the Company website.

Remuneration Policy 2014 approval process

The Compensation Committee, in exercising its responsibilities, has defined the structure and the contents of the Remuneration Policy for the purposes of preparing this Report. Meetings were held on January 29 and February 12, 2014, in accordante with the recommendations in the Corporate Governance Code, including the provision regarding the protection of rights acquired from contracts stipulated or by way of regulations approved before March 31, 2010.
In taking its decisions, the Committee took into account the results of the periodic assessment carried out on the adequacy, overall consistency and practical application of the Policy Guidelines resolved for 2013, and, regarding the Directors in office at the date of approval of this Report, the resolutions on the subject of remuneration made by the competent corporate bodies[10] and, regarding the Directors to be appointed by the next Shareholders' Meeting, of the measures introduced by Law No. 98/2013.
For the purposes of preparing this Report, the national and international standards on remuneration topics disclosure were also evaluated.
The Eni 2014 Remuneration Policy relative to Directors, Chief Operating Officers, and other Managers with strategic responsibilities, was then approved by the Board of Directors at their meeting on March 17, 2014, following a proposal by the Compensation Committee, at the same time that this Report was approved.

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

Purpose and general principles of the remuneration policy

Purpose

The Eni Remuneration Policy is defined in accordance with the Governance Model adopted by the Company and with the recommendations in the Corporate Governance Code. The Policy aims to attract and retain high-profile professional managerial individuals and to align the interests of management with the objective of creating value for shareholders over the medium-long term.
Eni's Remuneration Policy contributes to achieving the Company's mission, values, and strategies, through:

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

(10) With reference to the Shareholders' Meeting of May 5, 2011 regarding the remuneration of the Chairman of the Board of Directors and of the Directors, as well as the Board resolutions of June 1, 2011 regarding: Remuneration of the Executive Directors, Remuneration of Non-executive Directors for participation in Board Committees, general criteria for the remuneration of the Chief Operating Officers of Eni's Divisions and other managers with strategic responsibilities.
(11) For more information on the Code of Ethics, please refer to the paragraph in question contained in the Report on Corporate Governance and Ownership Structure 2013, available on the Company website (www.eni.com).
(12) Policy approved by the Board of Directors on July 28, 2010.

General principles
The Remuneration of Directors, Chief Operating Officers, and other Managers with strategic responsibilities is defined in line with the following principles and criteria:

- Remuneration of Non-executive Directors commensurate with the efforts required of them in relation to their participation in the Board Committees set up in accordance with the Articles of Association, with appropriate differentiation between the remuneration envisaged for the Chairman and that of the members of each Committee, in view of the roles that these hold regarding coordination of work and liaison with the Corporate bodies and the Company functions;
- unless otherwise decided by the Meeting, the non-executive Directors are not beneficiaries of equity-based incentive plans;
- compensation package for Directors with delegated powers, the Chief Operating Officers and other Managers with strategic responsibilities, suitably balanced between: (i) a fixed component consistent with the powers and/or responsibilities assigned and (ii) a variable component defined within maximum limits and which serves to fix the remuneration to the actual performance;
- consistency of the total remuneration with the standard market values applicable for similar positions or roles with a similar level of responsibility and complexity in the context of Company panels which are comparable with Eni, through specific remuneration benchmarks carried out with the support of international providers of information regarding remuneration;
- variable remuneration of the executive roles which have a greater influence on business performance levels and which are characterised by a significant percentage of Long-Term incentive components, owing to the incentives being suitably deferred over a period of at least three years in line with the Long-Term nature of the business activities performed;
- objectives connected to variable remuneration must be predetermined, measurable and defined in order to ensure:
  i. annual performance assessment, on the basis of a balanced scorecard that values the overall business and individual performances, defined in relation to the specific objectives for the area of responsibility, and for those in charge of internal audit responsibilities, in line with the assigned role;
  ii. the definition of Long-Term incentive plans using methods that allow Company performance to be evaluated both in absolute terms, with reference to the capacity to generate increasing, sustainable levels of profitability, and in relative terms with respect to a peer group, with reference to the capacity to generate performance levels superior to those of the main international competitors;
- incentives linked to variable remuneration paid at the end of a regular process which verifies the results achieved, by assessing the performance objectives assigned net of the effects of the exogenous variables[13], in order to recognise the extent to which the individual effectively contributed to achieving the performance objectives assigned;
- adoption of clawback mechanisms for the recovery of any incentives which, as may be proven by the competent departments within a period of three years from the payment, are found not to be due. These mechanisms will be used in cases involving persons who have been responsible for wilfully altering the data used for the achievement of the objectives or who have reached the same objectives by displaying conduct which is contrary to Company or legal regulations, without prejudice to any other action permitted by Laws and regulations to protect the interests of the Company;
- benefits consistent with the remuneration practices in the reference market and in line with local regulations to complete and enhance the overall remuneration package, taking into account the roles and/or responsibilities assigned, favouring social security and insurance components;
- any possible additional payments upon termination of employment and/or mandate for executive roles, and non-competition agreements for roles at greater risk of "poaching" by competitors must be in line with the remuneration received and the performance achieved.

2014 Remuneration Policy Guidelines

The Guidelines for the 2014 Remuneration Policy provide as follows:

- for the Directors in office, whose term ends on the date of the Shareholders' Meeting called to approve the financial statements for the year ended December 3, 2013, the 2014 Guidelines reflect the decisions taken by the Board of Directors on June 1, 2011 and do not provide, therefore, significant changes to the Policy already adopted in the previous year;
- for the Directors to be appointed for the new term, the main change compared to 2013 is the introduction, subject to approval of the Shareholders' Meeting, of the proposed reduction in remuneration in accordance with Article 84-ter of the aforementioned Law No. 98/2013, with a limit to the remuneration of Directors with delegated powers in an amount equal to 75% of the "total remuneration" determined for any reason in the course of the current term (defined as the maximum potential pay), as already mentioned in the Foreword. For the Chief Executive Officer to be appointed after the next renewal of the Board, there will be variable remunerations designed to reward the performance achieved in a year, linked to the defined objectives for the previous year, and on the medium to Long-Term through the participation in the variable incentive plans provided for the Chief Operating Officers of Eni's Divisions and other Managers with strategic responsibilities. For the non-executive Directors who will be part of the Control and Risk Committee, in relation to the significant and growing engagement required for performing the task, the possibility is provided for an increase in the related remuneration, maintaining the criterion of differentiation between the Chairman and other members;

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

- for the Chief Operating Officers of Eni's Divisions and other Managers with strategic responsibilities, the 2014 Guidelines provide the same compensation instruments defined in 2013, with the adoption of a new Long-Term Monetary Incentive Plan for critical managerial resources, which, in replacing the previous one, provides some changes to the performance conditions, in order to ensure greater alignment with shareholder interests and enhance the sustainability of the value creation in the long term, taking into account the guidelines of the proxy advisors and major institutional investors. The Long-Term Monetary Incentive Plan for 2014-2016 provides, as performance parameters, both the Total Shareholder Return (TSR) and the Net Present Value (NPV) of proved reserves. The Plan, being also linked to the performance of Eni stock, will therefore be subject to the approval of the shareholders in their annual meeting scheduled for May 8, 2014. The conditions of the Plan will therefore be described in detail in the information document made available to the public on the Company's website (www.eni.com), in application of current legislation (art. 114-bis of Italian Legislative Decree 58/98 and Consob implementing regulations). For more information on the characteristics of the new Plan, please refer to the "Long-Term variable incentives," on page 17 of the Report.

The market references used for remuneration benchmarks are: i) for the Chairman and the Chief Executive Officer and General Manager, similar roles in the main international companies in the Oil sector as well as in the largest national and European listed companies of greatest capitalisation; (ii) for non-executive Directors, similar roles in the largest national listed companies of greatest capitalisation; (iii) for Chief Operating Officers of Eni's Divisions and Managers with Strategic Responsibilities, roles with the same level of responsibility and managerial complexity in large national and international industrial companies.

Chairman of the Board of Directors and Non-executive Directors

Remuneration of the Chairman for the powers delegated

For the current Chairman, the Board of Directors, on June 1, 2011 defined a supplementary remuneration for the powers delegated in accordance with the Articles of Association, in addition to the remuneration determined by the Shareholders' Meeting of May 5, 2011[14]. To this end, a fixed gross annual component of euro 500,000, unchanged from the previous mandate, was established and a variable annual component with a minimum (performance = 85), target (performance = 100) and a maximum incentive level (performance = 130), equal to 51%, 60% and 78% respectively of the fixed remuneration was established for the delegated powers, to be calculated based on the performance achieved by Eni during the year prior to that in which these are paid.

The objectives for the incentives that will be paid in 2013 are focused on Eni's economic/financial performance, its operational/industrial performance and on the implementation of the strategic and sustainable policies defined in the Strategic Plan, and on specific objectives related to the activities of the Chairman to ensure the effective functioning of the Board of Directors.

For the Chairman to be appointed for the new term, the Guidelines for Remuneration Policy, taking into account the specific powers that may be granted in accordance with the Articles of Association and in line with the provisions of art. 84-ter of Law No. 98/2013, provide possible compensation for the powers defined within a maximum extent of 75% of the total remuneration determined for any reason during the current term of office, subject to the Shareholders' Meeting approval, and with the performance targets set in line with the scheme of 2013.

Remuneration of Non-executive Directors for participation in Board Committees

For non-executive and/or independent Directors in office, an additional annual remuneration is maintained[15] for their participation in Board Committees, the amounts of which remain unchanged compared with 2013 and are confirmed as follows:

- for the Control and Risk Committee, a compensation of euro 45,000 for the Chairman and euro 35,000 for the other members is envisaged, in view of the ever more significant role played by the Committee in monitoring Company risk;
- for the Compensation Committee and the Oil-Gas Energy Committee, the compensation is confirmed at euro 30,000 for the Chairman and euro 20,000 for the other members, as already envisaged in the previous mandate;
- no compensation is envisaged for participation in the Nomination Committee, established in July 2011.

Where a Director participates in more than one Committee (with the exception of the Nomination Committee), the compensation due is reduced by 10%.

For non-executive Directors appointed for the new term, the Guidelines for Remuneration Policy provide, in general, the maintenance of the compensations already defined in 2013 for participation in the Board Committees, and they also confirm the principle of differentiation of remunerations between Chairman and other members, as well as the mechanism of reduction of compensation in case of participation in several committees. For the non-executive Directors who will be part of the Control and Risk Committee, in relation to the significant and growing engagement required for performing the task, the possibility is provided for an increase in the related remuneration, maintaining the criterion of differentiation between the Chairman and other members.

(14) In line with the previous mandate, the Shareholders' Meeting of May 5, 2011 established the remuneration of the Chairman of the Board of Directors providing for: (i) a gross annual fixed remuneration of euro 265,000; (ii) an annual incentive linked to the positioning of the performance of Eni stock, compared to the seven major international oil companies by capitalization (Exxon, Shell, Chevron, British Petroleum, Total, Conoco, Statoil). This incentive of euro 80,000 or euro 40,000 is paid if Eni is ranked first and second or third and fourth, respectively, in the aforementioned rank for the year in question. In all other cases, the incentive is not payable.

(15) In line with the previous mandate, the Shareholders' Meeting of May 5, 2011 established the Remuneration of the Directors providing for: (i) a gross annual fixed remuneration of 115,000 euro; (ii) an annual incentive linked to the positioning of the performance of Eni stock, compared to the seven major international oil companies by capitalization (Exxon, Shell, Chevron, British Petroleum, Total, Conoco, Statoil). This incentive of euro 20,000 and euro 10,000 is paid if Eni is ranked first and second or third and fourth, respectively, in the aforementioned rank for the year in question. In all other cases, the incentive is not payable.

Payment due in the event of termination of office or employment
No specific payments are envisaged upon the termination of the mandates of Chairman and non-executive Director nor do any agreements exist that envisage indemnities in the case of early termination of the mandate. For the Chairman in office, the Compensation Committee is entitled to propose to the Board of Directors the possible recognition of an indemnity, upon completion of the mandate, commensurate with the compensation received and the achievement of performance of particular relevance to Eni.

Benefits
For the Chairman, the Remuneration Policy Guidelines provide, in line with 2013, insurance-related benefits, that also cover the risk of death and disability.

Chief Executive Officer and General Manager

For the Chief Executive Officer and the General Manager in office, the remuneration structure in 2014 reflects the decisions taken by the Board of Directors on June 1, 2011 for the entire duration of the mandate. Remuneration envisaged by the Board in relation to the powers delegated includes both the compensation for Directors determined by the Shareholders' Meeting on May 5, 2011, as well as any compensation that may be due for participating in the Board of Directors of Eni's subsidiaries or associated companies.
For the Chief Executive Officer to be appointed after the next renewal of the Board, the Remuneration Policy Guidelines provide remuneration defined by taking into account the specific powers to be conferred in accordance with the Articles of Association within the maximum extent of 75% of total remuneration determined in any way for the current term in accordance with Article 84-ter of Law No. 98/2013, subject to the Shareholders' Meeting approval.

Fixed remuneration
For the Chief Executive Officer and the General Manager, the fixed remuneration is set at an annual gross amount of euro 1,430,000 of which euro 430,000 is for the role of Chief Executive Officer and euro 1,000,000 is for the role of General Manager; these amounts are unchanged compared to the previous mandate, in consideration of the continuity of the powers granted
In his capacity as Eni Senior Manager, the General Manager is also entitled to receive indemnity for travel, in Italy and abroad, in line with the applicable provisions in the relevant national collective labour agreement for senior managers and complementary Company level agreements.
For the Chief Executive Officer to be appointed after the next renewal of the Board, there are fixed remunerations reformulated in application of the proposal that will be presented at the Shareholders' Meeting under the aforementioned Law No. 98/2013, also taking into account the specific powers that will be awarded in accordance with the Articles of Association, as well as the recommendations contained in the chapter "Purpose and general principles of the Remuneration Policy".

Annual variable incentive
For the Chief Executive Officer and the General Manager in office, in line with 2013, the 2014 annual variable incentive plan is linked to the achievement of the predefined performance metrics from the previous year, measured according to a performance scale 70÷130, in relation to the weight assigned to each objective (below 70 points, the performance of each objective is considered zero.) For the purposes of the incentive, the minimum overall performance is 85 points.
The 2013 performance metrics for the purpose of incentives that will be paid in 2014 have concerned in particular: i) the implementation of the strategic, financial and sustainability guidelines (weighting 30%) in terms of reserve replacement, increase in exploration resources, optimization of productive and financial activities, maintenance of Eni's presence in the indexes "FTSE4Good" and "Dow Jones Sustainability Index"; ii) the adjusted EBIT (weighting 30%); iii) the operating performance of the Divisions (weighting 30%); iv) the efficiency programme (weighting 10%).
The annual variable incentive plan for the Chief Executive Officer and the General Manager envisages compensation tied to a minimum (performance = 85), a target (performance = 100) and a maximum incentive level (performance = 130), set at 87.5%, 110% and 155% respectively of the total fixed remuneration, based on the results achieved by Eni in the previous year.

Long-Term variable incentives
For the Chief Executive Officer and General Manager in office, the Long-Term residual variable component for 2014 is with regards to the third and final assignment of the Deferred Monetary Incentive Plan (IMD), also provided for all executives of the Company and linked to the performance of the Company measured in terms of EBITDA[16]. This parameter is generally used in the Oil & Gas sector as an indicator of performance and is in line with Eni's growth and consolidation strategy in its various areas of business. The assignment and payment of the incentive, after a three-year vesting period, are subject to the following conditions: (i) the incentive to be assigned is determined in relation to the EBITDA results achieved by the Company during the previous year, measured on a performance scale 70÷130, with respective minimum, target and maximum values of 38.5%, 55% and 71.5% of the total fixed remuneration. If the results are below the minimum level of performance, no assignment is made; (ii) the incentive to be paid at the end of the three-year vesting period is determined on the basis of the average annual EBITDA results achieved during the vesting period, as a percentage between zero and 170% of the assigned value. The annual performance is evaluated on a scale of between 70% and 170% (below the minimum threshold of 70%, the performance is assumed to be zero). Should the current office not be renewed, the payment of each incentive assigned will occur at the natural expiry of the relative vesting period, in accordance with the performance conditions defined in the Plan.
For the Chief Executive Officer and General Manager in office, the Board of Directors also approved, on September 19, 2013 the third and final assignment of the Long-Term Monetary Incentive Plan (IMLT) introduced to replace the previous Stock

(16) Index that represents the operating profit plus depreciation, and amortization (Earnings before interest, tax, depreciation and amortization).

Option Plan, no longer operating since 2009.
For the Chief Executive Officer to be appointed after the next renewal of the Board, there will be variable remunerations designed to reward the performance achieved in a year, linked to the defined objectives for the previous year, and on the medium to Long-Term through the participation in the variable incentive plans provided for the Chief Operating Officers of Eni's Divisions and other managers with strategic responsibilities. The Chief Executive Officer will therefore participate in the Long-Term Monetary Incentive Plan (LTMI) for critical managerial resources linked to two new performance benchmarks (Total Shareholder Return and Net Present Value of proved reserves), measured in relative terms compared to a peer group of reference over three years, according to the characteristics more fully described in the section "Long-Term variable incentives," on page 17 of the Report. Should the current office not be renewed, the payment of each incentive assigned will occur at the natural expiry of the relative vesting period, in accordance with the performance conditions defined in the Plan.
The maximum limits of the components of the variable incentive will be determined within the constraints of reduction of remunerations required by Law No. 98/2013 and taking into account the recommendations contained in the chapter "Purpose and general principles of the Compensation Policy".
On the basis of the resolution of the Board of February 12, 2014, the 2014 performance metrics linked to the short-term incentive plan of the Chief Executive Officer concern in particular: i) the business results, in terms of free cash flow and adjusted EBIT (total weight 40%); ii) the implementation of the strategic guidelines (weight 30%) in terms of reserve replacement, increase in exploration resources, optimization of production activities and financial structure; iii) the operating performance of the Divisions (weight 20%); sustainability (weight 10%), in relation to the maintenance of Eni's presence in at least one of the indexes "FTSE4Good" and "Dow Jones Sustainability Index" and the development of the "Integrity Culture" programme.

Payment due in the event of termination of office or employment
The following is envisaged for the Chief Executive Officer and General Manager in office in accordance with the practices in the markets of reference and in line with the previous mandate, also considering the entitlements already accrued within the employment relationship, established before March 31, 2010 and due to which, in accordance with the Corporate Governance Code, the recommendations pursuant to criteria 6.C.1, letter f) of the same code cannot be applied:
- upon termination of the management employment relationship, either in expiry or due to early termination of the current mandate, an indemnity is envisaged in addition to the severance pay due upon termination of employment and in lieu of any obligations regarding prior notice. This is defined as a fixed component of euro 3,200,000 and a variable component based on the value of the annual variable incentive calculated with respect to the average of Eni performance in the three-year period 2011-2013; the indemnity will not be due should the termination of the employment relationship meet the requirements of due cause, or occur as the result of death or of the party's resignation from office for reasons other than an essential reduction of the powers currently attributed;
- at the end of the mandate a payment will be recognised which, in relation to the fixed remuneration and 50% of the maximum variable remuneration earned for the administrative role alone, will guarantee a social security contribution and severance pay equal to that paid by Eni for the management employment relationship;
- in relation to the undertaking assumed by the Chief Executive Officer and General Manager not to carry out any type of activity that may be in competition with that performed by Eni for a period of one year after the termination of the employment relationship, in all of Italy, Europe and North America, the payment of euro 2,219,000 is envisaged.

Moreover the Committee is entitled to propose to the Board, upon the conclusion of the mandate, a possible increase in the amounts due upon termination of office, in the case whereby notable results have been achieved over the course of the three-year period.
For the Chief Executive Officer to be appointed after the next renewal of the Board – without prejudice to the respect for acquired rights linked to any continuation of the appointments and contracts in progress at the date of approval of this Report – the 2014 Remuneration Policy Guidelines provide for the possibility:
- of recognizing any severance indemnity defined in line with the recommendations of the Corporate Governance Code and to an extent not exceeding two years' remuneration;
- to stipulate possible non-competition agreements, with specific consideration in relation to the annual remuneration, as well as in relation to the nature, extent and duration of these commitments.

Benefits
For the Chief Executive Officer and General Manager in office, the Policy Guidelines provide for insurance-related benefits, also for the risk of death or disability. In particular in compliance with what is provided in the national collective labour agreement and the complementary company level agreements for Eni senior managers, enrolment in the supplementary pension plan (FOPDIRE[17]) as well as in the complementary health plan (FISDE[18]) are also provided, together with the use of a Company car. For the Chief Executive Officer to be appointed after the next renewal of the Board, the 2014 Guidelines provide for equivalent types of benefits.

Chief Operating Officers of Eni's Divisions and other Managers with strategic responsibilities.

Fixed remuneration
The fixed remuneration is based on the role and the responsibilities assigned, and takes into consideration the average compensation paid in large national and International companies for similar roles, responsibility and complexity.

(17) Defined contribution retirement plan with individual capitalisation,www.fopdire.it
(18) Plan which disburses reimbursement of health expenses for working and retired directors and their families, www.fisde-eni.it

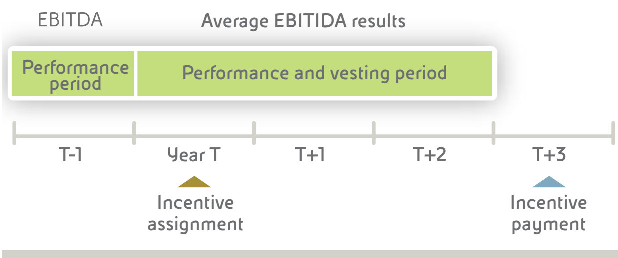
It may be updated periodically in the context of the annual salary review that involves all managerial resources.
The 2014 Guidelines, in consideration of the context of reference and current market trends, provide for selective criteria, while maintaining appropriate levels for competitiveness and motivation. In particular, the proposed actions will include: (i) actions to adapt the fixed pay for people who fulfil roles that have seen an increase in responsibility or who fall below the average for the reference market; (ii) one-time extraordinary payments for those who have achieved results or completed projects of particular significance during the year, to promote the achievement of a performance far superior to the targets assigned.
In addition, as an Eni Senior Manager, the Chief Operating Officers of Eni's Divisions and the other Managers with strategic responsibilities are entitled to receive the indemnities due for travel, in Italy and abroad, in line with the applicable provisions in the relevant national collective labour agreement for senior managers and in the complementary Company level agreements.

Annual variable incentives
The annual variable incentive plan provides for remuneration to be awarded in 2014, calculated with reference to Eni performance results, for the business areas and individuals, achieved in the previous year and measured in accordance with a performance scale of 70÷130 with a minimum incentive level equal to 85 points, below which no incentive is due, as already described for the Chief Executive Officer and General Manager. The target incentive level (performance = 100) differs by up to a maximum of 60% of the fixed remuneration, based on the role. For each business area, the performance metrics of the Chief Operating Officers and Managers with strategic responsibilities are determined on the basis of those assigned to the Chief Executive Officer and are focused, for each business area, on the economic/financial, operational and industrial performance, on internal efficiency and issues of sustainability (in terms of health and safety, environmental protection, relations with stakeholders), as well as on individually assigned targets in relation to the areas of responsibility of the role held, in accordance with the Strategic Plan of the Company.

Long-Term Variable Incentives
The Chief Operating Officers and the other Managers with strategic responsibilities participate in the Long-Term Incentive Plans approved by the Board of Directors on March 15, 2012 and March 17, 2014, with the following characteristics:

- Deferred Monetary Incentive Plan (DMI) designed for the managerial resources who have delivered the performance results established in the annual variable incentive Plan. The 2012-2014 Plan envisages three annual assignments, as of 2012, with the same performance conditions and characteristics as those described above for the Chief Executive Officer and General Manager. For the Chief Operating Officers and the other Managers with strategic responsibilities, the incentive to be assigned each year is determined in relation to the EBITDA results achieved by the Company in the previous year, measured on a performance scale of 70÷130. The target incentive level differs, based on the role, by up to a maximum of 40% of the fixed remuneration. The incentive to be paid at the end of the three-year vesting period is determined on the basis of the average annual EBITDA results achieved during the three-year period, as a percentage between zero and 170% of the assigned value;

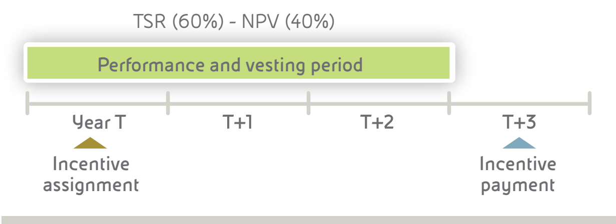
DMI Plan – Timeline



- Long-Term Monetary Plan (LTMI), envisaged for the managerial resources who are critical for the business. The 2014-2016 Plan, subject to approval by the Shareholder's Meeting, will replace, as regards the last assignment, the previous 2012-2014 Plan. The new Plan includes three annual assignments, starting from 2014, with partially different conditions from the previous Plan, in relation to a need for greater alignment of this form of incentive to the interests of shareholders and the sustainability of growth in the long term. To this end, the new plan provides for the introduction of two new performance benchmarks (Total Shareholder Return[19] and Net Present Value of proved reserves[20]), measured in relative terms compared to a peer group of reference, over a period of three years. The conditions of the Plan include, in particular: i) incentive to be given to targets differentiated by role level up to a maximum of 75% of the fixed remuneration; ii) incentive to be paid at the end of the three-year vesting determined in relation to the results achieved in terms of variation of the parameters identified (TSR with a weight of 60% and NPV with a weighting of 40%) in the three-year period in question in relative terms compared to a peer group consisting of the following international oil companies: Exxon, Chevron, Shell, British Petroleum, Total, Repsol. The amount to be paid is defined as a percentage of the amount assigned according to the average annual placements achieved in the vesting period, compared with those achieved by the companies in the peer group according to the following scale: 1st place = 130%; 2nd place = 115%, 3rd place = 100%; 4th place = 85%; 5th

(19) The Total Shareholder Return (TSR) is an indicator that measures the overall return of a stock investment, taking into consideration both the price change and the dividends paid and reinvested in the same stock, in a specific period.
(20) The Net Present Value is an indicator that represents the present value of the future cash flows of proved hydrocarbon reserves, net of future production and development costs and related taxes. It is calculated on the basis of standard references defined by the Securities Exchange Commission on the basis of the data published by the oil companies in the official documentation (Form 10-K and Form 20-F).

LTMI Plan - Timeline



place = 70%; 6th and
- 7th place = 0%. The minimum incentive threshold involves reaching 5th place for both indicators in at least one year of the three-year vesting period.

Both Plans include clauses aimed at promoting employee retention, envisaging, in cases of consensual contract resolution or transfer and/or loss of Eni's control on the company of which the individual in question is an employee during the course of the vesting period, the right to a decreased measure of incentive in relation to the lasting of the period between assignment of the base incentive and the occurrence of said events; no payment is envisaged in the case of unilateral termination.

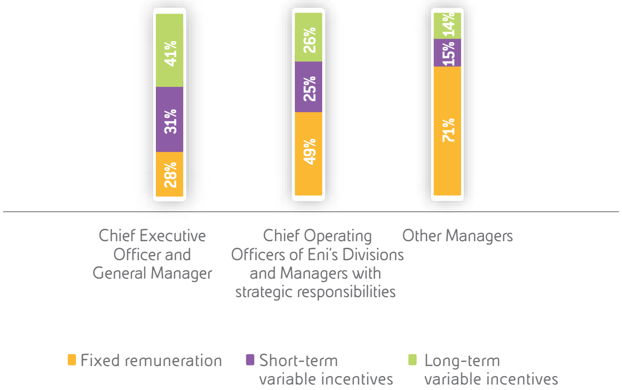
Payment due in the event of termination of office or employment
For Chief Operating Officers and other Managers with strategic responsibilities, as for Eni senior managers, the payment due for employment termination as per the relevant national collective labour agreement is envisaged, together with any other additional severance indemnity agreed upon on an individual basis upon termination, according to the criteria established by Eni for cases of early resolution and/or retirement. These criteria take into account the retirement age and the actual age of the manager at the time when the employment is terminated and the annual remuneration received. Specific compensation for cases in which it is necessary to stipulate non-competition agreements may also be envisaged.

Benefits
For the Chief Operating Officers and other Managers with strategic responsibilities, as per the policy implemented in 2013, insurance-related benefits are envisaged and, in particular, in compliance with that envisaged in the National collective labour agreement and the complementary company level agreements for Eni senior managers, enrolment in the complementary retirement plan (FOPDIRE) as well as in the additional health plan (FISDE) are also envisaged, together with the use of a company car.

Pay-mix

The 2014 Remuneration Policy Guidelines lead to a remuneration mix in line with the managerial role held, with greater weight on the variable component, in particular in the Long-Term, for roles characterised by a greater impact on Company results, as highlighted in the pay-mix diagram below, calculated by considering the value of short and Long-Term incentives in the case of target results.

Pay-mix



Section II - Compensation and other information

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

Investor Relations
Piazza Ezio Vanoni, 1 - 20097 San Donato Milanese (Milan)
Tel. +39-0252051651 - Fax +39-0252031929
e-mail: investor.relations@eni.com

eni spa
Headquarters: Rome, Piazzale Enrico Mattei, 1
Capital stock as of December 31, 2013: €4,005,358,876 fully paid
Tax identification number: 00484960588
Branches:
San Donato Milanese (Milan) - Via Emilia, 1
San Donato Milanese (Milan) - Piazza Ezio Vanoni, 1

Publications
Financial Statement pursuant to rule 154-ter paragraph 1
of Legislative Decree No. 58/1998
Annual Report
Annual Report on Form 20-F
for the Securities and Exchange Commission
Fact Book (in Italian and English)
Eni in 2013 (in English)
Interim Consolidated Report as of June 30 pursuant
to rule 154-ter paragraph 2 of Legislative Decree No. 58/1998
Corporate Governance Report pursuant to rule 123-bis
of Legislative Decree No. 58/1998 (in Italian and English)
Remuneration Report pursuant to rule 123-ter
of Legislative Decree No. 58/1998 (in Italian and English)

Internet home page: eni.com
Rome office telephone: +39-0659821
Toll-free number: 800940924
e-mail: segreteriasocietaria.azionisti@eni.com

ADRs/Depositary
BNY Mellon Shareowner Services
PO Box 358516
Pittsburgh, PA 15252-8516
shrrelations@bnymellon.com

Contacts:
- Institutional Investors/Broker Desk:
  UK: Mark Lewis - Tel. +44 (0) 20 7964 6089;
  mark.lewis@bnymellon.com
  USA: Ravi Davis - Tel. +1 212 815 4245;
  ravi.davis@bnymellon.com
  Hong Kong: Joe Oakenfold - Tel. +852 2840 9717;
  joe.oakenfold@bnymellon.com
- Retail Investors:
  Domestic Toll-free - Tel. 1-866-433-0354
  International Callers - Tel. +1.201.680.6825

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