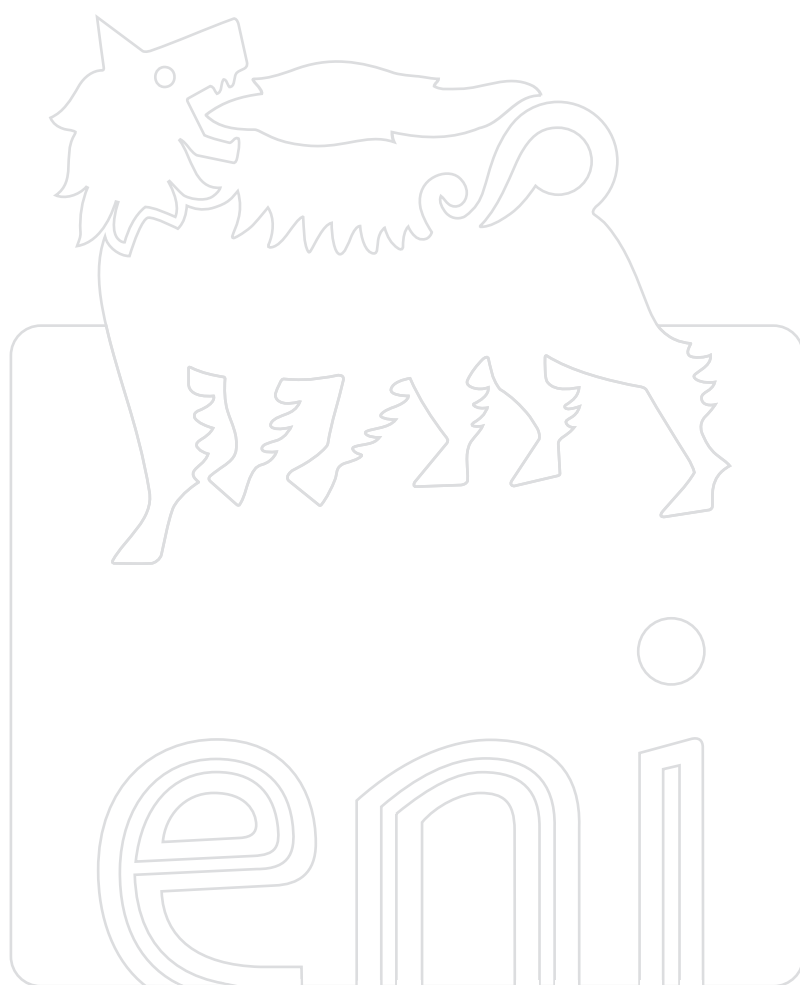


Eni SpA Ordinary Shareholders' Meeting

13 April 2017

Answers to the questions received prior to the Shareholders' Meeting,
pursuant to art. 127-ter of Italian Legislative Decree No. 58/1998



The Italian text prevails over the English translation.



Ordinary Shareholders' Meeting of Eni SpA on 13th April 2017
Replies to questions submitted before the Shareholders' Meeting
under Art. 127-*ter* of Italian Legislative Decree No. 58/1998

	Page
Marco Bava	2
Fondazione Culturale Responsabilità Etica	37
Jacopo Fo	65
Investimenti Sud Italia	66
Marinella Garino	84
Tommaso Marino	87



SHAREHOLDER MARCO BAVA

1) 8th January 2017 - the President of the Republic of Egypt, Abdel Fattah el-Sisi, and Eni's Chief Executive Officer, Claudio Descalzi, met a few days ago in Cairo. The meeting was an opportunity to analyse the extensive activity carried out by Eni in Egypt, with an overall investment in the country of \$2.7 billion in 2016. During the meeting, the CEO Descalzi and President el-Sisi discussed the progress of work on development of the Zohr oil field. The project is progressing extremely rapidly, in line with expectations, and start of production at the end of 2017 was confirmed. Does Eni intend to take a stance on the murder of Regeni?

Reply

Giulio Regeni was a victim of a terrible crime that horrified us all. It is vital that light be brought to bear on this matter and we hope that the work of the judicial authorities and governments of Egypt and Italy does just that. It is in Egypt's interest to demonstrate that it is able to give all the answers that the Regeni family is waiting for, to whom we again express our sympathy.

Eni has been present in Egypt since the 1950s and our long-term relationship with a country we consider an ally prompts us to repeat our wish for utmost transparency and collaboration between the parties involved in searching for the truth. However, it is important to underline that the murder of Giulio Regeni should not be considered as merely a "case" involving Italy and Egypt. It is not an issue of nationality, but rather respect for the individual, for each human being. This is an inalienable principle for Eni and a value that lies at the very heart of our activities in all parts of the world.

Eni is an important partner for Egypt and it is currently involved in significant activities for the country's future, starting with the Zohr development. As a company we obviously have no authority to participate in the investigations into Regeni's death, which must fall to the relevant authorities. However, we will continue to raise our utmost concern in this matter over the course of the relationships we will continue to build with the highest levels of the Egyptian government. We have had the opportunity to discuss these issues with Amnesty International, which is pursuing the worthy campaign "Truth for Giulio Regeni".

2) Is true that Eni paid a billion dollars to purchase an oil block in Nigeria? Money that did not arrive in the pockets of Nigerian citizens, but lines the pockets of former oil minister Dan Etete? Following the money trail, we arrived at London, Geneva, Lugano, New York, Washington and Pointe-Noire in Congo-Brazzaville. The Italian entrepreneur, Ottonello, in Congo was indicated by the former Eni manager Vincenzo Armanna as the owner of the plane that took fifty million dollars to Switzerland. According to Armanna, who knows all about the negotiations, a part of the bribe was paid to the then top manager Paolo Scaroni. *Report* came into possession of a telephone conversation of Ben Van Beurden, CEO of



Shell and Eni's partner in the affair, who spoke about the involvement of former British secret service agents in the negotiations. That the former MI6 agents, in a confidential report seen by *Report*, write that Eni's negotiations in Nigeria were the result of an agreement between Berlusconi and Putin?

- 3) Is it true that the emails they talk about are those of the two former British secret service agents who followed Shell throughout the negotiations? A confidential report states that "Eni told us that the reason for their interest in the oil field was due to a direct request by Berlusconi, after an agreement with the Russian government." This would explain, on the one hand, the presence of a Russian mediator, Agaev, a respected man, reputed to be close to President Putin. Berlusconi, through his lawyer Niccolò Ghedini, says "I had no role in these negotiations". Is it true that the British spies insist that the Nigerian oil field is part of a vaster strategy to control energy sources?
- 4) Is it true that Bisignani is in contact with Di Nardo, an Italian businessman who lives in Switzerland? They were wiretapped while they worried about being left out of the negotiations for the purchase of the Nigerian oil block because rumour has it that Eni wanted to change strategy by dealing directly with the government?
- 5) From the documents on the agreement between Eni and Obi, it is clear that there is no investment bank but an offshore company. Anyway, coming back to the 110 million dollars awarded Obi by a London judge, which was seized by the Public Prosecutor of Milan. But before the amount was seized, Obi managed to transfer over 21 million francs to the bank accounts of one of the companies belonging to the partner Bisignani? Eni does not pay in Nigeria, but in London to a bank account in a branch of JPMorgan. A couple of days later, someone tried to transfer the billion to an account in the Banca Svizzera Italiana in Lugano. And the bank can be linked to the former Vice Consul in Nigeria, Gianfranco Falcioni?
- 6) Is it true that the former Vice Consul signed a contract with Dan Etete's company Malabu and Petrol Service, which can be linked to Falcioni? For 50 million dollars, Falcioni should have passed the entire billion dollars, paid by Eni, from his account in JP Morgan and then transferred it to Dan Etete. Is the office of the trustee used by Falcioni in Mendrisio, near Lugano? The Operation was not successful because the Swiss bank learned that the billion was destined for Dan Etete, and the former Nigerian minister had been accused of criminal activities. The bank wrote to Vice Consul Falcioni: "BSI cannot have relationships with people found guilty of such crimes". Falcioni informed the then Eni manager Vincenzo Armanna. At the end, around 800 million dollars ended up on two Nigerian accounts of Dan Etete's Malabu and from there was spread around various companies. One in Abuja, the other in Kano, in the north of the country, and three in Lagos. Debra Laprevotte is a former FBI special agent. For more than one year she followed the streams of money generated by the billion paid by Eni. Most of the money had been withdrawn in cash. People walked into the service entrance of Nigerian banks saying "I'm here to pick up." That money in cash ended up in the pockets of people who helped in the sale of OPL245. And so 466 million dollars in cash just evaporated. But the movements of the remaining amount have been reconstructed by the FBI. 10 million was pocketed by Bajo Ojo, the former minister of justice. And magistrates discovered a payment of 1.2 million dollars to the former Eni manager, Armanna, from Bajo Ojo. The description of the payment reads: "Armanna inheritance". The money paid by Eni has



travelled around the world, not just to Nigeria, but Europe, Brazil and Singapore. Interesting expenses? Over 7 million dollars went to the French treasury after Dan Etete was found guilty of money laundering, 94 thousand dollars went on a safari in New Zealand. It has been impossible to arrive at the beneficiary of 100 million dollars and then there is the 57 million dollars that ended up in the United States. Over 50 million dollars were used to purchase an aircraft at an Oklahoma City airline. This was a bomber aircraft worth 50 million dollars. The plane is registered with an anonymous company in the British Virgin Islands and was bought by a company registered in the Isle of Man, where information on companies is inaccessible. Luca Chianca is the perfect example of money laundering. Then 2 million went to a movie production company in California and lastly 5 million arrived here: in this IT company outside Washington. There are individuals who have benefited from large sums of cash. Here, for example, 50 thousand dollars were withdrawn in three separate tranches by a woman who does not appear to have obvious links with the company that operates in Nigeria. Was Mr Descalzi aware of all this? How does he respond?

Replies 2-6

Some of the questions refer to matters that do not concern Eni, and which cannot therefore be answered.

With regard to the OPL 245 operation, Eni has made its position clear on its website, to which reference is made.

In particular, since its initial allocation in 1998 until 2011, the exploration block OPL 245 has been the subject of a number of legal disputes and international arbitration involving the Nigerian government, Shell and the Nigerian company Malabu, as these companies claimed to have rights over the block following the various allocations of it. Eni was not a party in these disputes.

During 2010, Eni negotiated with Malabu and Shell a potential acquisition of a stake in the block, obviously subject to all the disputes over the block being fully and finally settled.

Given that the parties to the negotiation did not manage to arrive at an agreement, the Nigerian government – bearing in mind that the block is a significant asset for the country and it was in its own interests to make it productive – called Shell (which had already invested in exploration activities in the block), with Malabu (which held participation rights to the block) and Eni (holder of rights to a contiguous block, on which it had made studies and begun work) with a view to identifying a possible definitive solution for the allocation and allowing it to be developed.

After the negotiations, in May 2011 the Nigerian government directly award Eni and Shell (in equal shares of 50%) a new license for block OPL 245, free of any burdens or disputes. The



related agreements were concluded by Eni with Shell and with the Nigerian government only (the latter's signatories being the Minister of Oil, the Minister of Finance and the Minister of Justice). At the same time, the Nigerian government concluded separate settlements with Shell and Malabu for the pending disputes, the definition of which was necessary in order to issue the new license.

The payment made by Eni and Shell to the Nigerian government for the new OPL 245 license was made to an escrow account of the government at an international bank, given that a condition of the payment itself was that disputes on the block would be settled.

It was the prerogative, right and at the discretion of the Nigerian government to decide how to resolve the dispute between Shell and Malabu and how to use the funds received from Eni and Shell for the new license.

In 2014, following a complaint by Italian and foreign NGOs regarding alleged corruption concerning the OPL 245 transaction, Eni was informed that a preliminary investigation has been initiated by the Milan prosecutor's office.

As soon as Eni became aware of the investigation, it launched a wide-ranging investigation conducted by independent third parties on the correctness and regularity of the procedure for the acquisition of the block.

The third-party consultants who carried out the investigation were selected independently by the Board of Statutory Auditors and the Company's Watch Structure. The consultants appointed were a US law firm experienced in the field of anti-corruption and a US company specialized in forensic analysis. These companies had never previously worked as consultants for Eni or Eni Group companies.

The in-depth independent investigation, concluded in March 2015, confirmed that the procedure for the acquisition of the OPL 245 block was regular and found no credible evidence of involvement of Eni staff in corrupt activities with Nigerian government officials, nor any knowledge of the actual existence of such schemes by third parties in connection with the transaction.

On 22nd December 2016, the Milan prosecutor's office gave notice that the investigation had been closed and filed the documentation collected.

Further subsequent checks were carried out by the independent US law firm which examined the documents filed by the Milan prosecutor's office. The law firm confirmed the conclusions already reached in 2015, specifying that no evidence was found of corruption with regard to the transaction.



7) Do you intend to certify the company as a benefit corporation?

Reply

To date Eni has no plans to achieve B Corporation certification despite the creation of common benefit in the communities of the countries in which it operates being a goal that is widely shared and pursued by the company.

The support Eni provides to the socio-economic development of the countries in which it operates and environmental protection have always been Eni's prerogatives and they fall under the integrated business strategy that has been defined over the years.

To strengthen Eni's contribution to these countries' development, it is focusing its commitment on monitoring the socio-economic impacts of its activities.

In this direction, on the one hand, Eni makes reference to the requirements of the sustainability indicators most representative of the company strategy such as CDP and FTSE4good and, on the other, it uses instruments such as checking compliance with the UNI ISO 26000 Guidelines which define the principles and priority issues to be followed in order to act in a socially responsible way.

8) Do you have any new acquisitions and/or disposals planned?

Reply

We confirm our focus on organic growth, but we continue to monitor the reference context. We will assess any potential opportunities using an opportunistic approach in line with our criterion of financial discipline.

As regards disposals, in 2016, excluding the Saipem operation, we made disposals for the total amount of €2.6 billion, the main part of which was the sale of 40% of the Zohr. The closing of this sale and its accounting effects start from 2017 and help Eni reach 40% of the target of €7 billion that was set in the previous plan (2016-2019).

The new 2017-2020 plan forecasts gradual disposals with a target of €5-7 billion, with a view to optimizing our portfolio by focusing business in the main O&G activities. It is broken down as follows:

- **€3-4 billion from the dual exploration model, of which €2.6 billion has already been finalized with the disposal of 25% of the Mozambique project to Exxon**
- **€1.5-2 billion from the streamlining of the E&P portfolio through the disposal of marginal activities**



- **€0.5-1 billion from the mid-downstream (including the recent disposal of retail gas & power in Belgium).**

9) Does the Group have bank accounts in black-listed countries?

Reply

Below is the list of bank accounts open in countries currently subject to international financial sanctions (as published on the website of the Ministry of Economy and Finance)

Black list countries:

**CONGO
CROATIA
EGYPT
IRAN
IRAQ
MYANMAR
RUSSIA
SLOVENIA
UKRAINE
LIBYA**

Below is the list of bank accounts open in non-cooperative countries and/or tax havens (as published on the website of the UIF - Unità di Informazione Finanziaria per l'Italia, Banca d'Italia):

Black list countries:

**ALGERIA
ANGOLA
Argentina
ECUADOR
INDONESIA
IRAN
IRAQ
KENYA
MYANMAR
PAKISTAN
SWITZERLAND**

10) Do you intend to move the registered office to the Netherlands and the registered office for tax purposes to the UK? If so, how do you intend to deal with the UK's exit from the EU?



Reply

Eni is not considering any relocations.

- 11) Do you intend to propose changes to the By-laws that will double the voting rights?

Reply

The Board of Directors has considered the possible introduction of increased voting rights in the By-laws and has decided not to make any such proposal to the Shareholders' Meeting.

- 12) Do you have any call centres abroad? If you do, how many people work there and who is the owner?

Reply

No.

- 13) Are you registered with Confindustria? If you are, how much does this cost? Do you intend to leave?

Reply

Yes, Eni is registered in Confindustria and the association fees for 2016 amount to a total of 1,590,873.50 euros. Eni does not intend to leave Confindustria.

- 14) How has indebtedness changed and for what?

Reply

The Company's consolidated net borrowings at 31st December 2016 was €14,776 million, down €2,095 million compared to 31.12.2015.

Net cash flow provided by operating activities was €7,673 million.

The main outgoing flows concerned capital expenditures (€9,180 million), of which approximately €500 million will be reimbursed when the disposal of 40% of the Zohr is closed, payment of the dividend balance for 2015 and the interim dividend for 2016 to Eni shareholders of €2,881 million and the increase of Saipem's capital stock (€1,069 million). Receipts from disposals amounted to €1,054 million and mainly concerned the 12.503% shareholding in Saipem (€463 million), the shareholding in Snam following exercise of the conversion right by the bondholders (€332 million) and fuel distribution activities in Eastern Europe. With the closure of the Saipem operation, Eni obtained the reimbursement of the intercompany financial receivables of €5,818 million.

The change in net borrowings for the year was affected by other net changes for investing activities (+€0.3 billion) and the fact that the financial assets (€0.57 billion) held by the Group insurance company are no longer committed to funding the loss provisions and therefore have been netted against finance debt in determining the Group's net borrowings.



Negative changes in fair value of the securities held for trading negatively affected the movement in net borrowings (-€0.3 billion).

Leverage – ratio between net borrowings and equity including third-party interests – was 0.28 at 31st December 2016, a decrease compared to 31st December 2015 (0.29) mainly due to the drop in net financial indebtedness, which was able to absorb the €4 billion reduction of total equity caused by the loss for the financial year, by the de-consolidation of the Saipem minority interests and the distribution of dividends to Eni shareholders.

15) The incentives received as group amount to how much, divided by type and amount?

Reply

During the year, Eni SpA has received grants amounting to approximately €1,674,000 mainly concerning training activities with a grant paid by Fondoimpresa amounting to approximately €1,586,000.

16) Who are the members of the Watch Structure (name and surname) and how much do they cost us?

Reply

As expressly provided for by the Model 231, the Watch Structure of Eni SpA is composed of seven members: three external and four internal. The external members are Attilio Befera (Chairman of the Watch Structure), Claudio Varrone and Ugo Draetta. The internal members are: the Senior Executive Vice President of the Legal Affairs Department (Marco Bollini), the Executive Vice President of the Integrated Compliance Department (Luca Franceschini), the Executive Vice President of Labour Law and Dispute (Domenico Noviello) and the Senior Executive Vice President of the Internal Audit Department (Marco Petracchini). All the names of the members of the Watch Structure are published on the website eni.com. The costs associated with Watch Structure remuneration amount to a total of €390,000.

17) How much did the sponsorship of the CI Rimini Meeting and EXPO 2015 or others cost? For what and how much?

Reply

In 2016, Eni sponsored the Rimini Meeting for €200 thousand, including the cost of establishing the stand situated in an area managed exclusively by the organizers. The value of the sponsorship was the same as the previous year. The Meeting, which since 1980 has been held every year at Rimini in the last week of August, is now a generally important date not only for the Catholic world and its culture. It involves celebrities from various fields talking about social, political, cultural and entrepreneurial topics. The key figures recorded in relation to the 2016 edition include: attendance of 600,000 visitors; over one million views



of the Meeting's official website and tens of thousands of contacts on social media; 85 meetings; and 7,000 press articles across all national and international newspapers.

18) Could you give me a list of payments and credits to Italian or foreign political parties, political foundations and politicians?

Reply

Eni does not pay contributions to and has no credits with any Italian or foreign political party or foundation or politician.

19) Have you disposed of toxic waste improperly?

Reply

No

20) What investment has been made in government bonds, GDOs and structured securities?

Reply

At the end of 2016, investment in government bonds amounted to €996 million. Eni does not invest in GDOs or structured securities.

(€ million)	31.12.2015	31.12.2016
Listed securities issued by sovereign states	925	996
Other securities	4,103	5,170
	5,028	6,166

Reference : Annual Financial Report, Note 9 "Financial assets held for trading".

	Nominal Value (€ million)	Fair Value (€ million)	Mood y's rating class	S&P' s ratin g clas s
Other securities				
Fixed rate				
Listed securities issued by industrial companies	2,264	2,344	from Aaa to Baa3	from AAA to BBB-
Listed securities issued by financial and insurance companies	1,981	2,031	from Aaa to Baa3	from AAA to BBB-
European Investment Bank	8	8	Aaa	AAA
	4,253	4,383		
Variable rate				
Listed securities issued by financial and insurance companies	553	556	from Aaa to Baa3	from AAA to BBB-
Listed securities issued by industrial companies	231	231	from Aaa to Baa3	from AAA to BBB-
	784	787		
Total Other securities	5,037	5,170		



21) How much did the securities service cost in the last financial year? And who provides this service?

Reply

Except as concerns the Monte Titoli service, the Company does not incur costs for external services since the securities service is managed by employees of the Company.

22) Are any staff reductions or restructuring forecast? Relocations?

Reply

No, they are not forecast. Eni people are a strategic asset in the achievement of the company objectives. This is why, despite a complex and constantly evolving context, Eni has not and does not intend to resort to initiatives that may impact on employment levels.

The industrial reconversion processes confirm Eni's commitment to continuing to develop its industrial activities, particularly in Italy, by leveraging on technological innovation, environmental sustainability and constant attention to employment levels.

23) Is there a commit to repurchasing products from customers after a certain period of time? How is this recorded in the accounts?

Reply

No buy-back commitment.

24) Are any current or past directors under investigation for environmental crimes, money laundering, self-laundering or other crimes that concern the company? What is the potential damage to the Company?

Reply

Please refer to pages 180-187 of the 2016 Annual Financial Report which contain a description of the most significant disputes.

25) Reasons and methods for calculating directors' end of term of office indemnity?

Reply

Specific severance indemnities are envisaged only for the Chief Executive Officer and Chief Operating Officer in relation to the non-renewal or early termination of his term of office. The related indemnities are not payable in the case of resignations that are not justified by a substantial reduction in granted powers or in the case of dismissal for just cause.



The guidelines for defining the indemnities provided for the Chief Executive Officer and the Chief Operating Officer in the case of termination of office or of employment as manager, for the new term of office, are given in page 21 of the Remuneration Report 2017.

26) Who performs the valuation of real estate property? How long is the duration of the appointment?

Reply

The real estate property valuations are contracted out by tender to specialist advisors who adhere to the RICS standard (international standards laying down the guidelines to be followed for surveys). In 2016, 5 advisors were used, 3 of which for Italy under a three-year contract and 2 for abroad under an annual contract.

27) Is there D&O insurance (guarantees offered, amounts and claims covered, persons currently covered, when was it decided and by which corporate body, associated fringe-benefit, with which broker was the policy taken out and which insurance companies underwrite it, when does it expire and how would a demerger affect the policy) and how much does it cost?

Reply

As per the shareholders' resolution of 25th May, 2006, the company has stipulated D&O insurance cover. The aim of the policy is to protect the company if it is liable directly, or its Directors and Officers, from compensation claims due to errors committed by them in the exercise of their duties, excluding malicious intent. The recipients are all the Directors and Officers of Eni SpA and of the companies in which Eni holds at least 50% of the capital. For the purposes of coverage, Directors and persons holding a managerial position are considered Directors and Officers (the definition of insured party in the policy is much broader). The terms and conditions are those established by the international market scheme (CODA Form). The broker who made the placement is AON SpA. The leading company of the insurance programme is AIG followed by a panel of international companies with high ratings. The annual policy is effective from August 1 each year. The cost of coverage after tax amounts to about 1.6 million US dollars.

28) Have policies been taken out to guarantee the information prospectuses (regarding bonds)?

Reply

No, no policy was stipulated to guarantee the prospectuses.

29) How much are the non-financial and social security insurance policies (divided by macro area, by industrial plant, which corporate body decides and manages the policies, which broker is used and which insurance company)?



Reply

The reply is illustrated on pages 101-105 (Operational risk and associated HSE risks) of the 2016 Annual Financial Report. In addition to the reported information, it is highlighted that Eni uses all the major worldwide Lloyd's insurance brokers (Aon, Marsh and Willis). In particular, the reinsurance programme is assigned to AON UK. Furthermore, Eni uses the main international insurance/reinsurance companies (about 100) with an adequate rating (generally a minimum S&P of A- or AM Best equivalent). The insurance activity is managed by a dedicated internal structure, which reports to the CFO, who has the task of making the annual insurance plan operational, shared by a special committee made up of some of Eni's top managers.

- 30) I would like to know how the liquidity has been used (monthly composition and evolution, lending rates, type of instruments, counterparty risks, financial income received, management policy, reasons for incompressibility, share allocated to severance pay and what legal and operational constraints the liquidity has).

Reply

Following the significant disposals carried out in 2012 (in particular the sale and deconsolidation of Snam), Eni increased its liquidity reserve that grew from €1.5 billion at the beginning of 2012 to €9 billion by the end of that year. Subsequently Eni decided to further raise the reserve to up to €12.5 billion at the end of 2016. By that way, Eni has mitigated the liquidity risk by permanently maintaining an adequate liquidity reserve, a substantial portion of which - called "strategic liquidity" - consists of liquidity directly managed by the Finance Department of Eni SpA.

The liquidity reserve (cash and readily and financial assets that can be readily converted into cash and unused committed credit lines) is aimed at: (i) ensuring full coverage of short-term debt and coverage of medium-long term debt with a time horizon of 24 months, even in the event of restrictions on access to credit; (ii) tackling identified risk factors that could significantly alter the cash flow expected in the Financial Plan (e.g. changes of scenario and/or of production volumes, delays in the execution of disposals); (iii) ensuring the availability of an adequate level of financial flexibility to support Eni's development programmes; (iv) promoting the maintenance/improvement of creditworthiness ("rating").

[Annual Financial Report 2016, p. 76 and 176]

The stock of financial assets at the end of 2016 totalled €12.5 billion and is broken down as follows:



✓ **€5.7 billion: Cash and cash equivalents.** These mainly include: (i) **€4.6 billion managed directly by Eni SpA** (of which **€4.1 billion regard financial assets due within 90 days** (essentially deposits with financial institutions with notice of more than 48 hours); (ii) **€0.3 billion of financial assets due within 90 days managed by companies other than Eni SpA.** The average maturity of receivables due within 90 days is 7 days and the average interest rate is negative at -0.01% (positive at 0.25% at 31st December 2015);

[Annual Financial Report 2016, p. 76, 132 and 238]

✓ **€6.4 billion: Securities held for trading and other securities with low risk profile, readily convertible into cash, of which €6.1 billion managed by a dedicated Finance unit, and €0.3 billion by Eni Insurance DAC.**

The break-down of those securities is the following: **€1 billion of listed securities issued by sovereign states** (of which **€0.65 billion, Italy**), **€2.6 billion of listed securities issued by industrial companies** and **€2.6 billion of listed securities issued by financial institutions and insurance companies.**

[Annual Financial Report 2016, p. 76, 132 and 133]

✓ **€0.4 billion: Financial receivables not related to operations, which mainly regard** (i) **Eni Trading & Shipping SpA time deposits for €0.1 billion** and (ii) **Eni Insurance DAC deposits for €0.2 billion.**

[Annual Financial Report 2016, p. 76, 135 and 136]

31) I would like to know what investments are envisaged for renewables, how much will they be financed and how long will it take to recover such investments.

Reply

In the next four years, Eni intends to invest in industrial scale renewable energy projects that can create value.

The company intends to develop the use of renewable energy by investing around €550 million in projects for the realization of energy production plants using renewable sources (mainly solar), for a total installed capacity of 463 MW by 2020, achieving, as a result of these initiatives, an expected reduction of CO₂ emissions of approximately 0.7 mmtons over the next four years.

The projects in renewable sources and the financial returns are dependent on many factors, such as technology, localization, the regulatory system and the availability (or not) of special incentives. The multiplicity of the parameters does not allow us to identify significant unique indicators. Eni is conducting analyses on projects and on any specific financial instruments to support the development of renewable resources.



32) Have there been retrocessions of advertising/sponsorship investments in Italy/abroad?

Reply

No.

33) How are the regulations on child labour observed?

Reply

The Eni group is forbidden from using child labour not only in accordance with the regulations of the countries in which it operates, but also applying the highest standards required by the fundamental conventions of the International Labour Organization (Convention no. 138 on minimum age/ Convention no. 182 on the worst forms of child labour).

In implementing these principles, Eni is committed to protecting the right of children to be protected from economic exploitation, including it in the Guidelines for the "Protection and Promotion of Human Rights", the Code of Ethics, the "our people" policy and in the trade union agreements at international level, as well as in its procurement activities, binding its suppliers to the same principles.

34) Does the company have, or is it intending to get, SA8000 ENAS ethical certification?

Reply

The SA8000 of International Social Accountability (ENAS is probably a typo) is an international standard aimed at certifying some aspects of company management concerning corporate social responsibility and, in particular, respect for human rights, the rights of workers, protection against child exploitation and guarantees for the safety and health in the workplace, as identified by the ILO fundamental conventions.

Eni and SA8000 certification

Eni, like all companies in the O&G/Energy sector in Italy and abroad, does not have SA8000 certification. This standard is mainly used by small or medium-sized companies (nor is possession of this certification required by internal or external stakeholders). As mentioned in its Code of Ethics, Eni operates in line with the ILO Fundamental Conventions to which the SA8000 standard refers, and all its internal procedures and rules comply with these Conventions.



Furthermore, to strengthen its approach to social responsibility and ensure ever greater integration of social responsibility/sustainability issues in business, Eni has developed and implemented a regulatory system to manage these issues in line with ISO 26000. ISO 26000 identifies some fundamental issues such as Human Rights, Employment Relationships and Working Conditions and the Environment. It must be noted that ISO 26000 is a guideline and is currently not certifiable.

With regard to the nature and the pool of companies that require SA8000 certification, please refer to the statistics published on the official SA8000 website (<http://www.saasaccreditation.org/?q=node/23>).

Eni suppliers and SA8000 certification

Eni does not require that its suppliers possess SA8000 certification but it does require compliance with the ILO fundamental conventions.

In particular, Eni considers the respect for and protection of human rights at every stage of relations with suppliers. Therefore suppliers are subjected to a structured assessment, aimed at checking and monitoring their compliance with the main ILO standards and, in particular:

- i) commitment to the promotion and observance of workplace health and safety conditions,
- ii) observance of the prohibition against forced labour and exploitation of child labour,
- iii) trade union freedom of association and collective bargaining.

In addition to these activities, which are an integral part of the procurement process, for years Eni has conducted a supplier assessment program on suppliers that carry out high risk activities or operate in critical countries, to check that they actually comply with the main ILO standards in the field.

The criteria for selecting suppliers to subject to the assessment programmes include: geographical location; the different types of goods, services, works; the type of ownership/shareholding structure (local, international, mixed); type of company (subsidiary, local company, etc.); size (turnover/number of employees); any alerts of critical reports; categories of supplies considered critical.

In particular, in addition to the ordinary checks carried out during the qualification process, the following were carried out in 2016:

- 16 SA8000 audits on suppliers of Eni SpA and of 2 subsidiaries (Kazakhstan and Mozambique);
- 8 follow-ups on audits conducted in 2015 in Algeria, Ecuador, Ghana and Vietnam.



In 2016, to support these activities, 2 resources in the following subsidiaries were trained as SA8000 Auditors: Ghana and Turkmenistan. In total 36 resources received training, including 2 Lead Auditors.

From 2008 to date, 149 SA8000 audits have been carried out on 14 entities (China, Congo, Angola, Nigeria, Pakistan, East Timor, Ecuador, Mozambique, Indonesia, Algeria, Ghana, Vietnam, Kazakhstan and Italy).

35) Do we fund the arms industry?

Reply

No.

36) I would like to know the Group's net financial position at the date of the Shareholders' Meeting with the average historical lending and borrowing rates.

Reply

The Group's net financial position at 31st December 2016 amounted to €14,776 million.

At 31st December 2016, cash and cash equivalents had a negative average interest rate of 0.01% (positive at 0.25% at 31st December 2015), while financial assets held for trading are detailed on page 133 of the Annual Financial Report.

Short-term financial liabilities have a weighted average interest rate of 0.9% at the end of 2016 (0.6% at the end of 2015). Long-term financial liabilities (including current maturities) are detailed on page 157 of the Annual Financial Report 2016 by category and with the interest rate; the average rates at the end of the year for the whole medium-long term debt are: 2.7% for EUR, 5.2% for USD, 5.3% for GBP and 2.6% for YEN.

37) How much do the Consob fines, Borsa fines, etc. amount to and what were they issued for?

Reply

No fines were imposed by the Authorities indicated.

38) Have any taxes not been paid? How much do these amount to? The interests? The sanctions?

Reply

All the taxes have been duly paid including those relating to an adjustment to the taxable income agreed upon with Italian tax authorities for fiscal 2011 equal to €6.9 million plus interest accrued of €0.9 million and excluding any sanctions.

39) I would like to know if any changes have occurred to the companies participating in the group compared to the report under discussion.

Reply



The following changes have occurred in the Group's consolidation area as of 28th February 2017 compared to the situation on 31st December 2016.

Companies consolidated using the line-by-line method

REMOVED COMPANIES

Due to lack of significance

Burren Energy (Services) Ltd (in administration)

Eni Dación BV

Eni RD Congo SA

Companies consolidated under joint operation

REMOVED COMPANIES

Due to lack of significance

Petrolig Srl

40) I would like to know to date the losses and gains of listed securities as of the latest available stock exchange listing.

Reply

Considering the stock market listings available on of the main listed security, represented by the shares held in Saipem SpA is our main shareholding listed on a stock exchange. As of 10th April 2017 the market capitalization of our interest in Saipem was €200 million below the net book value at 31.12.2016:

	NBV consolidated financial statements at 31.12.2016 (€ million)	No. of shares held at 31.03.2017	Listing at 10.04.2017 (€)	Market value at 10.04.2017 Eni share (€ million)	Gains (Losses) Latent (€ million)
Companies with shares traded on the Stock Exchange Saipem SpA	1,497	3,087,679,689	0.4192	1,294	203

Stock market performance is illustrated below:

	Listing			Performance (%)	
	31/12/2015	31/12/2016	10/04/2017	year 2016	YTD
SAIPEM (euros)	0.943	0.535	0.4192	-43.3%	-21.6%

41) I would like to know the sales trend for each sector from the beginning of the year to date.



Reply

Eni Group trends in revenues by business segment

Eni's first quarter results for 2017 will be disclosed to the market on 10th May 2017, including the trend in revenues for the Eni business sectors.

The table below contains the sales data by business unit at the closure of the Group's accounts for January-February 2017 compared against the sales for Q4 2016.

Net sales from operations

(€ million)

	Q4	Jan/Feb
	2016	2017
Exploration & Production	4.855	3.283
Gas & Power	11.986	9.359
Refining & Marketing and Chemicals	5.125	3.579
Corporate and other activities	391	229
Effect of elimination of unrealized profits	0	0
Consolidation elisions	(6.550)	(4.594)
	15.807	11.856

Despite the limits of this comparison, the sales trend for the Eni business segments show some improvement due to the strengthening of the hydrocarbon price scenario with the Brent reference marker up by 11.4%, compared to the fourth quarter 2016 (from 49.3 \$/barrel to 54.9 \$/barrel, average of the two periods), and seasonal factors in gas sales. The average monthly sales for January/February 2017 is around €5.9 billion compared to the €5.3 billion average in the last quarter of 2016.

In the E&P sector, the increase in Brent prices has boosted the Company's realizations on equity production (oil +11.3%; gas +9.1% on average, in dollar terms). This increase was partially absorbed by a 5.5% decrease in production mainly due to downtime, particularly in third-party structures, and the effect of OPEC cuts. The average euro/dollar exchange rate is slightly lower (-1.5%).

The G&P sector has experienced an improvement in gas sales prices (+16.8% the price of PSV gas, +15.4% the price of TTF gas, with a widening of the PSV/TTF spread by 30 percentage points) which reflects the seasonal factors of gas consumption and the recovery in the energy price benchmarks. The volumes of gas sold, 7.61 billion mc in Italy and 7.33 billion mc in target European markets, have increased considering the monthly averages of the two reference periods (+11.4% in Italy and +7.1% in Europe) due to seasonal factors which affect the formation of sales in the first months of the year with generally higher volumes than in other periods of the year.



The R&M sector shows an increase in commodity prices (petrol prices +10.6%, diesel +8.6% and fuel oil +14.9% in January/February 2017 compared to Q4 2016) which is partially offset by the decrease in volumes calculated based on the monthly averages of the two reference periods (-9.5% and 2.7% for sales and wholesale sales in Italy) due to seasonal factors which affect fuel consumption. For this reason the first quarter is generally the weakest, though within a framework of a slight recovery in demand and strong competitive pressure.

42) I would like to know the trading on treasury shares and group shares to date, also via an intermediary company or person in accordance with Art. 18 of the Decree of the President of the Republic 30/86, in particular if trading has also been done on the shares of other companies, with foreign bank accounts that are not obliged to report the name of the owner to Consob, with carry overs on securities in portfolio for a symbolic value or under repurchase agreements.

Reply

With reference to the share buyback programme, operations ended on 9th December 2014 and since then no other share repurchases have been made.

43) I would like to know the purchase price of treasury shares and the date of each lot, and % difference from the stock exchange price.

Reply

With reference to the share buyback programme and the related resolution of the Shareholders' Meeting on 8th May 2014, the operations ended on 9th December 2014 and since then no other share repurchases have been made.

The daily breakdown of purchase operations is available on the Eni website.

44) I would like to know the names of the top 20 shareholders in this room with their ownership percentages, of the representatives with details of the type of power of attorney or proxy.

Reply given in Shareholders' Meeting.

45) I would like to know which shareholders are pension funds and how much their share is?

Reply given in Shareholders' Meeting.

46) I would like to know the names of the journalists present in the room or who are following the meeting via closed circuit of the newspapers they represent and if, among them, there are any who have direct or indirect consultancy relationships with group companies, including subsidiaries, and if they have received money or benefits directly or indirectly from subsidiaries, affiliates or parent companies. If the response is "not relevant", I shall report this to the board of statutory auditors in accordance with Art. 2408 of the Italian Civil Code.

Reply given in Shareholders' Meeting.

47) I would like to know how the advertising expenses are divided among publishing groups in order to evaluate independence. Have any payments been made to newspapers or magazines and Internet magazines for studies and consulting services?

Reply

Investments for advertising on the main groups are divided as follows:

Main Outlets	Net investment 2016	Share '16
PUBLITALIA	6.749.245	16,2%
RAI	5.264.302	12,6%
RCS	4.511.338	10,8%
MANZONI	3.582.758	8,6%
SOLE 24 ORE	2.598.591	6,2%
GOOGLE	1.790.401	4,3%
PIEMME	1.747.468	4,2%
MEDIAMOND	1.650.066	4,0%
SKY	1.303.755	3,1%
CAIRO	941.763	2,3%
Total Main outlets	30.139.687	67,1%
Total Net Investment	44.927.501	

Eni did not pay any fees to newspapers or Internet sites for studies or consultancy.

48) I would like to know the number of shareholders recorded in the shareholder register, their division based on significant bands of share ownership and whether resident in Italy or abroad.

Reply

The Eni capital stock amounts to €4,005,358,876 and is represented by 3,634,185,330 registered ordinary shares. The Shareholders' Register is fully updated upon payment of dividends. According to the latest update, the shareholding structure of the Company consists of more than 300,000 shareholders. As for significant investments, according to information received on 4th April 2017 (record date), the Ministry of Economy and Finance owns 4.335% of the capital stock and Cassa Depositi e Prestiti SpA owns 25.760% of the capital stock. The breakdown by shareholding size and geographical area of residence prepared on the basis of reports on the interim dividend for the 2016 financial year (September 2016) is given below. (September 2016) is given below. This information is also available on the Eni website.

Breakdown of Eni shareholders by geographical area

Shareholders	Number of shareholders	Number of shares held	% of capital
Italy	300,812	1,692,222,663	46.56
UK and Ireland	657	290,030,212	7.98
Other EU states	3,591	659,178,156	18.13
USA and Canada	1,370	574,805,906	15.82
Rest of the world	1,126	384,839,426	10.59
Treasury shares	1	33,045,197	0.91
Shares for which no nominative indicators were provided	no data available	63,770	0.01
Total	307,557	3,634,185,330	100.00

Breakdown of Eni shareholders by ownership band

Shareholders	Number of shareholders	Number of shares held	% of capital
> 10%	1	936,179,478	25.76
3% - 10%	1	157,552,137	4.34
2% - 3%	2	166,601,170	4.58
1% - 2%	5	256,591,344	7.06
0.5% - 1%	6	133,651,522	3.67

Breakdown of Eni shareholders by ownership band

Shareholders	Number of shareholders	Number of shares held	% of capital
0.3% - 0.5%	20	281,688,340	7.75
0.1% - 0.3%	62	376,913,539	10.37
≤0.1%	307,459	1,291,898,833	35.55
Treasury shares	1	33,045,197	0.91
Shares for which no nominative indicators were provided	no data available	63,770	0.01
Total	307,557	3,634,185,330	100.00

49) I would like to know if, within the group and the parent company and/or affiliates, there are any direct or indirect consulting relationships with the board of statutory auditors and the audit firm or its parent company. How much are the reimbursement of expenses for both?

Reply

The Eni Group, in order to safeguard the requirement of auditors' independence, has established that positions other than those related to the statutory audit will be entrusted to the auditing company and to companies in its network, except for rare exceptions for connected assignments not prohibited by Italian laws and the Sarbanes-Oxley Act.

In consideration of this, during the 2016 financial year, the Group companies did not award the Ernst & Young network with any tax related assignments (see page 347 of the Annual Financial Report where the annual fees for the external audit of the accounts and for services other than these are provided).

Expenditure for logistics incurred by the auditor for rendering the audit services, are contractually reimbursable upon presentation of the relevant supporting documents, up to a maximum of 7% of the recognised remuneration.

Eni's Board of Statutory Auditors does not have any consulting relationships with Eni or with any subsidiary of Eni, nor does any of its members.



Expenses for the business trips of the Board of Statutory Auditors are generally borne by Eni directly and for 2016 they amounted to approximately €110 thousand. Reimbursement for expenses incurred directly by the statutory auditors amounted to approximately €300.

50) Are there any direct or indirect financing relationships with trade unions, political parties or political foundations or movements (such as Italiani nel Mondo), foundations and consumer associations and/or national or international shareholders within the group even through the financing of specific initiatives requested directly?

Reply

In 2016 the following sponsorships with consumer associations were stipulated:

- **Consumago srl – “Vincenzo Dona” award – €9 thousand (promoter of the National Consumer Union initiative)**
- **Cittadinanzattiva Onlus – European Mobility Week - €7 thousand.**

51) I would like to know if any bribes were paid to suppliers. And how does the year-end retrocession to the purchasing department work and how much is it?

Reply

With reference to the first part of the question, we remind you that Eni prohibits the payment of bribes. Eni has adopted a “zero tolerance” approach to corruption, whether of a public or private nature, and there are no waiver of any sort to this policy exception. The fundamental principles of Eni’s conduct and business model, as established in its Code of Ethics, are compliance with the law and regulations, ethical integrity and correctness, all of which represent a constant commitment and duty of all Eni people. For this purpose, Eni has a complex system of rules and controls for the prevention of corruption-related offences (the so-called anti-corruption compliance program) in line with international best practices, the international conventions on the fight against corruption as well as the Italian Legislative Decree 231, the US Foreign Corrupt Practices Act and the UK Bribery Act. The internal foundations of the Eni anti-corruption compliance program are to be found in its Code of Ethics (mentioned above), Eni’s Model 231 and the Anti-Corruption Management System Guideline, published in the Corporate Governance section (the System and Rules for Governance and Controls) of the Eni website at www.eni.com.

The retrocession mechanisms, when required, are managed by a number of business units and not only by the competent procurement function.

In particular, these mechanisms are negotiated by the latter, which regulates them in the individual contracts. When the contractual conditions occur, they are activated by the operating units which manage the contracts. These units are procedurally required to check



whether or not any penalties or any discounts connected to the contractually required ordered volume are applicable and informing the relevant administrative function in the case of partial/total applicability.

Eni's collection of the amounts resulting from retrocessions therefore entails the active involvement of the competent administrative function, which checks the correctness of invoices and/or credit notes received against what was agreed in the contract and certified by the unit managing the contract.

The amount of volume discounts and penalties (typically expressed as a percentage of the total value of the ordered volume) vary from contract to contract.

52) I would like to know if bribes were paid to enter emerging countries, particularly China, Russia and India.

Reply

No.

53) I would like to know if any payments were made off the books.

Reply

No.

54) Was any insider trading performed?

Reply

No.

55) Are there any managers and/or directors who have interests in supplier companies? Do any directors or managers hold, directly or indirectly, shares in supplier companies?

Reply

To our knowledge, no.

56) How much have directors earned personally from extraordinary operations?

Reply

There is no remuneration provision for directors for extraordinary transactions but only the remunerations resolved by the Shareholders' Meeting and by the Board of Directors for the office held, for any powers granted and, for the Chief Executive Officer only, participation in variable incentive plans connected with predefined performance targets.

The characteristics of these remunerations, any targets connected with them and the results achieved as well as the amounts paid in 2016 are described in full in the Remuneration Report 2017.



57) I would like to know the group's total donations and for what and to whom they were made.

Reply

In 2016 donations associated with social initiatives for the territory have favoured those assisting the weakest organizational subjects who are less supported on a public and private level, giving priority to projects rather than generic support to associations. Their total value was approximately €520,000 divided mainly between social interventions and infrastructure development.

58) I would like to know if there are any judges among the direct and indirect consultants of the group. Which magistrates served on arbitration panels? What was their fee? What are their names?

Reply

There are no professional appointments of magistrates holding office as members of the professional judiciary.

59) I would like to know if there are any proceedings pending with the various antitrust authorities.

Reply

The significant proceedings pending with the Antitrust Authorities are reported in the Notes to financial statements of the Annual Financial Report 2016, in the Disputes chapter on page 180.

60) I would like to know if there are any criminal proceedings pending with investigations on current or former members of the Board of Directors or the Board of Statutory Auditors for facts concerning the company.

Reply

Please refer to pages 186-187 of the 2016 Financial Report which contain a description of the most significant disputes.

61) I would like to know how much the BONDS issued amount to and with which bank they were issued (CREDIT SUISSE FIRST BOSTON, GOLDMAN SACHS, MORGAN STANLEY AND CITIGROUP, JP MORGAN, MERRILL LYNCH, BANK OF AMERICA, LEHMAN BROTHERS, DEUTSCHE BANK, BARCLAYS BANK, CANADIA IMPERIAL BANK OF COMMERCE –CIBC).

Reply

Eni SpA ISSUES



To date Eni SpA has issued approximately €18.5 billion of bonds: (i) approximately €17.2 billion for institutional investors (of which €16 billion under the EMTN Program, US \$800 million and approximately €400 million non-dilutive convertible bonds) and (ii) approximately €1.3 billion placed at retail investors in Italy.

These bonds were issued using the major banks in the various reference markets and in particular:

For bonds for institutional investors:

1. Banca IMI, Bank of America Merrill Lynch, Barclays, BBVA, BNP Paribas, Citi, Crédit Agricole, Deutsche Bank, Goldman Sachs, HSBC, ING, JP Morgan, Mediobanca, Mitsubishi Financial Group, Morgan Stanley, MPS Capital Services, Nomura, Royal Bank of Scotland, Santander, SMBC Nikko, Société Générale, UBS and Unicredit;

For retail bonds issued for the general public in Italy:

2. Banca IMI and Unicredit as Bid Coordinators and all the major banks in the Italian territory as bid placing banks.

62) I would like to know the detailed costs of sales for each sector.

Reply

The cost of sales at consolidation level in 2016 was €44 billion.

Before elisions of intragroup items, the breakdown of the cost of sales by sector is as follows: G&P 61%, R&M 22%, E&P 10% and 7% for other sectors.

The cost of sales in 2016 showed a reduction of approximately 21% compared to 2015, due to lower costs of procured hydrocarbons (gas from long-term contracts and oil-based feedstock).

63) I would like to know how much the costs are for:

- ACQUISITIONS AND DISPOSALS OF INVESTMENTS
- ENVIRONMENTAL CLEANUP

Reply

- **Acquisitions and disposals of shareholdings:**

In 2016 Eni made investments for the acquisition of shareholdings for a total amount of €1,164 million.

Capital increases made to equity-accounted entities, many of which are committed to executing capital projects in the Group's interests were:

M €	Investment
Saipem SpA	1,069
Angola LNG Ltd	62
Lotte Versalis Elastomers Co Ltd	10
Polimeri Europa Elastomeres France SA	7
Other investments	16
	1,164

Divestments of shareholdings amounted to a total of €146 million, including capital repayments, and concerned the following shareholdings:

M €	Total sale price	Transferred cash adjustment	Total
Consolidated investments			
Saipem SpA	463	(889)	(426)
Eni Slovenija doo	12	(1)	11
Eni Hungaria Zrt	57	(4)	53
	532	(894)	(362)
M €	Divestments	Capital repayment	Total
Non consolidated investments			
Snam SpA	336		336
Angola LNG Ltd		130	130
Others	16	26	42
	352	156	508
Total divestment of shareholdings			146

- **Environmental cleanup and investments**
Environmental expenditures in 2016 amount to €588.7 million, mainly for land and groundwater remediation (including emergency and operational safety measures, decommissioning and restoration, for a total of €234 million) and waste management. Of total environmental expenditures, investments for the environment in 2016 amounted to €122 million.

- 64) I would like to know:
- the non-monetary benefits and bonus and incentives and how are they calculated?

Reply



Non-monetary benefits mainly relate to social security and welfare benefits and company cars for business and personal use. The value of the benefits, shown in Table 1 on page 28 of the Remuneration Report 2017, is calculated according to the taxable income criteria required by Consob.

The variable remuneration, which aims to promote the achievement of annual targets and growth of business profitability over the long term, is divided into a short-term and a long-term component, the characteristics of which are described briefly in the “Executive Summary” and more in detail in the “Remuneration Policy Guidelines” of the Remuneration Report 2017.

With regard to the implementation of incentive plans for 2016, the performance targets associated with the incentives paid can be found in Section II the Report.

- b. How have managers’ and CEOs’ salaries varied on average last year, compared with those of office workers and manual labourers?

Reply

Senior managers’ salaries have changed on average by 1.4%; the salaries of managers, office workers and manual labourers, whose industry collective bargaining agreements do not envisage any increase in 2016, have changed on average by 1%.

- c. I would like to know the ratio between the average cost of managers and non-managers.

Reply

The ratio between the average cost of senior managers and non-managers is 4.8.

- d. I would like to know the number of employees divided by category, if there have been any proceedings for harassment, incitement to suicide, accidents at work and the outcomes of these. Personally I cannot accept the dogma of absolute reduction of personnel.

Reply

Number of employees divided by category:

	ITALY	ABROAD	WORLD
SENIOR MANAGERS	789	228	1,017
MANAGERS	6,279	2,965	9,244
OFFICE WORKERS	10,712	6,520	17,232
MANUAL LABOURERS	3,130	2,913	6,043



TOTAL	20,910	12,626	33,536
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- **Proceedings for harassment, incitement to suicide**

HARASSMENT

Two labour law disputes are pending concerning the verification of harassment behaviour with hearings scheduled for 2017

- **The proceeding before the Court of Messina ended on 24th March 2016 without any recognition of the alleged behaviour resulting in harassment**
- **The proceeding before the Court of Brindisi had a positive outcome for Eni in July 2016.**

INCITEMENT TO SUICIDE

There are no pending labour law disputes regarding incitement to suicide.

ACCIDENT

The proceeding pending before the Court of Gela (assessing any connection between alleged employer non compliance and the accident occurring to an employee) was settled on 13th May 2016.

- e. **How many employees have been made redundant or have taken early retirement and what is their average age?**

Reply

In 2016, 21 resources took early retirement (average age 59) of which 15 in Versalis, 4 in Raffineria di Gela and 2 in Enimed.

- 65) **I would like to know if any works of art have been bought. Who bought them and for how much?**

Reply

No.

- 66) **I would like to know which sectors have reduced costs the most, excluding your salaries which are constantly increasing rapidly.**

Reply

Compared to 2015, in 2016 costs have been reduced overall by €3 billion, due to:

- **upstream operating costs down by approximately €0.65 billion (-14%)**
- **external costs for business support down by €150 million**
- **investments decreased by €2.2 billion (-19% at constant exchange rates, or 24% considering the effects from the disposal of Zohr)**

In particular:



- **upstream operating costs in 2016 were reduced from 7.2 \$/barrel to 6.2 \$/barrel through the careful review of contracts and the optimization of operations;**
- **with regard to external costs for business support, the commitment to efficiency, both in Italy and abroad, continued in 2016, thanks to:**
 - 1) optimization of services and processes**
 - 2) review of demand**
 - 3) review of the level of service and policies**
 - 4) business insourcing**
 - 5) optimization of purchases**

The areas that have contributed most to the reduction of costs are ICT, Communication and in the renegotiation of service contracts in general.

- **Lastly, with reference to investments, we achieved a reduction thanks to:**
 - 1) portfolio flexibility, enhanced by the recent important discoveries**
 - 2) optimization of engineering through phase development, modularization and standardization**
 - 3) synergies with existing structures**
 - 4) a strict and constant review of the supply chain, through the renegotiation of contracts and taking advantage of cost deflation.**

67) Are any companies de facto subsidiaries (under the civil code) but not indicated in the consolidated financial statements?

Reply

No.

68) I would like to know who are the group's gas suppliers and what is the average price.

Reply

Eni purchases natural gas through long term contracts and, with a view to diversifying the portfolio, commercial relationships with major national companies. In 2016, as noted on page 45 of the Financial Statements, approximately 87% of natural gas purchases from abroad concerned six "historical" suppliers. In particular, 36.5% referred to supplies from Russia (Gazprom), 10.7% from Norway (Statoil), 12.5% from the Netherlands (Gasterra), 16.8% from Algeria (Sonatrach), 6.4% from Libya (NOC) and 4.3% from Qatar (Rasgas).



The average purchase price, particularly in this period in which we are involved in business discussions with several of our suppliers, is sensitive data. The publication of this data would compromise the commercial interests of the company.

69) I would like to know how much is paid to companies belonging to Mr Bragiotti, Mr Guido Rossi, Mr Erede and Mr Berger for consulting services.

Reply

In 2016, no fees were paid to the persons indicated for services related to financial activities.

70) I would like to know: what percentage of investments in research and development have been made in Italy?

Reply

Final R&D expenditure in the 2016 Financial Statements is €160.8 million, of which €143 million (89%) was carried out at Eni's Italian subsidiaries. The share of R&D realized by Eni's foreign divisions and companies is 11% (€17.8 million), most of which by EniNorge (€8.1 million).

71) I would like to know the costs of the shareholders' meetings and what they were for.

Reply

The cost of the shareholders' meeting is approximately €200,000. The costs include those related to setting up the hall, the electronic voting system, the meeting being minuted by the Notary, the required notarial obligations, appointment of the Shareholders' Representative, catering and gadgets for shareholders.

72) I would like to know the costs for stamps.

Reply

The cost for purchasing stamps at 31/12/2016 amounted to €7.6 million (€7.5 million at 31/12/2015).

73) I would like to know about the traceability of toxic waste.

Reply

Italian legislation on waste ensures traceability along the entire disposal chain from the producer to final disposal. In Italy, for toxic waste traceability, the SISTRI (waste tracking system) has also been implemented as an additional system for tracking transport and



disposal. Eni has an internal regulatory system of procedures and operating instructions to ensure the full traceability of waste disposal, according to best practices.

74) Which cars do the Chairman and the CEO have and how much do they cost us as a breakdown of the benefits listed in the remuneration report?

Reply

The Chairman is not assigned a vehicle for business and personal use.

The Chief Executive Officer and Chief Operating Officer, as for all senior managers, is assigned a company car for business and personal use in line with Eni's policy.

Table 1 of the Remuneration Report 2017 contains the overall value of benefits in 2016, calculated according to the taxable income criteria required by Consob.

75) Breakdown by user of the costs for the use or lease of helicopters and aircraft. How many helicopters are used and what make are they? What is their hourly cost and who uses them? If the answer is "The other questions are not relevant for the items on the agenda", I will report this reticence to the Board of Statutory Auditors in accordance with Art. 2408 of the Italian Civil Code.

Reply

The company Servizi Aerei SpA owns 3 Dassault Aviation aircrafts and one Gulfstream, namely:

- Falcon 2000 I-SEAE (year of manufacture 2004)**
- Falcon 900EX Easy I-SEAS (year of manufacturer 2008)**
- Falcon 900EX Easy I-SEAR (year of manufacture 2007)**
- Gulfstream G550 (year of manufacture 2013).**

These aircraft are used exclusively for the operational needs of companies belonging to the eni group.

Furthermore, especially in connection with certain foreign destinations, the use of a corporate fleet ensures high service and safety standards, including the possibility to transport personnel who work in foreign offices where connections are more complex, thus reducing travel times compared to commercial services.

Regarding the cost per hour, depending on the route, the cost is in line with that of similar operators (where available), but the possibility of drastically reducing the service activation times and the increased safety guaranteed by direct management of the ground and flight operations aligns the hourly cost with that offered by the market.



Eni does not own any helicopters.

76) How much do bad debts amount to?

Reply

The comment to item 11 – Trade and other receivables on pages 135 - 136 of the Notes to the Consolidated Financial Statements reports the following:

1. the impaired receivables net of the allowance for doubtful accounts amounted to €1,191 million (€759 million trade receivables, €432 million other receivables); these were €1,178 million at 31st December 2015 (€1,085 million trade receivables, €93 million other receivables);

2. the doubtful accounts provision amounts to €2,371 million, €1,817 million referring to trade receivables, €68 million to financing receivables and €486 million to other receivables. At 31st December 2015, the value was €2,083 million, €1,915 million referring to trade receivables, €66 million to financial receivables and €102 million to other receivables. The allowance for doubtful accounts in 2016 amounted €503 million (€588 million in 2015) and related to the Gas & Power segment for €399 million and it was taken, in particular, in the retail customers segment due to continued difficulties in collecting overdue receivables. The counterparty risk mitigation actions implemented by Eni through capillary collection actions, including outsourcing to specialist external services, led to a reduction in overdue receivables in 2016.

Utilizations of the doubtful accounts provisions of €607 million (€249 million in 2015) related to the Gas & Power segment in the amount of €559 million due mainly to losses on receivables from the retail business.

Furthermore, in the assets there are €1,747 million of past due and unimpaired receivables, of which €497 million are past due by more than 12 months. These receivables mainly relate to accounts with Italian and foreign public administrations and government bodies, counterparties with elevated creditworthiness for supplies of oil products and natural gas, and accounts with retail customers in the Gas & Power sector, with the latter past due by no more than 90 days.

At 31st December, 2016, trade receivables for hydrocarbon supplies in the Exploration & Production sector comprised €1,764 million. The highest exposures relate to: (i) government counterparties in Egypt, where there are approximately €420 million of outstanding past due receivables in relation to hydrocarbon supplies, down compared to the value of around €771 million at 31st December 2015, due to the gradual implementation of a repayment schedule for overdue amounts and other industrial and trade agreements with the above counterparties. The amount of receivables still outstanding at the reporting date was further



reduced with the payment of \$240 million (€228 million) in January 2017; (ii) government counterparties in Iran, in relation to which there are €264 million in outstanding receivables for the recovery of past investments, essentially based on the settlement agreement defined in 2015, down compared with the opening balance (€312 million). Government counterparties have shown themselves willing to negotiate a repayment schedule for past due receivables based on agreements relating to cargos of crude oil owned by state companies, with the allocation to Eni of a share of the revenues from their sale. This agreement in principle was first applied in the last months of 2016 with the repayment of \$44 million (€42 million) to Eni. Negotiations are ongoing in order to identify additional cargos to sell, some of which have already been allocated to Eni in the first few months of 2017, with the aim of settling the overdue amount.

77) Have any contributions been paid to trade unions or to trade unionists? If so, to whom, for what reason and how much?

Reply

No contributions were made to trade unions and/or union officials.

78) Is there an advance on the assignment of receivables and how much does it cost?

Reply

Since 2011, factoring agreements without recourse have been concluded with certain primary counterparties for trade receivables.

The value of factoring agreements at 31st December 2016 for trade receivables due in 2017 was €1.8 billion (€750 million in 2015 due in 2016).

The factoring agreements provide for the payment of a “flat” fee equal to a few base points on the face value of the receivable divested. The discount rate for the period from the date of derecognition to the average weighted maturity is variable and is linked to the Euribor plus a spread aligned with Eni’s credit standing.

79) Is there a person in charge of proxy voting and how much does this cost? If the answer is “The related costs cannot be singled out specifically because it comes under a much broader group of activities related to the shareholders’ meeting”, in addition to indicating serious failures in the control system, I will report this to the Board of Statutory Auditors in accordance with Art. 2408 of the Italian Civil Code.

Reply



The Shareholders' Representative designated by the Company, in accordance with Art. 135-undecies of the Consolidated Law on Finance, is Mr Dario Trevisan (lawyer). The cost is a maximum of 5,000 euros depending on the number of proxies, plus VAT and CPA.

80) How much do investments in government securities amount to?

Reply

At the end of 2016, investment in government bonds amounted to €996 million.

(€ million)	31.12.2015	31.12.2016
Listed securities issued by sovereign	925	996
Other securities	4,103	5,170
5,028		6,166

Reference : Annual Financial Report, Note 9 "Financial assets held for trading".

81) How much is owed to INPS and the REVENUE AGENCY?

Reply

At 31st December 2016, Eni SpA's current income tax payables of €4 million mainly related to the Milazzo Refinery ScpA joint operation. The amount payable to INPS (National Social Security Institute) was approximately €60 million (€63 million at 31.12.2015).

82) Is tax consolidation practised? How much does this amount to and what are the rates?

Reply

Eni and the main Italian subsidiaries and affiliates have opted for tax consolidation scheme: 27 companies are included. The total outcome of the tax consolidation for 2016 is negative. The tax rate (IRES) for 2016 is 27.5%.

83) What was the contribution margin in the last financial year?

Reply

In 2016, the first margin on sales revenues (revenues less costs of raw materials and other variable costs) of continuing standalone operations was €18.1 billion, a decrease of €3.6 billion equal to 17% compared to 2015, due to the lower contribution of the E&P sector of €3.9 billion as a result of the drop in the realized prices of equity hydrocarbons caused by the oil scenario (-16.7% reduction referred to Brent) and the drop in the reference benchmarks of gas production, particularly in Europe and the US, as well as the production stoppage in Val d'Agri which lasted four and a half months.



SHAREHOLDER FONDAZIONE ETICA¹

Questions in cooperation with Re:Common, Global Witness and Corner House

1. OPL 245

1.1 Eni has claimed that it has conducted two internal investigations, presumable both conducted by the US Law firm Pepper Hamilton and a further investigation following the notification of conclusion of investigations by Milan public prosecutors, in order to investigate any evidence of wrongdoing by the company and its managers in the acquisition of the OPL 245 oil license in Nigeria in 2011. Will Eni disclose the terms of reference, the evidence provided, and the detailed findings of the external investigations commissioned by the Eni Board and Eni Watch committee for shareholders to assess?

1.1 Eni sostiene di aver condotto due indagini interne, presumibilmente entrambe condotte dallo studio legale statunitense Pepper Hamilton e un'ulteriore indagine a seguito della notifica della conclusione delle indagini dalla Magistratura di Milano, al fine di indagare qualsiasi prova di wrongdoing da parte dell'azienda e dei manager Eni nell'acquisizione della licenza a olio OPL 245 in Nigeria nel 2011. Eni pubblicherà i risultati di tali indagini, le evidenze fornite e i dettagli risultanti dalle indagini di consulenti esterni commissionate dal Consiglio di amministrazione di Eni e dall'Organismo di Vigilanza per consentire agli azionisti di effettuare le proprie valutazioni?

Reply

The results of the investigations performed by the independent US law firm Pepper Hamilton LLP, contracted jointly by the Eni Watch Structure and Board of Statutory Auditors, were sent to the Italian judicial authorities and to the Italian and US regulatory authorities. Eni also provided information regarding the results of the audits performed via its press releases available on the company's web site.

In summary, the US attorneys concluded that all the checks they performed confirmed that there is no evidence of unlawful behaviour by Eni regarding the acquisition of License OPL 245 from the Nigerian Government.

1.2 Why were senior executives who are now facing charges in Italy not interviewed as part of the company's internal investigation? These executives include CEO Claudio Descalzi and COO Roberto Casula.

1.2 Perché alcuni dirigenti senior che ora sono accusati in Italia non sono stati intervistati nell'ambito dell'indagine interna condotta dall'azienda? Questi dirigenti sono il CEO Claudio Descalzi e il COO Roberto Casula.

¹ The English text is the original, the Italian text is a free translation prepared by Eni to facilitate your reading.



1.3 What steps (if any) have been taken to examine the actions of current CEO Claudio Descalzi and current COO Roberto Casula in the OPL 245 deal?

1.3 Quali iniziative (se identificate) sono state adottate per esaminare il comportamento dell'attuale CEO Claudio Descalzi e dell'attuale COO Roberto Casula nell'affare OPL 245?

1.4 Why were the relevant executives not suspended during the investigation?

1.4 Perché i dirigenti in causa non sono stati sospesi durante l'indagine?

Replies to questions 1.2, 1.3 and 14.

The Eni employees investigated in the criminal proceedings in question were not heard, as part of the internal checks, to avoid interfering with the investigations under way by the Milan Public Prosecutor's Office, in agreement with the Italian attorneys defending the legal person of Eni. Please note that, during the independent checks, the attorneys from the Pepper Hamilton firm did interview Eni employees, not under investigation, who, at the time of the facts, played a role in the operation.

The external consultants were also provided with all the documentation they requested and available to the company.

The result of these analyses did not reveal evidence of unlawful conduct in relation to the transaction for the acquisition of license OPL 245. This result was confirmed by further checks performed on the documentation filed by the Public Prosecutor following the closure of the preliminary investigation.

1.5 Can the board assure shareholders that it has no knowledge of any emails, sms messages, company reports or other evidence that Eni executives were aware in 2010 and 2011 that Shell and Eni's payment for OPL 245 would be paid to Malabu?

1.5 Può il Consiglio rassicurare gli azionisti sul fatto di non essere a conoscenza di e-mail, messaggi sms, report societari o altre prove circa la conoscenza da parte dei dirigenti Eni che nel 2010 e nel 2011 i pagamenti effettuati da Shell ed Eni per OPL 245 sarebbero stati ricevuti da Malabu?

Reply

We repeat that, regarding license OPL 245, Eni signed agreements only with the Nigerian Federal Government and, also on behalf of Shell, paid the consideration for the license, free from any burdens or disputes, to an escrow account in the name of the Nigerian Federal Government. Eni did not sign any commercial agreements with Malabu. As per the agreements signed, the Nigerian Federal Government was responsible for resolving the pre-existing legal disputes over the license in which Eni was not involved.

1.6 Was the value of \$1.3 bn consistent – in Eni's view – with the internal valuation of the Opl 245 asset?

1.6 Eni ritiene congruo il valore di \$1.3 miliardi con le valutazioni interne sull'asset OPL 245?

Reply



The valuations and in-depth analyses performed both at the time and for the 2016 financial statements confirmed the fairness of the value of USD 1.3 billion placed to the mineral potential of the asset.

1.7 Was the payment of \$500,000 for access to an OPL 245 data room in line with normal costs and practices?

1.7 Il costo pagato per accedere alla data room su OPL245 pari a \$500.000 risulta in linea alle prassi?

Reply

In the Oil & Gas Industry, in the event of sale of an asset, it is possible that the potential buyers be requested to pay a cost to access the data room. The value of this cost varies from case to case. The payment of €500,000 made to participate in the competitive bidding process and for access to the data room for OPL 245 was considered appropriate in relation to the mineral potential of the asset.

1.8 Due diligence reports commissioned by Eni during the negotiation process prove that the company knew about Etete's involvement from the early stages. A 2007 report states that Malabu is "controlled by the former petroleum minister, Dan Etete. The company was awarded OPL 245 by the Abacha administration, while Etete was still petroleum minister", while the 2010 report is even more explicit: "whatever the formal ownership structure of Malabu, all of the sources to whom we have spoken are united in the opinion that Dan Etete is the owner of the company".

In response to a question from Global Witness at its 2014 AGM the company, in its written answer, replied that "no clear evidence was found during the preliminary audits conducted by the Eni legal department under the anti-corruption procedures, particularly in relation to his [Etete's] connection with the company". Given the due diligence reports' explicit references to Etete, it appears that Eni lied to their investors about their knowledge of Etete's involvement in Malabu. Does Eni disagree that it lied to investors?

1.8 I report di due diligence commissionati da Eni durante la fase negoziale dimostrano che la società era a conoscenza del coinvolgimento di Etete nell'affare sin dalla fase iniziale.

Un report del 2007 riporta che Malabu "è controllata dall'ex ministro del petrolio Dan Etete. La licenza OPL 245 è stata assegnata alla società dall'amministrazione Abacha, durante il periodo in cui Etete era ancora ministro del petrolio", mentre il report 2010 è ancora più esplicito: "qualunque sia la formale struttura di proprietà di Malabu, tutte le fonti interpellate sostengono che Dan Etete è il proprietario dell'azienda."

In risposta ad un quesito di Global Witness all'Assemblea degli azionisti 2014, la società, nelle sue risposte scritte, ha affermato che "nessuna prova evidente è stata trovata durante gli audit preliminari condotti dalla direzione legale di Eni nell'ambito delle procedure anti-corruzione, particolarmente in relazione ai legami di Etete con l'azienda."

Considerando che i report di due diligence fanno esplicito riferimento a Etete, sembra che Eni abbia nascosto agli investitori la propria conoscenza del coinvolgimento di Etete in Malabu. Eni nega di aver mentito agli investitori?



1.9 Can the board assure shareholders that no concerns were raised by Eni's antibribery unit in 2010 and 2011 in relation to Malabu Oil & Gas' involvement in OPL 245?

1.9 Può il Consiglio rassicurare gli azionisti che non furono sollevate criticità da parte dell'unità antibribery di Eni nel 2010 e nel 2011 in relazione al coinvolgimento della Malabu Oil & Gas nell'affare OPL 245?

Reply to questions 1.8 and 1.9

The information provided by Eni has always been correct and complete. It is underlined that, within the scope of the preliminary checks performed at the time, no clear documentary evidence that Dan Etete was a shareholder, director or beneficiary of the Malabu company was found. Regardless, it must be underlined that Eni signed agreements only with the Nigerian Federal Government. No agreement was ever signed with Malabu, nor did the latter receive any payment from Eni.

1.10 What provisions has Eni made for potential financial impacts of the corruption allegations relating to the OPL 245 deal?

1.10 Quali accantonamenti sono stati effettuati da parte di Eni in considerazione di potenziali impatti finanziari circa le accuse di corruzione riguardanti OPL 245?

Reply

Based on the results of the checks entrusted to independent experts, according to which no irregularities emerged in Eni's conduct, findings shared by the Board of Statutory Auditors and the Legal Auditor, no provisions were made in the consolidated financial statements. The description of the proceedings related to the OPL 245 dispute is furnished in Note 38 of the 2016 Annual Financial Statement section "Proceedings Relating to Corporate Criminal/Administrative Liability".

1.11 What actions has Eni taken to review its anti-corruption procedures in response to allegations of corruption in the OPL 245 deal as well as allegations of corruption in Iraq, Kuwait, Libya, Brazil and Algeria? If Eni intends to update its anti-corruption procedures, what is the timeline for doing so?

1.11 Quali azioni Eni ha posto in essere per rivedere le procedure anti-corruzione a fronte delle accuse di corruzione relative all'operazione OPL 245 e a quelle in Iraq, Kuwait, Brasile e Algeria? Nel caso in cui Eni intendesse aggiornare le sue procedure anti corruzione, quali sarebbero i tempi necessari?

Reply

It must be specified that Eni has never been accused of corruption regarding Kuwait, Libya or Brazil.

Eni's Anti-Bribery Compliance Program is characterized by its dynamic nature and its constant updating based on changes in national and international regulations and best practice. On January 10, 2017, Eni successfully completed the audit process performed by RINA Services, the leading certification organization in Italy that evaluated the compliance of Eni's Anti-Bribery Compliance Program according to ISO 37001: 2016, the main



international standard for certification of anti-bribery management systems. Eni was the first Italian company to receive this certification, confirming the quality of the system of rules and controls aimed at preventing bribery, under development since 2009 in alignment with the principle of “zero tolerance” expressed in Eni’s Code of Ethics.

1.12 If current Eni executives are sent for trial in Italy or elsewhere in relation to corruption, what action does the Board of Directors plan to take (e.g. termination of employment, and/or remuneration claw-backs)?

1.12 In caso di rinvio a giudizio dei dirigenti Eni in Italia o altrove per corruzione, quali azioni prevede di intraprendere il CdA Eni (ad esempio, la cessazione del rapporto di lavoro e/o claw backs nella remunerazione)?

Reply

A request for indictment is a judicial order aimed at verifying whether the allegations are sustainable in the proceeding. It implies an absolutely preliminary evaluation and therefore the possible indictment would not change the position in the company of the parties involved. The checks performed by independent third parties have confirmed the regularity of the acquisition procedure for the OPL 245 block and no evidence of corrupt behaviour emerged with respect to the transaction.

1.13 In contrast, why was Independent Board Member Karina Litvack, an expert on corporate governance, removed from her position on the company's risk and control committee? Is the board's approach to allegations of director misconduct consistent?

1.13 Al contrario, perché è stato rimosso dal suo incarico quale membro del comitato di controllo e rischi, il consigliere indipendente Karina Litvack, esperta in temi di corporate governance? C'è coerenza nella linea di condotta adottata dal Consiglio nella contestazione di comportamenti scorretti ad un consigliere?

Reply

The Eni Board of Directors resolved to remove the board member Karina Litvack from the Risk and Control Committee given the pending investigations on the alleged conspiracy against the company that had also been reported in the press and in a document to another company manager. Therefore, the decision was made considering the subject of the investigation, and certainly not Director Litvack’s status as a suspect, with the sole purpose of ensuring maximum protection of the company from risks due to possible conflicts of interest, without prejudice to the presumption that Director Litvack is not involved in the events under investigation, until these can be verified by the judicial authorities, and her role as an Eni Board Member. However, it would not have been possible to perform independent investigations given that there was no access to the file and there was no documentation to perform an internal check.



Objectively, these are quite different circumstances to those regarding the proceedings that involve other current executives in the company, in relation to whom, for that matter, independent investigations commissioned by the company's control bodies did not reveal any irregularities.

1.14 Can Eni confirm that Ms. Litvack raised serious concerns about ENI's operations in Congo Brazzaville since 2015?

1.14 Eni può confermare che la Signora Litvack ha sollevato delle serie preoccupazioni circa le operazioni Eni in Congo-Brazzaville a partire dal 2015?

Reply

As part of the normal dialogue that characterizes the Company's governance, the operations regarding the new permits in Congo were discussed, as is usually done for all important business initiatives.

1.15 Did the former Independent Board Member Luigi Zingales resign over concerns regarding corruption at Eni as has been reported?

1.15 L'ex consigliere di amministrazione indipendente Luigi Zingales ha rassegnato le dimissioni a causa delle preoccupazioni riguardanti episodi di corruzione da parte di Eni, così come è stato riportato?

Reply

No. What is stated is not correct. The reasons that led to the resignation of Director Luigi Zingales were given in the letter sent by Mr Zingales to the BoD and to the Chairman of the Board of Statutory Auditors, chronicled in the Eni press release of 3rd July, 2015. In his letter, the Director highlighted the existence of "irreconcilable differences in opinion on the role of the Board in the company's management".

1.16 Could you confirm that Mr Descalzi had disagreed with previous board member Zingales on how to proceed in order to ascertain any wrongdoing in operations in Congo Brazzaville?

1.16 Potreste confermare che Descalzi era in disaccordo con l'ex consigliere Zingales su come procedere per accertare eventuali condotte illecite nelle operazioni in Congo Brazzaville?

Reply

For proper governance of the company, any decisions on how to proceed with ascertaining alleged unlawful conduct by the company is the responsibility of the company's board of statutory auditors and not the CEO.



1.17 Could you confirm, as reported in Il Fatto Quotidiano on 5th February 2017, that CEO Descalzi expressed to Mr. Zingales doubts about ENI legal counsel since 2015? If this is true, will you clarify what were the specific factors which led to the CEO's concerns?

1.17 Potreste confermare, come riportato da "Il Fatto Quotidiano" il 5 Febbraio 2017, che il CEO Descalzi, abbia espresso al Signor Zingales perplessità circa il legal counsel Eni a partire dal 2015? Se questo fosse vero, potreste chiarire quali siano stati i fattori che abbiano portato il CEO ad esprimere tali preoccupazioni?

Reply

It is untrue that the CEO expressed reserves regarding the Eni Director of Legal Affairs.

1.18 Will Eni request the inclusion of material from the investigation into Mr Zingales and Ms Litvack in the expected trial regarding OPL 245?

1.18 Eni richiederà l'inclusione della documentazione relativa alle indagini sul Signor Zingales e la Signora Litvack, nel previsto processo riguardante OPL 245?

Reply

Within the penal proceedings for OPL 245, the Milan Public Prosecutor's Office has already filed the documentation regarding Mr Zingales and Mrs Litvack.

1.19 By taking part in the corrupt deal for OPL 245, would you accept that Eni has exposed its investors to massive risk, and participated in a theft from Nigeria's citizens?

1.19 Con la partecipazione al corrotto affare OPL-245, riconoscete che Eni ha esposto i suoi investitori ad un enorme rischio ed ha partecipato ad un furto nei confronti dei cittadini Nigeriani?

Reply

Eni denies that the OPL 245 transaction represents or is to be considered unlawful and consequently does not acknowledge to have participated in an alleged theft against the citizens of Nigeria.

The development of asset OPL 245, released with the agreement between Eni, Shell and the Nigerian Federal Government, following a long-standing legal claim over the license which was unrelated to Eni, is in the interest of investors as well as in the public interest of the Nigerian State and its citizens, due to the positive repercussions on the country's GDP, employment and tax revenues.

1.20 Has ENI entered into an agreement with the corporate intelligence company K2, or any other corporate intelligence company, to obtain information on the activities of non-governmental organizations in relation to the OPL 245 deal?



1.20 Eni ha partecipato ad un accordo con la società di intelligence aziendale K2, o con qualsiasi altra società di intelligence, al fine di ottenere informazioni sulle attività delle organizzazioni non governative in merito all'affare OPL 245?

1.21 Has ENI received information from K2, or any other corporate intelligence company, in relation to the following entities or individuals: Global Witness, Re:Common, The Corner House, Simon Taylor, Nicholas Hildyard, Antonio Tricarico, Elena Gerebizza, Barnaby Pace, Dotun Oloko, President Buhari's Presidential Advisory Council Against Corruption (PACAC), members of PACAC or details about criminal investigations into the OPL-245 deal being conducted in Nigeria?

1.21 Eni ha ricevuto informazioni dalla K2, o da altre società di intelligence, relativamente alle seguenti persone giuridiche o fisiche: Global Witness, Re:Common, The Corner House, Simon Taylor, Nicholas Hildyard, Antonio Tricarico, Elena Gerebizza, Barnaby Pace, Dotun Oloko, President Buhari's Presidential Advisory Council Against Corruption (PACAC), membri del PACAC o dettagli circa le indagini nell'affare OPL-245 condotte in Nigeria?

Reply to questions 1.20 and 1.21

Eni does not request information about NGOs or persons who are part of them.

Eni's joint venture partners in the Republic of Congo. Questions in cooperation with Re:Common.
www.recommon.org

2. Congo.

In written answers before the 2016 AGM, the Eni board stated that Eni was awarded the Marine XII licence on condition it sold a 25% participating interest to a company "designated by the Congolese Government", which was notified to Eni as New Age (African Global Energy). The board then acknowledged that Eni had "received, as a witness, a request from the US DOJ for the formal production of documents in relation to the assets "Marine XII" and the dealings with some individuals and companies in the context of an investigation of New Age, [Och Ziff], and others"¹. In September 2016, the US Department of Justice announced that Och Ziff entered into a three year deferred prosecution agreement, with a subsidiary pleading guilty to conspiracy to violate the Foreign Corrupt Practices Act in relation to bribery schemes in Democratic Republic of Congo and Libya.² In January 2017, the US Securities and Exchange Commission announced that it had charged two former Och Ziff executives with corruption offences by the US SEC3 (which are denied by the individuals concerned).⁴ Three related documents - the US Securities and Exchange Commission's 2016 order against Och Ziff entities and management⁵, Och Ziff Capital Management Group LLC's quarterly report from September 2016⁶ and the SEC's January 2017 complaint against two former Och Ziff officers⁷ – contain a detailed anonymized account of an investment in a Republic of Congo oil field. Cross-checking details from these three documents against publicly available information⁸, these appear refer to New Age's participation in Marine XII.

Nelle risposte scritte prima dell'Assemblea 2016, il consiglio Eni ha dichiarato che Eni si è aggiudicata la licenza Marine XII, a condizione di cedere una partecipazione del 25% ad una società "Designata dal governo congolese", che è stata notificata a Eni come New Age (African Global Energy). Il Consiglio ha



quindi riconosciuto che l'Eni aveva "ricevuto, come testimone, una richiesta da parte del Dipartimento di Giustizia degli Stati Uniti per la produzione formale dei documenti relativi alle attività "Marine XII" e dei rapporti con alcuni individui e aziende nel contesto di un'indagine della New Age, [Och Ziff], e altri". Nel Settembre 2016, il Dipartimento di Giustizia americano ha annunciato che Och Ziff aveva stipulato un deferred prosecution agreement triennale, e che una sua controllata si era dichiarata colpevole per cospirazione per avere violato il Foreign Corrupt Practices Act in relazione a corruzione nella Repubblica Democratica del Congo e Libia. Nel gennaio 2017, la SEC ha annunciato di aver accusato due ex dirigenti Och Ziff di reati di corruzione (negati dalle persone interessate). Tre documenti correlati – quelli del 2016 della SEC contro le entità Och Ziff and Management, la relazione trimestrale del settembre 2016 della Och Ziff Capital Management Group LLC e quello del 2017 della SEC contro due ex officers Och Ziff - contengono un dettagliato ma reso anonimo resoconto di un investimento in un giacimento petrolifero nella Repubblica del Congo. Un controllo incrociato di questi tre documenti rivela come questi appaiano fare riferimento alla partecipazione di New Age a Marine XII.

2.1.1 In 2016, Eni's board stated that it conducted due diligence on New Age in 2009, which revealed "no particular problems in the field of anti-corruption".⁹ The documents describe how a South African company, whose owners were allegedly implicated in corruption and arms dealing and had "ties to the South African political party" (but no oil exploration or production experience), was to receive a 25% "free carry" in an oil interest being sold by "an Italian oil company".¹⁰ Did Eni's 2009 due diligence on New Age identify an additional proposed partner and, if so, did it identify any "red flags" or corruption risks associated with it?

2.1.1 Nel 2016, il board Eni ha dichiarato di aver condotto due diligence su New Age nel 2009, che non ha rivelato "particolari problemi nel campo della lotta alla corruzione". I documenti descrivono come una società sudafricana, i cui proprietari erano presumibilmente implicati nella corruzione e traffico d'armi e con "legami con la politica del Sud Africa" (ma non esperienza nel campo dell'esplorazione o produzione di petrolio), ha avuto la possibilità di comprare il 25% "free carry" di un giacimento di petrolio da "una compagnia petrolifera italiana". Nel 2009 la due diligence di Eni sulla New Age ha identificato un ulteriore partner e, in caso affermativo, ha individuato eventuali "red flags" o rischi di corruzione ad esso associati?

2.1.2 The documents describe how Och Ziff did not proceed with the 2009 version of the deal; in February 2010, however, a new version was proposed and authorized by Och Ziff's senior management, against the advice of one of Och Ziff's attorneys. This provided for a different company to receive (at no cost), 25% of the oil interest being sold.¹¹ Did Eni board become aware of any change in the structure of the New Age's participation in Marine XII during 2009 or 2010, and did it conduct revised due diligence on any new partners?

2.1.2 I documenti descrivono come Och Ziff non ha preso parte alla transazione del 2009; nel febbraio 2010, tuttavia, una nuova versione è stata proposta e autorizzata dalla direzione di Och Ziff, contro il parere di uno dei legali di Och Ziff. Questa nuova proposta prevedeva di attribuire (a costo zero) a una società diversa il 25% del giacimento a olio in vendita. Il board Eni era venuto a conoscenza di eventuali cambiamenti nella struttura della partecipazione della New Age in Marine XII nel corso del 2009 o 2010, e ha condotto una nuova due diligence su eventuali nuovi partner?

2.1.3 The documents describe how, in the 2010 deal, a "South African Business Partner" received a \$13m payment, ultimately funded by an Och Ziff investment fund, and a separate "French Intermediary" received \$5m. Neither of these intermediaries had any role or entitlement in the 2009 version of the deal, and \$10m (out of \$13m) were allegedly transferred to the French intermediary's account in Lebanon.¹² Is any executive officer or board member of Eni aware of any such payments in relation to the Marine XII deal and, if so, could they explain



the justification for and ultimate recipients of these payments, as well as when they learned of them?

2.1.3 I documenti descrivono come, nell'operazione del 2010, un "South African business Partner" ha ricevuto un pagamento di \$13m, in ultima analisi, finanziato dal fondo d'investimento Och Ziff, e un "Intermediario francese" ha ricevuto \$5 milioni. Nessuno di questi intermediari aveva alcun ruolo o titolo nella versione del 2009 della transazione, e \$10 milioni (dei \$13 milioni) sono stati presumibilmente trasferiti sul conto dell'intermediario francese in Libano.

Esiste un dirigente o membro del consiglio Eni a conoscenza di tali pagamenti in relazione al contratto Marine XII e, in caso affermativo, potrebbero spiegare la causa e i destinatari finali di questi pagamenti, così come quando ne sono venuti a conoscenza?

2.1.4 Could the board reassure investors that none of the ultimate beneficiaries of New Age are politically exposed persons, including (but not limited to) members of Congolese President Denis Sassou Nguesso's government or individuals with ties to the South African ruling party, or the family, relatives, advisers or business associates of any such persons?

2.1.4 Potrebbe il board assicurare gli investitori che nessuno dei beneficiari finali di New Age sono persone politicamente esposte, tra cui (ma non limitatamente a) i membri del governo del presidente congolese Denis Sassou Nguesso o individui con legami con il partito di governo sudafricano, o la famiglia, i parenti, consulenti o colleghi di lavoro di tali persone?

2.1.5 New Age's 2015 consolidated financial statements include an auditor's opinion, as of 31 December 2015, that as New Age Group's "commitments exceed the funds currently available, additional investment will need to be raised. Should this additional investment not be raised ... this would indicate the existence of a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern".¹³ New Age subsequently raised additional financing.¹⁴ Could the board describe what due diligence Eni conducted on New Age's financial position to date and confirm that New Age has consistently met its financial contributions for the Marine XII project, without Eni or any third party having to cover any of the company's obligations?

2.1.5 Il bilancio consolidato al 31 dicembre 2015 di New Age, che include l'opinione del revisore, descrive che, "commitments exceed the funds currently available, additional investment will need to be raised. Should this additional investment not be raised ... this would indicate the existence of a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern". New Age successivamente ha effettuato ulteriori investimenti. Potrebbe il board descrivere quanto emerso dalla due diligence Eni sulla posizione finanziaria di New Age fino ad oggi e confermare che la New Age ha sempre rispettato i suoi impegni finanziari per il progetto Marine XII, senza che Eni o terzi abbiano dovuto coprire gli impegni della società?

2.1.6 Eni's 2016 answers note, in relation to Marine XII, that "Because of the ongoing investigations, at present we cannot make assessments and additional comments".¹⁵ Could the board provide a list of any and all investigations into the Marine XII licence of which it is aware?

2.1.6 Nel 2016 le risposte di Eni, in relazione a Marine XII, dicevano "A causa delle indagini in corso, al momento non possiamo fare valutazioni e commenti aggiuntivi". Potrebbe il board fornire un elenco di ognuna delle indagini sulla licenza Marine XII di cui è a conoscenza?



2.1.7 Eni's 2016 financial statements on form 20F state that "On July 9, 2015, Eni received from the U.S. Department of Justice a subpoena ordering the Company to produce documents in view of the hearing of an Eni employee, relating to the assets 'Marine XII' in Congo and relationships with certain persons and companies."¹⁶ Could Eni confirm whether either the US SEC or DOJ have questioned any employees in relation to the Marine XII asset, or whether any employees of Eni are under investigation (whether or not Eni as a legal entity has to date been interviewed as a witness only)? Can Eni at least assure investors that the Eni employee involved in the hearing was nobody of, or reporting to, any member of the Board of directors?

2.1.7 Le f-pages del form-20F Eni del 2016 dichiarano che "Il 9 luglio, 2015, Eni ha ricevuto da parte del Dipartimento di Giustizia americano un un sub poena per la produzione di documenti sulla base dell'audizione di un rappresentante Eni, relativi alle attività 'Marine XII' in Congo e rapporti con determinate persone e aziende ". Potrebbe Eni confermare se la SEC o DOJ hanno ascoltato un dipendente in relazione al permesso Marine XII, o se eventuali dipendenti di Eni sono sotto inchiesta (o se Eni come soggetto giuridico è finora stato intervistato come solo un testimone)? Eni può almeno garantire che il rappresentante coinvolto nella testimonianza non era nessun membro, o non riportava direttamente, al Consiglio di Amministrazione?

Replies to questions 2.1.1 to 2.1.7

Negotiations with the Government for the Marine XII block was always performed by Eni in a straightforward and transparent manner, in accordance to Eni's policies and business conduct. In May 2006, Eni Congo signed a memorandum of understanding with the Republic of Congo to purchase a stake in the free block of Marine XII and the role of operator.

In 2009, a mineral contract (*Contract de Partage de Production - CPP*) was signed between the Republic of Congo and the Consortium consisting of Eni Congo (90%) and SNPC (10% carried) as well as a second agreement based on which a third partner, to be chosen by the Republic of Congo, would enter as part of the Contractor Group with a 25% stake. Under this context, the Republic of Congo later advised that New Age would be the third partner. The amendment to the CPP that acknowledged the entrance of the partner became effective as of 1st January, 2010. Considering this, no other partner could be identified.

The due diligence performed by Eni in 2009 on New Age had identified the probable presence, among the beneficiaries of the latter, of a South African businessman and politician and one of his business associates, again of South African origin. However, the political role played by the first beneficiary did not place him in a position of conflict of interest with regard to the specific transaction. Therefore, there were no elements preventing the entry of the new partner, in execution of the contractual commitments between Eni and the Republic of Congo.

Regarding all of the alleged payments indicated in the questions, at the time of the facts, Eni was completely unaware of them. Upon the entry of New Age in the Marine XII JV, New Age reimbursed Eni, as per the agreements, for the relative stake of the previous costs with



interest, to a value of USD 35.2 million. New Age contributed financially to the development of the project and its entry fulfilled all of the financial commitments required by the contract for carrying out the activities.

Today, the investments sustained at 100% of the Marine XII license for the exploration and development activities total USD 2.8 billion.

No Eni employee or representative was heard as a witness by the DOJ or SEC regarding the Marine XII case and no Eni employee is under investigation for the same case.

2.2 AOGC (Africa Oil and Gas Corporation)

In answers to the 2016 AGM, the Eni board stated that Eni “performed due diligence on [Africa Oil and Gas Corporation and Kontinent Congo] through international service providers².”

2.2 Tra le risposte dell’assemblea generale del 2016, il Consiglio di Amministrazione di Eni ha dichiarato che Eni ha eseguito una due diligence su AOGC tramite alcuni consulenti internazionali”.

2.2.1 Africa Oil and Gas Corporation ("AOGC") was founded by Denis Gokana³, the former Director General and current chairman of the national oil company SNPC, and special adviser on oil matters to President Sassou Nguesso⁴. Until 2005, Mr Gokana owned a majority stake in the company⁵.

Did Eni board identify and discuss Mr Gokana’s involvement in AOGC, prior to partnering with AOGC upon being re-awarded the Mwafi, Kitina, Foukanda and Djambala fields in 2014?

2.2.1 L’Africa Oil and Gas Corporation ("AOGC") è stata fondata da Denis Gokana, ex Direttore Generale, nonché attuale Presidente della National Oil company SNPC, e consigliere speciale del Presidente Sassou Nguesso sulle questioni petrolifere. Fino al 2005, il signor Gokana ha posseduto un interesse di maggioranza nella società.

Il Consiglio di Amministrazione di Eni ha identificato e discusso il coinvolgimento del signor Gokana nell’assegnazione dei campi Mwafi, Kitina, Foukanda e Djambala prima di cominciare la partnership con AOGC?

2.2.2 In August 2016, the Italian *L’Espresso* magazine reported that at least two of the current shareholders of AOGC are public officials in Congo⁶. One of these, Dieudonné Bantsimba, is also

² Eni SpA ordinary shareholders meeting May 12 2016, answer to questions given during AGM, under “Relationships with other countries.

Source: Assemblea ordinaria degli azionisti di Eni spa del 12 maggio 2016, risposta alle domande della sezione “Relazioni con gli altri paesi”.

³ Judgement of Justice Cooke in “the Nordic Hawk”, 28 November 2005, para.66, <http://image.guardian.co.uk/sysfiles/Guardian/documents/2005/12/15/KensingtonJudgmentAppro.pdf>

Judgement of Justice Cooke in “the Nordic Hawk”, 28 Novembre 2005, para.66, <http://image.guardian.co.uk/sysfiles/Guardian/documents/2005/12/15/KensingtonJudgmentAppro.pdf>

⁴ Africa Energy Intelligence, Insider Profile: Denis Gokana, Denis Sassou Nguesso’s influential oil supremo, 20th October, 2014

Africa Energy Intelligence, Insider Profile: Denis Gokana, Denis Sassou Nguesso’s influential oil supremo, 20 Ottobre 2014

⁵ Cabinet Ghelber & Gourdon, Audit des procédures d’Attribution du permis relating au bloc Marine XI en Republique du Congo “Marine XI audit”, p.66 onwards

Cabinet Ghelber & Gourdon, Audit delle procedure di attribuzione dei permessi relative al blocco Marine XI nella Repubblica del Congo “Marine XI audit”, p.66 e seguenti.

⁶ Stefano Vergine, Espresso - Congo, the secret list of who does business with Eni, 6th August, 2015 and Stefano Vergine Espresso - Congo, here is the secret list that scares Eni, 6th August, 2015.



President of AOGC's board of directors⁷. According to Mr Gokana's court testimony in 2005, Mr Bantsimba is Mr Gokana's "cousin through marriage" and "This gentleman's mother was my maternal uncle's first wife", who he has known "since childhood"⁸.

Was Eni board aware of Mr Bantsimba's apparently close connection to Mr Gokana and what steps did the board take, if any, to ascertain whether Mr Gokana's divestment of shares and authority at AOGC to Mr Bantsimba represented a genuine separation from AOGC's business affairs?

2.2.2 Nel mese di agosto 2016, la rivista italiana L'Espresso ha riferito che almeno due degli attuali azionisti di AOGC sono pubblici ufficiali in Congo. Uno di questi, Dieudonné Bantsimba, è anche presidente del consiglio di amministrazione di AOGC. Secondo la testimonianza giudiziaria del signor Gokana del 2005, il signor Bantsimba è "cugino attraverso il matrimonio" del signor Gokana e "la madre di questo signore era prima moglie di mio zio materno", che egli ha conosciuto "fin dall'infanzia".

Il Consiglio di Amministrazione di Eni era a conoscenza della chiaramente stretta connessione del sig. Bantsimba con il signor Gokana e quali azioni ha intrapreso, in caso, per accertare se il fatto di aver ceduto le azioni e rinunciato alla posizione in AOGC in favore del signor Bantsimba ha rappresentato una sostanziale separazione dagli affari commerciali di AOGC?

2.2.3 As acknowledged by Eni's published response to the L'Espresso's reporting, Dieudonné Bantsimba is also the "Directeur de Cabinet" to the Ministry for Land and Public Works run by Jean-Jacques Bouya⁹. This ministry, the "DGGT", is responsible for procurements for all public works with a value of \$1.6m or more and is one of the most influential government departments in the Republic of Congo¹⁰.

When did Eni's board become aware of Mr Bantsimba's high profile government post and can Eni's board assure investors that DGGT has never had any role in connection to any infrastructure projects Eni has been involved in?

2.2.3. Come riportato nella risposta pubblicata da Eni alla segnalazione dell'Espresso, Dieudonné Bantsimba è anche il "Directeur de Cabinet" del Ministero per la Terra e Lavori Pubblici gestito da Jean-Jacques Bouya. Questo ministero, il "DGGT", gestisce gli appalti per tutte le opere pubbliche di valore pari o superiore a \$ 1,6 milioni, ed è uno dei dipartimenti governativi più influenti della Repubblica del Congo.

Stefano Vergine, Espresso - Congo, la lista segreta di chi fa affari con l'Eni, 6 Agosto 2015 e Stefano Vergine Espresso - Congo, ecco la lista segreta che spaventa l'Eni, 6 Agosto 2015.

⁷ **AOGC website, accessed 23rd March, 2017, <http://www.aogccongo.com/FR/profil.php#profil03>**

Sito web AOGC, accesso al 23 Marzo 2017, <http://www.aogccongo.com/FR/profil.php#profil03>

⁸ **Transcript of Nordic Hawk hearing; also Nordic Hawk judgement, 28th November, 2005, para.69**

Trascrizione del Nordic Hawk hearing; anche Nordic Hawk judgment, 28 Novembre 2005, par.69

⁹ **Stefano Vergine, Espresso - Congo, the secret list of who does business with Eni, 6th August, 2015**

Stefano Vergine, Espresso - Congo, la lista segreta di chi fa affari con l'Eni, 6 Agosto 2015

¹⁰ **PCQVP Congo, Rapport, "Suivi des investissements publics dans le secteur de la santé", December 2015, p.26, http://www.publishwhatyoupay.org/wpcontent/uploads/2016/01/Rapport_suivi_des_investissements_publics-PCQVP-Congo.pdf and Africa Intelligence, Insiders profile of Jean-Jacques Bouya, 6 January 2014, pp.2-3**

PCQVP Congo, Rapport, "Suivi des investissements publics dans le secteur de la santé", Dicembre 2015, p.26, http://www.publishwhatyoupay.org/wpcontent/uploads/2016/01/Rapport_suivi_des_investissements_publics-PCQVP-Congo.pdf e Africa Intelligence, Insiders profile di Jean-Jacques Bouya, 6 Gennaio 2014, pp.2-3



Quand'è che il Consiglio di Amministrazione di Eni è venuto a conoscenza dell'alto ruolo governativo del sig. Bantsimba e può il Consiglio di Amministrazione di Eni assicurare gli investitori sul fatto che il DGGT non ha mai avuto alcun ruolo in relazione ad eventuali progetti di infrastrutture cui Eni ha collaborato?

2.2.4 Could the board reassure investors that none of the ultimate beneficiaries of AOGC or its non-100% owned subsidiaries are politically exposed persons, including (but not limited to) members of Congolese President Denis Sassou Nguesso's government, or the family, relatives, advisers or business associates of any such persons?

2.2.4. Può il Consiglio di Amministrazione di Eni rassicurare gli investitori sul fatto che nessuno dei beneficiari finali delle AOGC o delle sue controllate non al 100% coincida con persone implicate politicamente, tra cui (ma non solo) i membri del governo congolese del presidente Denis Sassou Nguesso, o la famiglia, i parenti, i consulenti o soci in affari di tali persone?

Replies to questions 2.2.1 to 2.2.4

In April 2013, the President of the Republic of Congo issued a directive for the promotion and development of the Congolese private industry in a number of sectors, including hydrocarbons, mining and basic industry. Specifically for the hydrocarbons sector, the directive establishes the principle of reserving stakes in the fields that have come to term or during their re-allotment for national private companies. This principle is acknowledged in the Hydrocarbon Code, which came into force at the end of 2016.

In terms of assignment of the new licenses regarding the fields of Djambala, Foukada, Kitina and Mwafi to the state owned company, SNPC, the Congolese Government indicated AOGC as the local private partner for the association in the relative *Contrats de Partage de Production* signed by Eni, as the Operator, with SNPC and the Republic of Congo. Eni was therefore required to sign the *Contrats de Partage de Production* regarding these licenses with a consortium that included SNPC and AOGC. This consortium formed by the Government was approved by all competent Congolese authorities, including the Parliament.

The due diligence inspections performed on AOGC did identify the circumstance that the company had been founded by Denis Gokana in 2003 and the roles he held as chairman of the SNPC starting from 2005 and as special adviser to president Sassou Nguesso for the oil industry. Furthermore, a few assertions that Gokana still held interests in AOGC also emerge. In-depth investigations by Eni, however, highlighted the changes of the ownership structure which occurred with the exit of Gokana from AOGC since November 2005, as both manager and shareholder of the company. Further investigations performed in the Congo by Eni did not identify the presence of family ties between Gokana and Bantsimba, and, furthermore, the same AOGC had certified to Eni the absence of family ties between any company beneficiaries and public officials

Batsimba was the project coordinator for the national land registry office and, in 2015, as part of the due diligence performed, articles were mentioned that referred to Batsimba as



the director of the "Office of the Minister for Territorial Planning and the Directorate of Major Works". However, Batsimba's responsibilities were not in conflict with his position as partner in AOGC, considering the different area of business that had nothing to do with the Oil & Gas market. The O&G market falls under the administration of the Ministry of Hydrocarbons and not the Minister for Territorial Planning and the Directorate for Major Works. The same due diligence indicated that another AOGC partner (Lydie Pongault) had been appointed Presidential Adviser for Culture and Arts in 2013, a role that does not conflict with the Oil & Gas market.

2.3 Kontinent Congo.

2.3 Kontinent Congo.

In answers to the 2016 AGM, Eni's board stated that Eni was partnered with Kontinent Congo on the Loango II field. According to Total's press release of July 2015, Kontinent was also awarded a minority share of the Secteur Sud fields operated by Total, with Eni as joint venture partner.²⁷

2.3 Nelle risposte all'Assemblea degli Azionisti 2016, il CdA Eni ha dichiarato che Eni era in partnership con Kontinent Congo nel giacimento Loango II.

Con riferimento al comunicato stampa di luglio 2015 pubblicato da Total, a Kontinent è stata assegnata una quota di minoranza nei campi Secteur Sud operati da Total, con Eni in qualità di partner nella joint venture.

2.3.1 At the end of 2016, Total and Eni abruptly relinquished the Secteur Sud licences¹¹.

Could the board explain why, given that the licences had been re-awarded to Eni and Total only a little over a year earlier?

2.3.1 A fine 2016 Total e Eni hanno improvvisamente abbandonato le licenze Secteur Sud. Potrebbe il Consiglio spiegare la motivazione, considerando che le licenze erano state riassegnate ad Eni e Total solo poco più di un anno prima?

2.3.2 Eni's AGM answers state that Kontinent Congo was nominated by the Congolese Government as a "local company", under legislation aimed at encouraging local private shareholders.¹² Yet the parent company of Kontinent Congo appears to be Kontinent LLC, domiciled in USA,¹³ and the registered administrator general of company on incorporation was

¹¹ Africa Intelligence, 18th October, 2016, "The race to conquer the area abandoned by Total offshore".

¹² Ordinary Shareholders Meeting, 12th May, 2016, response to the questions asked during the meeting regarding "Relations with Other Countries".

¹³ Kontinent LLC website, opened in 2015.



Yaya Moussa,¹⁴ who is reportedly a Cameroonian national.¹⁵ On what basis is Kontinent a "local company" and, in case it does have Congolese beneficiaries, who are they?

2.3.2 Le risposte Eni all'Assemblea degli azionisti affermano che Kontinent Congo era stata nominata dal governo Congolese in qualità di azienda locale in linea con la legislazione finalizzata a incoraggiare gli azionisti privati locali.

Eppure, la capogruppo di Kontinent Congo sembra essere Kontinent LLC, con sede in USA e l'amministratore generale della società alla costituzione era Yaya Moussa che a quanto si dice, era di nazionalità cameroonense. Su quale base Kontinent è una società locale e nel caso in cui ci fossero beneficiari congolese, chi sono?

2.3.3 Did Eni's due diligence identify that Mr Moussa was the resident representative of the IMF in Congo in the years prior to 2010³³, when Congo received \$1.9bn in debt relief?³⁴

2.3.3 la due diligence Eni aveva rilevato che il Signor Moussa era il rappresentante residente della IMF in Congo negli anni antecedenti il 2010, quando il Congo ricevette \$1,9 miliardi come riduzione del debito?

2.3.4 Can the board assure shareholders that none of the ultimate beneficiaries of Kontinent Congo or its non-100% owned subsidiaries are politically exposed persons, including (but not limited to) members of Congolese President Denis Sassou Nguesso's government, or the family, relatives, advisers or business associates of any such persons?

2.3.4 Può il consiglio assicurare gli azionisti che nessuno dei beneficiari finali delle Kontinent Congo o delle sue controllate non al 100% è un esponente politico, tra cui (ma non solo) i membri del governo del presidente congolese Denis Sassou Nguesso, o la famiglia, i parenti, i consulenti o colleghi di lavoro di tali persone?

(26) Ordinary Shareholders Meeting, 12th May, 2016, Response to the questions asked during the meeting regarding "Relations with Other Countries".

(27) Total Announcement, 20th July, 2015, <http://cg.total.com/fr/accueil/medias/listeactualite/renouvellement-des-licences-du-secteur-sud>.

(28) Africa Intelligence, 18th October, 2016, "The race to conquer the area abandoned by Total offshore".

(29) Ordinary Shareholders Meeting, 12 May, 2016, Response to the questions asked during the meeting regarding "Relations with Other Countries".

(30) Kontinent LLC website, opened in 2015.

(31) Journal Officiel de la République du Congo, 18th July, 2014, 918

(32) Berne Declaration, "Philia's refined ventures in Brazzaville", February 2015, p.14
[https://www.publiceye.ch/fileadmin/files/documents/Rohstoffe/BD-2015-Investigation
Philia's_refined_ventures.pdf](https://www.publiceye.ch/fileadmin/files/documents/Rohstoffe/BD-2015-Investigation%20Philia's_refined_ventures.pdf)

(33) IMF country reports for Republic of Congo 07/206 of 2007 and 09/217 of 2009

(34) IMF announcement 10/20, 28th January, 2010,
<http://www.imf.org/external/np/sec/pr/2010/pr1020.htm>

¹⁴ Journal Officiel de la République du Congo, 18th July, 2014, 918

¹⁵ Berne Declaration, "Philia's refined ventures in Brazzaville", February 2015, p.14:
[https://www.publiceye.ch/fileadmin/files/documents/Rohstoffe/BD-2015-Investigation
Philia's_refined_ventures.pdf](https://www.publiceye.ch/fileadmin/files/documents/Rohstoffe/BD-2015-Investigation%20Philia's_refined_ventures.pdf)



Replies to questions 2.3.1 to 2.3.4

In 2014, the state company, SNPC, within its powers, sold 5% of its stake in the Loango Field to Kontinent Congo, identified by the Ministry of Hydrocarbons within the 2013 Directive of the President of the Republic of Congo for the promotion of local content. Furthermore, the Kontinent Congo company is a signatory party to the framework agreement of 2015 regarding the permits for the Secteur Sud area.

The due diligence performed by Eni on Kontinent Congo in 2014 identified the circumstance that Yaya Moussa had represented the International Monetary Fund in the Republic of Congo in the period from 2005 to 2009. No family relationships were identified between Yaya Moussa and Congolese public officials. Claims that Yaya Moussa had acted as a consultant for the Congolese government after leaving the International Monetary Fund were identified. Further checks into Kontinent in 2015 identified claims that Yaya Moussa and a Portuguese citizen, another minor shareholder in Kontinent Congo, might represent the interests of the Presidential family in some manner. According to the investigations performed by Eni with the support of an expert consulting company, these claims were found to be groundless and no credible evidence supporting them was found.

Eni's decision to leave the Secteur Sud area was part of the process to streamline interests in mature areas, given the short- and medium-term market conditions and the marginality of the assets.

2.4 Republic of Congo's oil licensing round.

In 2016, the Republic of Congo launched a licensing round, offering 8 blocks in the offshore coastal basin and five in the onshore Cuvette basin¹⁶. Under the revised hydrocarbons code, it is expected that the winners of any acreage will be required to partner with local companies of the government's choosing¹⁷.

2.4 Gara per l'acquisizione di licenze ad olio nella Repubblica del Congo.

¹⁶ Congo licensing round 2016 website, accessed 23rd March, 2017,

<http://www.congolr2016.com/the-blocks>

Sito Web della gara per la vendita di licenze in Congo, accesso al 23 Marzo 2017, <http://www.congolr2016.com/the-blocks>

¹⁷ Congo-B proposed new hydrocarbons code, 10th April, 2015, A.143-145, PCQVP Congo, Note de position de Publiez ce que vous payez – Congo relative au Projet de code des hydrocarbures, 29 July 2015, pp.2-3, http://www.publishwhatyoupay.org/wpcontent/uploads/2015/07/PCQVP_Congo_sur_le_projet_de_code_des_hydrocarbures.pdf

Congo-B proposta del nuovo codice degli idrocarburi, 10 Aprile 2015, A.143-145, PCQVP Congo, Note de position de Publiez ce que vous payez – Congo relative au Projet de code des hydrocarbures, 29 Luglio 2015, pp.2-3, http://www.publishwhatyoupay.org/wpcontent/uploads/2015/07/PCQVP_Congo_sur_le_projet_de_code_des_hydrocarbures.pdf



Nel 2016, la Repubblica del Congo ha lanciato una gara per l'acquisizione di licenze, offrendo 8 blocchi nel bacino offshore e cinque nel bacino onshore di Cuvette. In conformità al nuovo codice di idrocarburi, è previsto che i vincitori di ciascun area saranno tenuti a collaborare con aziende locali scelte da parte del governo.

2.4.1 Has Eni bid for acreage in the licensing round?

2.4.1 Eni ha presentato un'offerta per le aree sottoposte a gara?

2.4.2 Please describe the process by which successful bidders' local partners will be selected and what safeguards are in place to prevent any conflict of interests in relation to Congolese officials running the licensing round.

2.4.2 Si prega di descrivere il processo mediante il quale partner locali degli aggiudicatari saranno selezionati e quali misure di sicurezza sono in atto per evitare qualsiasi conflitto di interessi, relativamente ai funzionari Congolesi coinvolti nella gara.

2.4.3 If the Congolese Government proposes that Eni partners with a company which due diligence reveals has connections to politically exposed persons in Congo or elsewhere, will Eni's board assure shareholders that it will decline to partner with that company?

2.4.3 Se il governo Congolese proponesse come partner ad Eni, una società per la quale la due diligence rivelasse dei collegamenti con esponenti politici in Congo o altri Paesi, il consiglio di amministrazione Eni assicurerà agli azionisti che declinerà di collaborare con tale società?

Replies to questions 2.4.1 to 2.4.3

Eni participated in the new Bid Round in 2016 for the assignment of new deepwater offshore exploration permits. The license will be assigned to the state company, SNPC, which will stipulate the petroleum contract with the consortium that wins the bid round. In this case, the rules of the Bid Round defined by the Congolese Authorities do not require the participation of local partners in the contracts bearing in mind that these are high-risk mineral permits (deep offshore). In any case, should the participation of a local partner be required, as always, Eni will perform all due checks in line with its internal procedures.

Questions on Nigeria in cooperation with Friends of the Earth Europe.

www.foeeurope.org

3.1 How many non-sabotage explosions have taken place at ENI pipelines or installations in the period 2015, 2016 and 2017?

3.1 Quante esplosioni non legate a sabotaggi si sono verificate presso le pipeline o le installazioni Eni, nel periodo 2015, 2016 e 2017?

Reply



All of the explosions registered in 2015 (19) and 2016 (28) were caused by third parties. Only one explosion occurred during the first three months of 2017 (GTS4 gas pipeline - in the town of Rumuji, Rivers State) into which the Authorities are still investigating. The 2017 explosion did not cause any damage to people.

3.2 At last years AGM it was noted that the company had "allocated a contribution for the families of the victims of the Azuzuama incident". How much was this contribution, per family excluding funeral expenses and how much in total excluding funeral expenses?

3.2 Nell'ultima assemblea degli azionisti è stato dichiarato che la società ha distribuito un contributo per le famiglie delle vittime dell'incidente di Azuzuama. A quanto ammonta questo contributo per ogni famiglia ed in totale, escludendo le spese funerarie?

Reply

For the Azuzuama accident (14 fatalities), a total of USD 580,000 were allocated, of which:
- 540,000 to support families (about 38,500/family)
- 40,000 for medical assistance for the other four workers who were injured due to the sabotage.

3.3 How much funeral expenses were paid to each family and in total?

3.3 Quante spese funerarie sono state pagate per ciascuna famiglia ed in totale?

Reply

The funeral expenses were equal to approximately USD 120,000 (about \$8,500/family).

3.4 Were the families asked to signed anything in return?

3.4 E' stato richiesto alle famiglie di firmare qualcosa in cambio?

Reply

The families that received the contribution signed a form certifying the payment.

3.5 What steps have the CEO and the Board of Directors taken to ensure that further explosions do not result in injury or death?

3.5 Quali passi sono stati compiuti dal CEO e dal CDA per garantire che ulteriori esplosioni non causino infortuni o decessi?

Reply



All security measures have been strengthened for the employees that repair the sabotaged pipelines (convoy with greater military presence, preliminary survey of the area, etc.), as well as a number of actions listed in Point 3.7.

3.6 Have the families of all the victims been paid these expenses? If not, why not?

3.6 Tutte le famiglie delle vittime sono state rimborsate di queste spese? Se no, perché?

Reply

All of the families have been paid with the exception of one that considered the economic support proposed to be insufficient, such support being considered adequate by the committee set up by the Nigerian National Assembly specifically for this event.

3.7 What steps, since the beginning of 2015, have the CEO and the Board of Directors taken to prevent further explosions or pipeline leaks?

3.7 Quali passi, dall'inizio del 2015 sono stati compiuti dal CEO e dal CDA per prevenire ulteriori esplosioni o fuoriuscite dalle pipeline.

Reply

In terms of operations, Eni has taken further measures in addition to the ones already implemented to mitigate and prevent explosions / theft of hydrocarbons (caused by third parties) and losses due to operational spills:

- **Reinforced security and surveillance of the pipelines with greater involvement of the communities concerned**
- **Improved relations with the communities**
- **Increase frequency of helicopter fly-overs of the pipeline**
- **Cutting edge devices have been installed (Kwale/Akiri pipeline), such as Vibroacoustic Pipeline Monitoring System, and Computational Pipeline Monitoring that allow real-time detection of leaks**
- **Intensification of the preventative maintenance campaign for the lines (sectional replacement), the valves, and the points previously repaired after theft/sabotage events.**

Questions in cooperation with Douglas Linares Flinto

4. Questions in cooperation with Douglas Linares Flinto, former Executive of Eni's Brazilian Subsidiary, Eni's Whistleblower, founder & CEO at Brazilian Business Ethics Institute. Introduction.

The story of Mr. Douglas Flinto with Eni began back in 2001, when he was an executive of Eni's Brazilian subsidiary and temporarily took over the main sales management of Agip Brazil. There, Mr. Flinto received complaints of irregularities involving conflicts of interests, internal corruption, fraud, and even emission of "cold invoices". Respecting the determinations of Eni's Code of Ethics, he reported the misconducts and nonconformities with the words and spirit of the code, that as the company declares, is the guideline for all Eni's actions. On the following weeks, little happened and Mr. Flinto ended up getting fired. After invoking Agip Brazil's Committee of Ethics, Mr. Flinto got an answer from the CEO of the Brazilian operation saying that the resignation happened due to an "administrative and organizational restructuring" and



not because of a "retaliation", as Mr. Flinto stated. Mr. Flinto decided to write to Eni's Board of Directors - in the management of the CEO Mr. Vittorio Mincato (2002), Mr. Paolo Scaroni (2009) and Mr. Claudio Descalzi (2014) - and to the company's main Shareholders, including to the major one, the Italian Government. PwC, which at that time was the auditing firm hired by Eni, also received a copy of the new corresponding item.

The resignations at Agip Brazil continued until they reached the commercial management. A few months later, Eni announced to the market (in 2004) the sale of all the Brazilian assets to the state oil company Petrobras, currently involved in the largest corruption scandal in Brazil. However, no contact was ever made with Mr. Flinto, and Eni never answered any of his mails and letters. On the contrary, after ignoring the "whistleblower" in Brazil, the company tried to do the same thing in Italy. In 2010, Eni decided to file a civil lawsuit in the Court of Rome against Mr. Flinto and the Brazilian Business Ethics Institute - an institution he founded in 2003 to promote Ethics in the business and student world - demanding an indemnity of € 30 million for damage caused by libel or slander. In its lawsuit Eni states that all the facts alleged by Mr. Flinto are untrue and that, in fact, the company made an undercover investigation in Brazil to ascertain any damage. Since Mr Flinto was allegedly not collaborating to the internal investigation, he was dismissed.³⁷ In late 2014, the judge ruled "groundless" Eni's lawsuit.³⁸ The company didn't accept the proposal agreement of Mr. Flinto and preferred to appeal to the sentence.³⁹

37 Tribunale Civile di Roma, Atto di Citazione di Eni contro Douglas Linares Flinto, 22 January 2010.

38 Tribunale Civile di Roma, Sentenza nel giudizio promosso da Eni SpA contro Flinto Douglas Linares, 5 March 2014.

39 This link, provided by Mr Douglas Linares Flinto, contains all the details of his story as well as more than 50 documents proving his claims: https://drive.google.com/file/d/0B798MJca_U8JQWdWVlI5V2pwTU0/view

4. Domande in collaborazione con Douglas Linares Flinto, ex dirigente della controllata brasiliana di Eni, che ha denunciato un comportamento illegale all'interno della società, fondatore e CEO di Brazilian Business Ethics Institute.

Introduzione.

La storia di Mr. Douglas Flinto con Eni è iniziata nel 2001, quando era un dirigente della filiale brasiliana di Eni dove temporaneamente aveva assunto la gestione delle principali vendite di Agip Brazil. Qui, Mr. Flinto ha ricevuto denunce di irregolarità riguardanti conflitti di interesse, corruzione interna, frode e anche emissione di "false fatture". Rispettando le prescrizioni del Codice Etico di Eni, ha denunciato tali comportamenti illeciti seguendo le parole e lo spirito del codice, che, come la società dichiara, è la linea guida per tutte le azioni in Eni. Nelle settimane successive, non è successo nulla e Mr. Flinto ha finito per essere licenziato. Dopo aver convocato il Comitato Etico di Agip Brazil, il Mr. Flinto ha ottenuto una risposta dal CEO della società brasiliana che ha affermato che le dimissioni erano a causa di una "Ristrutturazione amministrativa e organizzativa" e non a causa di una "ritorsione", come affermato da Mr. Flinto. Mr. Flinto decise allora di scrivere al Consiglio di Amministrazione di Eni - quando erano CEO Vittorio Mincato (2002), Paolo Scaroni (2009) e Claudio Descalzi (2014) - e ai principali azionisti della società tra cui, essendo il principale, il Governo italiano. Anche PwC, che a quel tempo era la società di revisione di Eni, ricevette una copia della missiva. Le dimissioni in Agip Brasile sono continuate fino a raggiungere il commercial management. Pochi mesi dopo, Eni ha annunciato al mercato (nel 2004) la vendita di tutte le attività brasiliane alla compagnia petrolifera statale Petrobras, attualmente coinvolta nel più grande scandalo di corruzione in Brasile. Tuttavia, non c'è mai stato nessun contatto con il signor Flinto ed Eni non ha mai risposto a nessuna delle sue mail e lettere. Al contrario, dopo aver ignorato la denuncia in Brasile, la società ha cercato di fare la stessa cosa in Italia. Nel 2010, Eni ha deciso di intentare una causa civile presso il Tribunale di Roma contro Mr. Flinto e il Brazilian Business Ethics Institute - istituzione fondata nel 2003 per promuovere l'etica nel mondo degli affari e nella scuola - chiedendo un indennizzo di €30 milioni per danni



causati da diffamazione e calunnia. Nella sua querela Eni afferma che tutti i fatti adottati da Mr. Flinto sono false e che per questo motivo la società ha effettuato un'indagine per proprio conto in Brasile per accertare eventuali danni. Poiché Mr. Flinto non ha collaborato con l'indagine interna è stato licenziato¹⁸. Alla fine del 2014, il giudice ha stabilito "infondata" la causa intentata da Eni¹⁹. La Società non ha accettato la proposta di accordo presentata dal Sig Flinto e ha preferito fare appello alla sentenza.

Questions\Domande

4.1 Are the employees, at any hierarchical level, encouraged by Eni to report to the company's internal channels - and / or the immediate superior - any fraud and corruption, misconduct of any other Eni employee, including the CEO, or even because of disagreements with the words and spirit of the company's Code of Ethics? Why is it important that its employees provide reports of irregularities and illegal activities? What are the measurable (and immeasurable) gains for the company?

4.1 I dipendenti, a qualsiasi livello gerarchico, sono incoraggiati da Eni a riferire ai canali aziendali interni e/o al superiore gerarchico di qualsiasi frode, corruzione o cattiva condotta da parte di qualsiasi altro dipendente di Eni, tra cui lo stesso amministratore delegato, o di qualsiasi comportamento che sia in disaccordo con i dettami e lo spirito del Codice Etico della Società. Perché è importante che i dipendenti di Eni effettuino segnalazioni di irregolarità e attività illegali? Quali sono i guadagni calcolabili e non calcolabili per l'azienda?

4.2 If an employee who reported something suffers any kind of retaliation, what actions should this employee take? Who, within the company's organizational chart, should the employee who's suffered some type of reprisal look for? If the retaliation to an employee is confirmed, what are the attitudes that Eni will take?

4.2 Se un dipendente che ha segnalato qualcosa subisce un qualsiasi tipo di ritorsione, quali azioni dovrebbero essere intraprese verso questo dipendente? A chi, all'interno dell'organigramma della società dovrebbe rivolgersi il dipendente che avesse avuto tale tipo di ritorsione? Se la ritorsione è confermata ad un dipendente, quali sono le azioni che Eni deve intraprendere?

4.3 In 2001, after Mr. Flinto invoked Eni's "Ethics Commission" in Brazil, the CEO of the company's Brazilian operation stated (through an e-mail sent directly to Mr. Flinto) that his resignation was not a "retaliation", but rather an "administrative and organizational restructuring". Eni's headquarters in Italy says that it conducted an "internal investigation" in Brazil to investigate possible damage to the company itself and Mr. Flinto "did not cooperate" with the investigations and had a "reticent posture", resulting in a "breach of trust" and also in his "dismissal". Which of the "versions" presented by Eni about Mr. Flinto's dismissal is "true"?

4.3 Nel 2001, dopo che Mr. Flinto è stato convocato dalla "Commissione Etica" di Eni in Brasile, l'amministratore delegato della società brasiliana ha asserito (tramite una e-mail inviata direttamente Mr. Flinto) che le sue dimissioni non erano una "ritorsione", ma piuttosto un "ristrutturazione amministrativa e

¹⁸ Civil Court of Rome, Writ of Summons by Eni Against Douglas Linares Flinto, 22nd January, 2010.

¹⁹ Civil Court of Rome, Sentence in the Proceedings Brought by Eni SpA Against Flinto Douglas Linares, 5th March, 2014.



organizzativa". La sede di Eni in Italia dice che ha condotto una "Indagine interna" in Brasile per indagare i possibili danni alla società stessa e che Mr. Flinto "non ha collaborato" con le indagini e che ha avuto un "posizione reticente", con conseguente "violazione della fiducia", anche in occasione del suo 'licenziamento'. Quale delle "versioni" presentate da Eni circa il licenziamento di Mr. Flinto è "vera"?

4.4 If there was an "internal investigation" in Brazil, why did Eni not present the results of this investigation as a "proof" in the lawsuit filed by Eni at the Court of Rome against Mr. Flinto?

4.4 Se c'è stata una "indagine interna" in Brasile, perché Eni non ha presentato i risultati di questa indagine come "prova" nella causa intentata da Eni presso il Tribunale di Roma contro Mr. Flinto?

4.5 Eni states that the resignation of Mr Flinto was "confirmed" by the competent courts of Brazil. Did Eni have access to the sentence of the Brazilian Justice? What was sentenced ("in full") by the Brazilian Judge?

4.5 Eni afferma che le dimissioni di Mr. Flinto sono state "confermate" dai competenti tribunali del Brasile. Eni ha accesso alla sentenza della Corte di Giustizia del Brasile? Qual è stata la sentenza ("integrale") emessa dal giudice brasiliano?

4.6 If, in fact, Eni had access to the Brazilian court ruling, the company would know that the Judge stated in its sentence that "there was a Code of Ethics in Eni", that "there were irregularities and illegal activities in the Brazilian subsidiary of Eni" and that "Mr. Flinto provided a report to the company's internal channels" as it is imperative in the code itself. Now, if Mr. Flinto blew the whistle, if he sounded the alarm, providing a report about an alleged million-dollar scheme of fraud and corruption installed in the Brazilian subsidiary, then how come that Mr. Flinto "did not cooperate" and had a "reticent posture" in the time when the "internal investigations" were conducted, as it is stated by Eni?

4.6 Se Eni ha avuto accesso alla sentenza del tribunale brasiliano, la società dovrebbe sapere che il Giudice ha dichiarato che "c'era un Codice Etico in Eni" e che "c'erano irregolarità e attività illegali nella controllata brasiliana di Eni"²⁰ e che "Mr. Flinto aveva presentato una relazione tramite i canali interni della società", come era imperativo nel codice etico stesso. Ora, se Mr. Flinto aveva lanciato l'allarme, fornendo un rapporto su un presunto schema di milioni di dollari di frode e di corruzione nella controllata brasiliana, come mai il signor Flinto "non ha cooperato" e come mai ha avuto una "posizione reticente" quando "sono state condotte le indagini interne", come ha affermato Eni?

4.7 Why did Eni not respond to Mr. Flinto's correspondence sent to the company's "Board of Directors" under the management of Mr. Vittorio Mincato (2002), Mr. Paolo Scaroni (2009) and Mr. Claudio Descalzi (2014) reporting in full detail his retaliation case, after filing a complaint?

²⁰ The link, provided by Mr Douglas Linares Flinto, contains all the details of his story as well as more than 50 documents proving his claims: https://drive.google.com/file/d/0B798MJca_U8JQWdWVlI5V2pwTU0/view.



4.7 Perché Eni non ha risposto alla corrispondenza che Mr. Flinto ha inviato al "Consiglio di Amministrazione" della Società sotto la direzione di Mr. Vittorio Mincato (2002), di Mr. Paolo Scaroni (2009) e di Mr. Claudio Descalzi (2014) riferendo in dettaglio le ritorsioni subite dopo aver presentato denuncia?

4.8 Why, instead, did Eni choose to move a lawsuit against Mr. Flinto and the Brazilian Business Ethics Institute asking for a reparation of €30m?

4.8 Perché, invece, Eni ha scelto di intentare causa contro il signor Flinto e la Brazilian Business Ethics Institute per chiedere un risarcimento di €30 milioni?

4.9 The ruling of the court of Rome says that the lawsuit brought by Eni against Mr. Flinto (and against the Brazilian Business Ethics Institute) is "groundless" and that the company hasn't specified any criteria for the assessment of alleged damages amounting at €30m.40 Why did the Board of Eni not ask the company's Internal Audit Department to conduct an "investigation" into Mr. Flinto's case?

4.9 La sentenza del tribunale di Roma ha stabilito che la causa promossa da Eni contro Mr. Flinto (e contro la Brazilian Business Ethics Institute) è "priva di fondamento" e che la società non ha specificato alcun criterio per la valutazione dei presunti danni per un ammontare pari a €30 milioni²¹. Perché il Consiglio di amministrazione di Eni non ha chiesto alla Direzione di Internal Audit di condurre una "indagine" sul caso di Mr. Flinto?

4.10 What does Eni intend to do in Mr. Flinto's case? What are the corrective actions against Mr. Flinto that can be put into practice by the company?

4.10 Che cosa intende fare Eni per il caso di Mr. Flinto? Quali sono le azioni correttive contro Mr. Flinto che possono essere intraprese da parte della Società?

Reply

For Eni, the receipt, analysis and handling of reports, sent or transmitted by anyone, whether third parties or employees, even if confidential or anonymous (so-called Whistleblowing), is an essential element of the Internal Control and Risk Management System.

The process of managing the reports is governed by a specific regulatory instrument (approved by the Eni Board of Statutory Auditors, also as Audit Committee for the purposes of SOX), which meets the requirements of the Sarbanes-Oxley Act of 2002, the Model 231, the Code of Ethics and the Anti-Bribery MSG, and which also requires the institution of dedicated channels of communication to facilitate receipt of these reports.

Eni guarantees maximum confidentiality regarding the parties and the facts indicated using, for this purpose, suitable criteria and methods of communication to protect the identity and the integrity of the people mentioned, so that the party who files a whistleblowing report is not subject, in any way or form, to retaliation, as also required under the Code of Ethics.

²¹ Civil Court of Rome, Sentence in the Proceedings Brought by Eni SpA Against Flinto Douglas Linares, 5th March, 2014.



Mr Douglas Linares Flinto, following his dismissal from the Agip do Brasil associate company, which dates back to 2001, began a personal "battle" against Eni, on his own and as the representative of the Instituto Brasileiro de Etica nos Negòcios, sending thousands of messages with offensive content, denigrating the image of Eni SpA to the corporate mail of many top executives at Eni, as well as to numerous third parties and institutions in Italy and abroad. These messages continued after sale of the subsidiary in Brazil in 2004, and continue even to date.

From the first messages sent to Eni in 2002, Mr Douglas Linares Flinto proposed his personal reconstruction of the events that led to his dismissal, attributing it to having reported irregularities at Agip Do Brasil. Following his dismissal, Mr Flinto filed a lawsuit against Agip Do Brasil for damages and appealed against his dismissal, unsuccessfully, as he mentions in the reconstruction of his story.

Contrary to his belief, from the investigations performed by Eni, following the notices received in 2002, it emerged that, as reported by the Board of Statutory Auditors of Eni SpA in the Shareholders' Meeting Report included in the Eni 2002 Financial Statements, *"the former employee was dismissed, along with the perpetrators of misconduct, for reticence, for having breached his confidentiality obligation and for having attempted to exploit the Eni Group's Code of Practice in order to obtain personal advantages from the company"*.

Thereafter, in order to counter the repeated offensive messages, denigrating to the company's image, in 2009 Eni sent Mr Flinto a formal cease and desist order to abstain from taking any further action. Among other things, the cease and desist order responded to Mr Flinto regarding the results of the investigations performed, confirming the groundlessness of the alleged retaliation, as well as the absence of violation of laws and the Code of Ethics reported and also highlighted the reasons for his dismissal. Following further repetition of this behaviour, the company brought a lawsuit against Mr Flinto for slander, in order to protect its image, producing during the proceeding all the messages that had arrived in the meantime and introducing further initiatives implemented in the meantime on the web, again by Mr Flinto. In fact, as of 2014, Mr Flinto has escalated his communication initiatives for alleged ethical purposes with the creation of an Internet site, a blog and various social network accounts, entirely dedicated to Eni, which publish and continuously implement negative news about Eni, along with denigrating comments and images that damage the company's image.

On 29th September, 2014, the Civil Court of Rome handed down sentencing on the case brought by Eni against Mr Flinto, in which the judge admitted the detrimental potential of Mr Douglas Linares Flinto's behaviour (*"...While being able to be consider, in truth, that the content of the numerous mails sent by Douglas Linares - at times as the president of the stated Institute - "Istituto Brasileiro de Etica nos Negòcios" - is abstractly offensive to the image of the Plaintiff..."*), though rejecting Eni's request for damages (which did not total 30 million Euros), and rejecting the motion for vexatious action formulated by Mr Flinto in the same proceeding against Eni.

The proceedings are currently pending appeal and the company is continuing with actions to protect itself.



Furthermore, following the motion filed by Mr Flinto in June, 2015, against Eni SpA with the Italian OECD National Contact Point (NCP), the latter has ruled that the motion “does not merit investigation” also given the evaluation performed by the corresponding Brazilian NCP, which Mr Flinto had also approached.

The exposure of Eni's gas portfolio to climate-related risks. Questions in cooperation with ShareAction UK. <https://shareaction.org>

The board of Eni has welcomed the Paris Agreement and acknowledged the importance of a low-carbon energy transition to safeguard its goals. ENI has stated that it wishes to play a role in this transition, and places emphasis on natural gas for the process of decarbonisation.

Recent analysis challenges the extent to which natural gas can be understood as a transitional fuel. Research by scientists at the Stockholm Environment Institute suggests that gas can only be considered as a component of the “low-carbon transition” if guardrails are added, including robustly managing and reducing methane leakage, ensuring gas supplies are directed primarily to substitute higher-carbon energy sources (i.e. coal), and restricting the extent of lower-carbon technology lock-out (i.e. developments in gas made at the expense of developments in renewables).

Il Consiglio di Amministrazione di Eni ha accolto con favore l'accordo di Parigi e ha riconosciuto l'importanza di una transizione energetica a basso tenore di carbonio per salvaguardare i propri obiettivi. Eni ha dichiarato la sua intenzione di svolgere un ruolo in questa fase di transizione ponendo l'accento sul gas naturale per il processo di decarbonizzazione.

Recenti analisi mettono alla prova il concetto per cui il gas naturale può essere inteso come fonte energetica di transizione. Una ricerca degli scienziati del Stockholm Environment Institute suggerisce che il gas può essere considerato come componente di “transizione low-carbon” solo se vengono stabilite delle barriere, tra cui una forte gestione e riduzione della dispersione di metano, garantendo che le forniture di gas siano dirette essenzialmente a sostituire fonti di energia higher-carbon (ad esempio il carbone) e limitando la portata dello sviluppo delle tecnologie low-carbon (ad esempio sviluppi tecnologici per il gas effettuati a scapito di sviluppi in fonti rinnovabili).

5.1 In order to confirm ENI’s commitment to the low carbon transition, will the company test its gas portfolio against these guardrails, and report back to shareholders on its performance?

5.1 Al fine di confermare l'impegno di Eni per la transizione a basso tenore di carbonio, sarà la società testare il proprio portafoglio di gas rispetto a questi paletti e di riferire agli azionisti sulla propria performance?

Reply

Eni's strategy focuses on the organic growth and development of conventional assets, which represent 99% of the 2016 equity production and almost the totality of our reserves. Furthermore, Eni has decided not to invest in high-CO2 content projects, such as tar sands.

The combination of Natural Gas and Renewables is the solution Eni is pursuing to eliminate the use of higher polluting fossil resources, such as coal, which on a world-wide level still



represents 41% of the electricity production, causing almost 73% of the emissions in this market.

Gas, preferred due to the high efficiency of the plants and low emission coefficients, is the only fossil fuel that is growing in absolute terms, even in the IEA's 450 Scenario, which is in line with the 2°C objective. According to this scenario, growth will be driven by the electricity and industrial markets, where gas replaces fuels with higher environmental impact, and by non-OECD countries, for many of which it represents an immediate response to the growing energy demand.

Eni's portfolio of assets and new Oil & Gas investments is subject to regular reviews by management to identify emerging risks related to changes in the regulatory standards regarding emissions and the physical conditions for conducting operations. The main new investment projects undergo a sensitivity analysis that estimates the potential costs associated with GHG emissions as 40\$/tonne. This analysis has had marginal effects on the internal rates of return of Eni's project portfolio. The resilience of Eni's production asset portfolio has been evaluated by management based on the assumptions contained in the "IEA 450" scenario, updated in November 2016 (450S WEO2016), prepared by the International Energy Agency (IEA).

Eni's strategic objectives within the plan are to exceed 50% of the equity production of natural gas on total hydrocarbons and to invest more than €500 million in projects from renewable electricity sources. These choices are aligned with what was affirmed in the cited article by the Stockholm Environment Institute on the need to replace only coal with natural gas and not the renewable sources.

The study also refers to the need to control methane leaks to guarantee the true sustainability of the natural gas supply chain. On this point, it must be remembered that most of the studies on the methane supply chain focus on the USA, where shale gas plays a fundamental role in the current production of gas. As is known, this business (in which Eni is not exposed) poses greater critical issues for the control of fugitive methane emissions compared to traditional production processes.

Aware of the importance of methane emissions control along the entire Oil & Gas supply chain, Eni is committed to reducing methane emissions associated with its industrial activities. Most of these refer to uncontrolled emissions from the Upstream business and it is here that the greatest efforts are concentrated. Thanks to the launch of dedicated campaigns for the identification of fugitive methane emissions from plants, and the related maintenance operations to eliminate leaks (the so-called LDAR campaigns - Leak Detection and Repair), in its Upstream business Eni has achieved a reduction of 1.1 Mt of CO₂eq, estimated for the 2015-2016 period compared to 2014. Furthermore, in terms of its membership in the public-private partnership guided by UNEP, Climate and Clean Air Coalition (CACC) Oil & Gas



Methane Partnership, Eni has presented a methane emissions control plan that entails launching monitoring campaigns covering all of the most important Upstream operating sites over the next 10 years, with the goal of reducing fugitive methane emissions by 80% by 2025 (compared to the estimated value in 2014).

5.2 Further, given civil protests along construction sites of infrastructure related to the Southern Corridor, has ENI considered the reputational risks of its gas expansion programme?

5.2 Inoltre, date le proteste per i cantieri delle infrastrutture legate alla costruzione del Southern Corridor, Eni ha considerato i rischi di reputazione del suo programma di espansione gas?

Reply

Eni does not have plans to develop its gas transportation infrastructure. It must be remembered that Eni is not a member of the TAP consortium.



SHAREHOLDER JACOPO FO

QUESTION

Does Eni believe that the time is ripe for conceiving an innovative sales offer, a global Eni offer for families, an offer for reciprocal loyalty between the company and the user based on quality service combined with attention to social and environmental responsibility? What steps have already been taken in this direction and what are the commitments for the future?

Reply

Eni Gas e Luce recognizes the reciprocal value of loyalty, offering its customers concrete benefits. One example is the main gas and electricity offer currently proposed that calls for a set price for 3 years, which decreases at the end of each year. Looking beyond the single product, Eni Gas e Luce intends to put its customer in a position to better use the energy, and for this reason provides its customer with an Energy Diary. Using this tool the customer receives a comparison of their consumption compared similar homes every two months, creating a virtuous mechanism of responsibility for energy consumption.



SHAREHOLDER INVESTIMENTI SUD ITALIA

1. How many proxies have been sent to the Designated Representative?

Reply

The reply will be given in the Shareholders' Meeting.

2. How much does the Designated Representative cost?

Reply

The cost is a maximum of 5,000 euros depending on the number of proxies, plus VAT and CPA.

3. Does the Company have a Reporting Procedure in place regarding significant transactions by subsidiaries?

Reply

The Eni SpA Board of Directors reserves the right to examine and approve transactions of a significant strategic, economic, asset and/or financial nature carried out by Eni SpA and its subsidiaries, defined by the resolution itself and in full compliance with the criteria indicated in the resolution. The CEO reports to the Board of Directors and to the Board of Statutory Auditors on management performance within the terms of law, the by-laws and the cited resolution. The resolution is published on the Company website (www.eni.com) in the Governance section.

4. When was the last time that adequacy tests were carried out on the procedures for managing and processing inside information, the dissemination of press releases and information to the public, as well as reports on significant transactions carried out by subsidiaries?

Reply

The Eni regulatory system requires an annual audit on the adequacy of the design of the regulations adopted, as well as the more general adequacy assessments required by the different corporate structures and bodies. Internal regulations on the management and processing of inside information and the disclosure of press releases and information to the public dated 29th October, 2012 are currently being updated to bring them in line with the new European regulations on market abuse (Regulation (EU) 596/2014 and related delegated regulations) in force since 3rd July, 2016. Pending the adjustment activities in progress, the Company and the subsidiaries involved, including corporate bodies, have in any case been notified of the new regulations and corresponding requirements through the distribution of operating instructions and statements.



5. How many shareholders have submitted questions during the pre-meeting stage?

Reply

6 shareholders

6. Did the company provide replies prior to the Shareholders' Meeting? And if not, why not?

Reply

The Company provided replies to all the questions received prior to the Shareholders' Meeting within the terms of law.

7. With reference to information on the website, how is the chain of responsibility up to the Board of Directors guaranteed for the information on the website (in accordance with Art. 125-*quater* TUF)?

Reply

With reference to information on the website and in accordance with Art.125-*quater* TUF, the documentation approved by the Board of Directors is transmitted by the corporate Governance and Company Secretariat functions to the functions responsible for external web communication, so it can be made available to the public on the Company website in accordance with the legal disclosure requirements. For the other information on the website, this is carried out by the communication function delegated by the CEO that ensures it is transmitted using the relevant functions.

8. What are the certification levels regarding the correctness of the information on the website?

Reply

If, on the basis of the communication requests from the business areas, the External Communication function deems that digital communication is the most appropriate form of external communication, it shares the proposal with the requesting function, ensuring all the necessary activities for the implementation, updating and maintenance of its content, and the channels used.

The finalizing of the content to be published, in collaboration with the requesting function, and the approved procedure, will follow the indications described in the previous section.

Eni business areas and/or subsidiaries are not permitted to make any direct digital communications.



When making the communication, the external communication function, with the support of the legal function where necessary, ensures full compliance with the regulations on the protection of moral and proprietary copyright, with specific reference to the acquisition, use, storage, conservation and distribution of texts, music, designs, images, photographs and any other material protected by copyright.

If a communication involves the acquisition, use, distribution or duplication of works, the external communication function involves the legal function responsible for intellectual property, requesting authorization to use the works in full compliance with regulations.

9. Are press releases approved by the Board of Directors? Who is responsible for the content of press releases?

Reply

The External Communications function responsible for relations with the media prepares and agrees the content of press releases with the business area responsible for communications. After this, the draft press release is submitted for authorization to the Manager of the business area and the Manager of the function reporting directly to the CEO of Eni SpA, based on organizational competence.

The External Communications function responsible for relations with the media, in addition the above, notifies the Corporate Affairs and Governance and Investor Relations functions which check whether the content of the press release falls within the realms of price sensitive information (without prejudice to the check regarding application of market abuse regulations from the moment the information was created) and/or if it is necessary to transmit this press release to bodies or authorities (for example, Consob) beforehand in fulfilment of the current law and regulations. Within this context, the reliability and correct disclosure of price sensitive information is guaranteed, in full compliance with rules of confidentiality of price sensitive information and relevant regulations, both internal and external. Press releases relating to subjects which are under the responsibility of the Board of Directors, are subject to approval by the Board of Directors itself. All press releases are in any case approved by the CEO of Eni.

10. What resources does the Company have for managing relations with shareholders in addition to the email/fax/telephone channels of the Investor relator?

Reply



As established by the Corporate Governance Code, relations with institutional investors and financial analysts are managed by the Manager of the Investor Relations unit, while relations with individual shareholders are managed by the Company Secretariat.

The Investor Relations team consists of approximately 10 people located in the offices in San Donato Milanese, London and Houston. The team is organized by geographical area and type of analysts (buy-side, sell-side, ESG).

With regards to relations with individual shareholders, the Company Secretariat structure consists of three resources.

The contact details of the Investor Relations function are available on the Eni website.

Presentations to financial markets and press releases on the Company's quarterly performance and statutory financial reports are published on the website in real time, after which they remain continuously accessible by investors and the common public.

The "Eni on the stock market" pages in the Investor Relations section of the website are updated with information relating to dividends, the share performance, analyst coverage and ratings.

Additional details on the management of relations with shareholders are provided in the 2016 Corporate Governance Report.

11. What mechanisms are in place within the corporate structure supporting the balance between gender as well as equal opportunities to access managerial roles - in addition to any statutory regulations regarding the composition of the administrative and supervisory bodies?

Reply

Over the years, Eni has prepared and implemented an internal regulatory framework/structure (Code of Ethics, company procedures and policies) which inspires all the policies, management and development processes of its people not only to prevent the risk of discrimination of minority groups, but also and even more so, to recognize and maximize the contribution of all and the inclusion of all "diversities".

Eni promotes the culture of plurality and the principles of equal opportunities through the enhancement and development of its resources according to meritocratic criteria, making use of instruments to identify results, behaviour and growth potential of the resources in order to direct development based on the needs expressed by the strategic plans and the organizational structures.

In line with these principles, Eni places particular importance on balancing the presence of women in all working areas and at all levels of responsibility.



Within this context, Eni implements numerous actions/initiatives to attract women to careers and technical professions with the aim of enriching the development pipeline of female leadership starting from the recruitment and hiring phase.

Another relevant point is Eni's commitment to the Promotion of Gender Equality within the Board of Directors of Eni subsidiaries in Italy and across the world.

Since 2012 Eni has anticipated application of the regulations regarding the presence of women on the Boards of Directors. To date, more than one third of the members of the Boards of Directors of Eni subsidiaries in Italy are women (35% compared to 31.7% in 2015).

Eni has also decided to extend this commitment regarding gender representation also to Boards of Directors abroad, even though there is no regulatory obligation. This has led to female representatives accounting for approximately 1/4 of the total number of foreign appointments in 2016 thanks to Eni's focus on this issue.

12. What is the expenditure budget assigned to the internal control committee and the internal auditor in order for them to carry out their functions?

Reply

The budgets for the Control and Risk Committee and the Internal Audit Department are defined annually on the basis of requirements connected to the fulfilment of their respective duties and responsibilities and are approved by the Board of Directors in line with indications provided by the Corporate Governance Code.

13. Was the last update of the Organizational Model, as required by Italian Legislative Decree 231/2001, assigned to external consultants?

Reply

There is currently a framework agreement in force with PwC to support management in projects for updating the organizational models of the companies belonging to the Group. This agreement was also activated within the context of the most recent update projects launched after regulatory innovations in terms of unlawful intermediation and the labour exploitation in accordance with Law 199/2016. We would like to note that the regulations for the updating of Model 231 are defined in Chapter 7 of Model 231, available on the eni.com website.

14. Can you tell us the most significant points regarding activities of the Watch Structure in this financial year?

Reply



During the period in question, the Watch Structure duly carried out the activities under its responsibility, making sure the results were communicated to the relevant subjects and bodies, in accordance with the provisions of Eni SpA's Model 231 (freely available on www.eni.com).

In order to fulfil the requirements of its mandate, the Watch Structure met twelve times during 2016, specifically on 20th January, 18th February, 16th March, 15th April, 19th May, 16th June, 11th and 21st July, 29th September, 18th October, 16th November and 14th December. On 18th February and 21st July, joint meetings with the Board of Statutory Auditors and the Control and Risk Committee of Eni SpA were held to deal with issues of common interest.

Please note that the following activities and information flows were activated and received in that period:

- the six-monthly information from the CFO, the ACC Manager (Anti-Corruption Compliance), the Health, Safety, Environment and Quality Manager and the Security function Manager was acquired as documents and through specific meetings;
- periodic updates were received from the Internal Audit Department on the main results of all the activities carried out in 2016 with reference to the supervisory programme approved by the Watch Structure, in particular through periodic updates on the Plan's progress and the examination of the audit reports issued, as well as monitoring the corrective actions defined by management as a result of findings that emerged.
- analysis of the reports were carried out regarding the Internal Control System and so-called Other Subjects, also through the acquisition and examination of quarterly reports produced by the Internal Audit Department;
- an important part of its activities was dedicated to monitoring the main judicial issues regarding the company, also keeping a close watch, within the realms of responsibility, on the development of events which closely involve Eni SpA, with particular reference to the "OPL 245/Malabu" and "Algeria" questions. With particular reference to the "OPL245/Malabu" issue, forensic investigations have continued as requested by the Watch Structure and the Board of Statutory Auditors. These investigations were assigned to independent experts of the US Pepper Hamilton law firm and the investigation firm Freeh Group International Solutions. The results of these investigations, as reported, have not shown any evidence of unlawful behaviour by Eni.

15. How many transactions with related parties have not been subject to the procedures indicated for Transactions of Greater or Lesser Significance in accordance with the exclusion limits established by Consob regulations? What was the subject of the transactions and which was the related party?

Reply



Procedures in relation to transactions involving interests of directors and statutory auditors and transactions with related parties, defined in accordance with Consob provisions, provide for the exclusion of, among others: (i) transactions with or between subsidiaries, including jointly, and associated companies if there are no significant interests of other related parties of the company in the subsidiary or the associated company; (ii) ordinary transactions which have been concluded with equivalent or standard market conditions as well as (ii) transactions involving small amounts.

The notes to the financial statements (note 47 of the consolidated financial statements and note 43 of the Eni SpA financial statements) indicate the transactions carried out by related parties of Eni, also showing the counterparties.

16. How many requests for information has the Company received from Consob for the financial year in question, under Art. 115 of Italian Legislative Decree 58/1998? What was the subject of the request(s)?

Reply

Three requests were received in 2016 under Art. 115 of Italian Legislative Decree 58/1998. The subject of these requests regarded the 2015 annual financial report, the 2016 interim report, objections received in relation to the production activities in Val d'Agri, and changes to the composition of the internal board committees. Following the requests for information, no objection or censure was received regarding the company.

17. What, if any, are the risks and related impact of BREXIT?

Reply

The Group is currently assessing the possible scenarios of risks/opportunities connected to Brexit. Currently, as we await to find out how Brexit will actually be implemented, the Group is of the opinion that there will be no significant impact on results, the net financial position, industrial strategies and the manner in which operations are conducted.

18. Has the company carried out an initial assessment of the implications deriving from the obligation to disclose non-financial and diversity information as established by Italian Legislative Decree implementing EU Directive 2014/95 which will be mandatory starting from the 2017 financial year?

Reply

Considering the relevance of the issue for stakeholders, for several years now Eni has, within its institutional financial reporting, adopted the model of integrated reporting. This model combines the description of strategies, growth objectives and profitability and the results of the financial statements with the Group's performance in the field of Corporate Social



Responsibility. The aim of this is to highlight interconnections which exist in the Eni business model between industrial management and business sustainability in terms of environmental protection, community health and safety, territorial commitment, climate change, protection of human rights and diversity, and constant attention to risks. Therefore, Eni believes that there will be no significant impact deriving from the obligation to disclose non-financial and diversity information as established by Italian Legislative Decree implementing EU Directive 2014/95, which will be mandatory starting from the 2017 financial year.

19. Which anti-gender discrimination policies currently exist within the Company?

Reply

Over the years, Eni has prepared and implemented an internal regulatory framework/structure which inspires all policies, management and development processes of its people not only to prevent the risk of discrimination of minority groups, but also and even more so, to recognize and maximize the contribution of all and the inclusion of all "diversities".

These values are extremely clear in our Mission, in which the value of the individual and diversity are considered fundamental elements and sources of enrichment for the culture of the company.

"We are an energy company. We work to build a future in which everyone can access energy resources efficiently and sustainably. We base our work on passion and innovation. On the strength and growth of our skills. On the value of the individual, recognising diversity as a resource. We believe in long-term partnerships with the countries and communities that host our operations"

From a regulatory point of view, anti-discrimination principles are present:

in the Code of Ethics: Eni undertakes to offer, in full compliance with applicable legal and contractual provisions, equal opportunities to all its employees, ensuring that each of them receives fair pay and conditions based exclusively on criteria of merit and ability, without discrimination of any kind. Any form of violence or harassment, whether sexual or based on personal and cultural differences, is forbidden. These refer to: subordinating any decision of significance for the working life of a person to the acceptance of sexual favours or basing it on personal or cultural differences (...)"

in the reference Policies:

- Our people "Eni is committed to creating a work environment in which diversity and personal and cultural views are regarded as resources and sources of mutual enrichment, as well as a key factor for business sustainability.

Eni respects the dignity of each person and provides equal opportunities without any discrimination based on race, colour, gender, religion, nationality, political preferences, sexual orientation, social status, age or any other personal condition not relevant to the



work requirements. Fairness, valuing employees and non-discrimination constitute the pillars of the remuneration systems”.

- Sustainability “Eni takes into account Human Rights issues, from the very first feasibility evaluation phases of new projects, in order to avoid detrimental behaviours and to detect areas of possible intervention, to help improve local stakeholders’ access to fundamental rights”

□ **other regulatory instruments:**

- Human Resources MSG (recalling the principles of enhancement of human capital, overseeing and developing skills in the context of enhancing professionalism and craftsmanship within a business environment of collaboration and participation, recalling the guiding principles of the policy entitled "Our People").

- Responsible and Sustainable Company (Non-discrimination, abstaining from the use of forced labour and child labour, respect for the right of association and collective bargaining, protection of workers' representatives, opposition against modern forms of slavery, maternity protection and decent working conditions must all be ensured.

The promotion of equal opportunities for all people (diversity management) is intended as a set of organizational and regulatory initiatives for inclusion policies regarding primary diversity (for example, ethnicity, age, gender, sexual orientation, different abilities, religion) and secondary diversity (for example, professional training, experience and the role within the organization, income, geographical location).

These principles are diffused throughout the corporate system, also through ongoing training activities worldwide.

20. What are the current energy use levels of the Company? What is the percentage ratio of renewable and non-renewable resources? What level of greenhouse gas emissions is the company business responsible for?

Reply

In 2016, the net consumption of primary resources was approximately 12 million tonnes of oil equivalent (12,013,173) and total energy consumption was 12.2 million tonnes of oil equivalent (12,231,639).

		2014	2015	2016
Net consumption of primary resources	(toe)	11,930,983	12,433,816	12,013,173
- natural gas		9,343,440	9,631,529	9,457,072



- oil products		2,499,712	2,696,682	2,387,130
- other fuels		87,831	105,605	168,971
Consumption of electricity, heat and steam purchased from third parties		283,855	144,090	218,466
Total energy consumption		12,214,838	12,577,906	12,231,639

Only a marginal part of Eni's energy consumption is from renewable sources and this is mainly due to Enipower's solar production at Eni's industrial sites and R&M gas stations.

From this perspective, the programs launched aim to expand the installed capacity from renewable sources, bringing it to 463 MW by 2020 with an investment of 0.55 billion euros.

Direct emissions of greenhouse gases in 2016 were 40.10 million tonnes of CO₂ equivalent.

With regards to direct emissions (namely, Scope 1), in 2016, Eni's activities generated 40.1 million tonnes of CO₂ equivalent (MtCO₂eq), about half of which is related to the Upstream business (20.4 MtCO₂eq). The remaining part is divided between the Gas & Power business (11.2 MtCO₂eq of which over 90% refers to Enipower gas stations) and the refining and petrochemical business (5.5 MtCO₂eq and 3 MtCO₂eq respectively). From 2010 to 2016, changes to the production mix and actions taken to contain GHG emissions have allowed Eni to reduce total GHG emissions by 31% (equal to 18 MtCO₂/year) and the upstream GHG emission intensity rate by 30%. As far as future targets are concerned, Eni is committed to a ten-year action plan aimed at reducing the Upstream Emission Intensity by 43% (compared to 2014) by 2025. The GHG Reduction Plan has three main areas of action: eliminating process flaring, the reduction of fugitive methane emissions and the continuous improvement of energy efficiency. Of indirect greenhouse gas emissions, the scope 2 category, namely purchases of electricity, steam and heat from third parties, is quantitatively negligible in Eni (approximately 0.7 mIntCO₂eq), since electricity generation occurs in most cases through operated assets and therefore the related emissions are already included in scope 1. As far as scope 3 emissions are concerned, namely those arising from the entire Oil & Gas pipeline, Eni has refined a process for the reporting and certification of emissions associated with its value chain. In particular, over 98% of indirect emissions are associated with the final use of the products sold (natural gas and oil products, such as petrol, diesel and kerosene). The main lever for reducing these indirect emissions is to increase the share of gas and renewable energy sources in Eni's hydrocarbon production portfolio. In fact, gas has a lower carbon content and is the bridging fuel for energy transition. In this regard, Eni's strategic objectives over the plan are to exceed 50% of the equity production of natural gas on the total of hydrocarbons and invest more than 500 million euros in projects from renewable electricity sources.



21. What instruments are currently adopted to fight both active and passive corruption?

Reply

In line with the "zero tolerance" principle expressed in the Code of Ethics, Eni prohibits any form of corruption (active/passive, direct/indirect) with no exceptions, in relation to both private parties and/or public officials. For this purpose and in line with this principle, since 2009 Eni has adopted a system of financial controls and regulations to prevent corruption (the Anti-Corruption Compliance Program), in full compliance with national and international anti-corruption laws in force.

On a regulatory level, the Anti-Corruption Compliance Program includes:

- **An Anti-Corruption Management System Guideline adopted by the Board of Directors of Eni SpA in which areas at risk of corruption are identified (by way of example, selection of covered business partners, sponsor contracts, non-profit organizations, selection of personnel, free gifts and hospitality, etc.) and the main general principles of reference to be followed in carrying out activities which take place in these areas; and**
- **anti-corruption regulations which dictate the precise discipline to be applied to the management of individual company processes at risk of corruption and the related controls (for example, procedure for carrying out anti-corruption due diligence on potential counterparties at risk, definition of the anti-corruption clauses to be included in the related contracts, contract monitoring activities, etc.).**

On an organizational level, a dedicated Anti-Corruption Compliance structure was set up in 2010 with the role of providing specialist anti-corruption assistance to Eni and the unlisted subsidiaries of Eni both in Italy and abroad. Through this Anti-Corruption Compliance structure, constant activities are ensured to raise awareness and provide training for Eni people on the topic of antic-corruption, both in Italy and abroad.

This unit currently responds directly to the Integrated Compliance Department, which in turn responds directly to the CEO of Eni SpA.

The adoption and implementation of the Compliance Program is mandatory for Eni SpA and for all its subsidiaries, in Italy and abroad, which adopt it with a resolution of their own Board of Directors. Furthermore, companies or bodies in which Eni has a non-controlling interest are required to meet the standards set out in the anti-corruption regulatory instruments, maintaining an adequate internal control system in accordance with the requirements established in anti-corruption legislation.



22. What role does the CIO (CEO) hold and what functions fall under his/her control?

Reply

With a resolution dated 9th May 2014, the Board of Directors appointed Claudio Descalzi as Chief Executive Officer (CEO) and Chief Operating Officer, awarding him all the administration powers of the Company, with the exclusion of certain powers reserved exclusively for the Board of Directors and those which cannot be delegated by law.

As indicated in the organizational structure available on the eni.com website, to date, the main functions that report to the CEO are: Chief Financial Officer, Chief Services & Stakeholder Relations Officer, Chief Exploration Officer, Chief Development Operations & Technology Officer, Chief Upstream Officer, Chief Midstream Gas&Power Officer, Chief Retail Market Gas&Power Officer, Chief Refining & Marketing Officer, as well as the Departments: Energy Solutions, Legal Affairs, Corporate Affairs and Governance, Institutional Affairs, External Communication, Integrated Compliance and the Integrated Risk Management function.

23. What is the relationship between the CEO and the Board of Directors?

Reply

The CEO is the person responsible for managing the company, reporting to the Board of Directors and to the Board of Statutory Auditors on management performance within the terms of law, the by-laws and the resolution regarding the powers reserved for the Board of Directors. Furthermore, the CEO is always appointed by the Board of Directors to institute and maintain an effective internal control and risk management system (ICRMS). For this purpose, the CEO: (i) is responsible for identifying the main risks to the company, taking into account the characteristics of the activities carried out by Eni SpA and its subsidiaries, and reports them to the Board of Directors at least every three months; (ii) ensures implementation of guidelines, in terms of ICRMS, defined by the Board of Directors, and is responsible for the its planning, realization and management; (iii) constantly checks the adequacy and effectiveness of the ICRMS ensuring it is adapted to the company operation and the regulations in force.

24. How is security, confidentiality and traceability of communications within the Board of Directors guaranteed?

Reply

Internal communications of the Board of Directors are carried out through emails on the eni.com domain, reserved for each member of the Board, using devices provided by the



company and IT systems equipped with adequate security measures. In particular, the ICT function of Eni guarantees the security of IT devices and the confidentiality and traceability of all IT communications, adopting a "risk based" model which identifies the most advanced standards of the technology, in compliance with applicable internal and external regulations (please refer to question 25).

25. How is access to minutes of meetings and other confidential information checked and tracked?

Reply

The confidential information contained in the documentation and minutes of board meetings are handled in a secure and confidential manner, as provided by internal regulations. In particular, documentation of the Board of Directors is made available to the Directors, the Statutory Auditors and the Magistrate of the Court of Auditors, in a section reserved for the Board of Directors on the Eni website, which ensures full confidentiality of the information entered and full traceability of access made to documentation. The documentation can also be sent by email, but only to websites belonging to the eni.com domain, ensuring maximum security during transmission. Furthermore, company documentation containing "inside" information, in accordance with the law, can not be communicated in advance to the Directors, without prejudice to the need to ensure that the Board of Directors has adequate information on the subjects which are on the meeting's agenda.

With reference to the minutes of the board meetings, in accordance with internal regulations, the competent offices have archiving procedures in place which ensure full confidentiality of the information.

26. How does the register of persons with access to internal information work (for the purposes of market abuse and commercial or legal purposes)?

Reply

Information is an essential part of the company's assets. All Eni employees are required to adhere to the obligations of confidentiality established by the Code of Ethics and the procedures for the protection of company information, including inside information, which impose strict protective measures in the management and circulation of this information. Consultants are, in turn, also required to maintain similar contractual obligations of confidentiality. In addition, with special reference to inside information, in 2006 Eni established a Register of persons with access to inside information, including internal and external persons who meet regulatory requirements. Furthermore, the Register was recently



adapted to the new requirements established by European regulations on market abuse (Regulation (EU) 596/2014 and related delegated regulations), in force since 3rd July 2016.

27. Have the communication systems been the subject of IT attacks? If so, what type and what were the effects?

Reply

The term communication technology describes the interaction between information technology and human communication processes.

Since the question is in relation to IT attacks, we are focusing on telecommunication systems (including the Internet channels), email, telephone systems and video-conference systems as communication "applications".

In 2016 the company communication systems were the subject of IT attacks, mainly in relation to unauthorized access attempts.

Thousands of attacks were blocked automatically by our defence systems while the more sophisticated attacks were also analysed and managed by the Eni internal IT security team.

As well as being the subject of attacks, the communication means were also widely used as vectors for attempted violations of the IT systems.

The most frequent cases in 2016 refer to the attempted spreading of viruses within the company network and phishing, often regarding scams aimed at the Company, employees or Eni customers.

With regards to all the events managed, a total of more than 300 in 2016, there was no significant impact on Eni business operations.

28. What defence instruments were put in place? Is there a specific manager or dedicated staff for IT security (internal or assigned to external companies)?

Reply

With regards to cyber threats Eni adopts contrasting measures which are, as far as possible, in line with the increasing diffusion and complexity of the threat which, especially within a "Country system" context, means companies operating in the energy sector are one of the most common targets for cyber criminals.

O&G companies may be subjected to cyber attacks as a result of their international exposure and their presence in critical areas. For this reason, cyber risk is mapped in the integrated management system for company risks.



From our analysis, it has emerged that the phenomenon is on the increase, both in terms of frequency and impact, due to digital transformation and use of the internet, leading to high levels of interaction and interconnection with the outside world.

Contrasting actions can be divided into 2 areas:

1. the first refers to protective measures for IT assets, networks and infrastructure of a technical nature, dealt with by the ICT department.

In particular, the following measures have been implemented to prevent and increase resilience against attacks, applicable worldwide.

- Adoption of a centralized model governing Cyber Security which adopts an approach based on the risk and identification of assets that are critical for the business with the aim of appropriately differentiating protective measures;
 - Assigning an organizational unit within the ICT for the prevention, monitoring and management of any possible cyber attacks;
 - Mandatory on-line training on cyber risks and in particular connected to the use of social networks and internet, to raise risk awareness in Eni people;
 - Definition of ICT Security Rules for the protection of company data and the use of Eni infrastructures;
 - Definition of an ICT Security plan;
 - Implementation of infrastructure security measures;
 - Implementation of additional security measures for ICT services and infrastructure used by Top Management and their assistants.

2. the second is within the context of an organizational and intelligence nature. The most developed cyber protection models require a strong synergy between the technical competence of the ICT functions and those of Security intelligence and investigation.

Eni has therefore, for some time now, supported more effective and innovative technology-driven actions and has recently established a "cyber intelligence" structure within the corporate security function.

This organizational innovation was developed in the knowledge that incisive preventive analysis of the threat identifying, where possible upstream, any aggressive actions against the company before they occur, can allow for greater contrasting action by the ICT structures. At the same time, it ensures proper investigation if cyber attacks do still take place.



To ensure both activities, the cyber intelligence unit handles and implements the necessary relations with the authorities responsible for the protection of national security and critical infrastructure.

Within the Company, the responsibilities associated with Cyber Security are kept strictly separate by Eni, as specified above and for the areas of competence, between ICT and Security. A Computer Emergency Readiness Team (CERT) was also set up among the aforementioned business functions, which meets regularly and responds directly to the company's top management.

29. Where are the company books held? How can they be accessed by shareholders? What is the cost? Can inquiries be made regarding the database? How is the privacy of shareholders guaranteed?

Reply

The company books are held at the registered offices of Eni SpA. In accordance with Art. 2422 of the Italian Civil Code, shareholders have the right to examine the books indicated in the first paragraph, number 1) and 3) of Art. 2421 of the Italian Civil Code (shareholders register and book of meetings and resolutions of the shareholders' meetings) and obtain extracts at their own expense.

30. Is it possible (for each individual shareholder) to obtain a full copy of the shareholder register?

Reply

In accordance with Art. 2422 of the Italian Civil Code, shareholders can obtain a extracts at their own expense.

31. Is it possible to obtain the cancellation of registrations in the book upon withdrawal?

Reply

All the information received for the purpose of intermediaries is registered in chronological order in the shareholder register and cancellation of the registration is not permitted.

32. Is it possible to deposit your own shares in the company with the company? If so, what is the procedure?

Reply

Eni shares are dematerialized and deposited by shareholders in the securities accounts opened under their own name with authorized intermediaries.



33. What and how many meetings with shareholders (reference or significant) were organized, in what manner, and what kind of specific information was provided? Did the directors participate or only the investor relator?

Reply

As established by the Corporate Governance Code, relations with institutional investors and financial analysts are managed by the Manager of the Investor Relations unit, while relations with individual shareholders are managed by the Company Secretariat.

The Investor Relations team consists of approximately 10 people located in the offices in San Donato Milanese, London and Houston. The team is organized by geographical area and type of analysts (buy-side, sell-side, ESG).

The contact details of the Investor Relations function are available on the Eni website.

Presentations to financial markets and the corresponding press releases are published on the website in real time, after which they remain permanently available.

The "Eni on the stock market" pages in the Investor Relations section of the website are updated with information relating to dividends, the trend of stocks and shares, analyst assessments.

Additional details on the management of relations with shareholders are provided in the 2016 Corporate Governance Report.

The corporate events 'Strategy Presentation' and 'Investor Day', organized by Eni Investor Relations and with the participation of the top management of the company, are attended exclusively by financial analysts and institutional investors. Participation is not open to retail investors.

However, these events are always streamed directly on our website eni.com where it is also possible to view and download the related documentation (for example, presentations, transcripts, press releases, video streams, audio streams).

34. Is there a Code of conduct for directors, in particular for reference or significant members, in relation to the use of corporate information?

Reply

The Board of Directors of Eni has adopted a Code of Ethics, which defines the principles of integrity and transparency which guide Eni actions (available on the Company website: www.eni.com). Directors, Statutory Auditors, management and in general all employees of



Eni, and all those working in Italy and abroad to carry out Eni's objectives, each within the area of their functions and responsibilities, are required to uphold the principles contained in the Code of Ethics.

The Code of Ethics establishes general principles, also in relation to corporate information and inside information, which have been translated into company regulations. In particular, the Board of Directors has adopted internal regulations on the management and processing of inside information and for the disclosure of press releases and information to the public.

Other corporate regulatory instruments also establish rules of conduct regarding the use of company information and its protection, including the Rules of the Board of Directors.



SHAREHOLDER MARINELLA GARINO

- 1) In 2016, was remuneration paid to Paolo Scaroni? If so, could you please specify the exact amount?
- 2) I should like to note here that when a similar question was put forward in the 2016 meeting, the answer was given that in fact remuneration had been paid but the amount (as requested) was not specified, referring shareholders to the remuneration report which was difficult to interpret. I would ask you therefore to specify the exact amount of remuneration paid to Scaroni in 2015, otherwise I will have no option but to make a report to the Board of Statutory Auditors under Art. 2408 of the civil code.

Reply 1-2

In 2016 the deferred monetary incentive matured together with the long-term monetary incentive assigned in 2013, as reported in the Remuneration Report 2015 on page 28 (Table 3). The final multipliers applied to these amounts were 123% and 0% respectively, as described in the Remuneration Report 2017 (page 24).

In 2015 the deferred monetary incentive matured together with the long-term monetary incentive assigned in 2012, as reported in the Remuneration Report 2015 on page 28 (Table 3). The final multipliers applied to these amounts were 123% and 62% respectively, as described in the Remuneration Report 2016 (page 20).

Consob regulations require annual remuneration disclosure only for Directors and General Managers who have held the role during the reference year. Since 8th May 2014, Mr Scaroni has no longer held any role in Eni.

- 3) What have been the effects of the transfer of 12.5% of Saipem to the Cdp group finalized in January 2016? Have there been any benefits? Could you please quantify the costs and/or benefits?

Reply

On 22nd January 2016 the Eni Group left the Engineering & Construction ("E&C") sector due to the conclusion of the transfer to CDP Equity SpA of 12.503% owned in Saipem SpA, leading company of E&C, and the simultaneous entering into force of the trade union agreement establishing joint control of the two partners over the organization. These transactions were the trigger for Eni's loss of control over Saipem, and the subsequent de-consolidation of the assets and liabilities, costs and revenue of Saipem and its subsidiaries.

The shareholding which was kept of 30.55% is classified as an interest in a joint venture, assessed on the equity method basis as established by the IFRS. The initial carrying value of the shares is represented by the fair value on the date of the loss of control. This was equal to a stock market value of €4.2 per stock (for a counter-value of €564 million to which €1,069 million is added in relation to the increase in Eni company capital underwritten at the same



time as the transaction described, for a carrying value of €1,614 million) with a loss in the income statement of €441 million recorded in the results attributable to discontinued operations in 2016, to which the write-down of €393 million in the 2015 financial statements is added to align the carrying value of Saipem in the Eni balance sheet with the closing price of the financial year (€7.49 per share), as required by the International Accounting Standards and Business Measurement Standards (in the 2015 financial statements Saipem was still a consolidated subsidiary of Eni in all respects). These non-recurring charges are added to recurring costs incurred by Eni's business units since they refer to the performance of engineering, construction, maintenance and other oilfield services, considering that as a result of the loss of control, Saipem is now a third-party supplier for the Group, while in the past these costs were considered intercompany services (in 2016 costs for services received from Saipem were €775 million).

The Saipem transaction had an overall benefit on Eni's consolidated net financial position of approximately €4.8 billion due to Saipem's repayment of intercompany loans granted by Eni for €5,818 million (outstanding amount at 31st December 2015) and the amount of €463 million for the sale of the shareholding, net of Eni's company capital increase of €1,069 million.

- 4) What were the expenses in 2016 for the Group's advertising in the newspapers La Repubblica, Corriere della sera, Il Sole 24 Ore, Il Messaggero, Il Fatto quotidiano, Dagospia?

Reply

In 2016 no sponsorships were taken out in the newspapers indicated.

With regards to advertising costs, Eni plans its own advertising campaigns through an advertising agency, which selects the media based on the target audience and the size of the audience which could potentially be reached.

Within the context of institutional campaigns, Eni's plans always involve the daily press. Within these plans, national newspapers, regional newspapers, local newspapers and editorial newspapers are taken into account.

That being said, below is the data for advertising investments on the main groups:

Principali Concess	Inv Netto 2014	Share '14	Inv Netto 2015	Share '15	Inv Netto 2016	Share '16
PUBLITALIA	11.478.745	20,8%	4.844.393	11,6%	6.749.245	16,2%
RAI	5.851.614	10,6%	2.883.019	6,9%	5.264.302	12,6%
RCS	3.750.852	6,8%	4.103.906	9,8%	4.511.338	10,8%
MANZONI	2.976.535	5,4%	3.200.416	7,7%	3.582.758	8,6%
SOLE 24 ORE	2.108.101	3,8%	2.191.409	5,3%	2.598.591	6,2%
GOOGLE	2.834.832	5,1%	2.504.961	6,0%	1.790.401	4,3%
PIEMME	1.428.390	2,6%	1.584.019	3,8%	1.747.468	4,2%
MEDIAMOND	639.149	1,2%	1.383.518	3,3%	1.650.066	4,0%
SKY	415.117	0,8%	676.926	1,6%	1.303.755	3,1%
CAIRO	584.280	1,1%	459.053	1,1%	941.763	2,3%
Totale Principali Concess	32.067.616	58,1%	23.831.620	57,2%	30.139.687	67,1%
Totale Investimenti Netti	55.239.709		41.679.045		44.927.501	

Principali Concess	Inv Netto 2014	Share '14	Inv Netto 2015	Share '15	Inv Netto 2016	Share '16
PUBLITALIA	11.478.745	20,8%	4.844.393	11,6%	6.749.245	16,2%
RAI	5.851.614	10,6%	2.883.019	6,9%	5.264.302	12,6%
RCS	3.750.852	6,8%	4.103.906	9,8%	4.511.338	10,8%
MANZONI	2.976.535	5,4%	3.200.416	7,7%	3.582.758	8,6%
SOLE 24 ORE	2.108.101	3,8%	2.191.409	5,3%	2.598.591	6,2%
GOOGLE	2.834.832	5,1%	2.504.961	6,0%	1.790.401	4,3%
PIEMME	1.428.390	2,6%	1.584.019	3,8%	1.747.468	4,2%
MEDIAMOND	639.149	1,2%	1.383.518	3,3%	1.650.066	4,0%
SKY	415.117	0,8%	676.926	1,6%	1.303.755	3,1%
CAIRO	584.280	1,1%	459.053	1,1%	941.763	2,3%
Totale Principali Concess	32.067.616	58,1%	23.831.620	57,2%	30.139.687	67,1%
Totale Investimenti Netti	55.239.709		41.679.045		44.927.501	

The residual share also includes newspapers for which the investment is insignificant compared to the total volumes.

- 5) Have subscriptions been taken out for multiple copies of the digital edition of the Sole 24 Ore? If so, for what amount?

Reply

Since the Sole 24 Ore is to be considered a "working" tool supporting various activities, various subscription solutions have been used depending on internal demand and the type of use, activated through a contract negotiated by the company's procurement department in line with cost reduction and optimization activities consistent with the program launched by Eni. Within this context, and as part of the solutions identified, a subscription was also taken out for multiple digital copies limited to 600 users in addition to the hard-copy and online subscription. The contractual amount of this service is €105,600. The solutions identified have allowed overall savings of approximately 26% compared to the previous year.



SHAREHOLDER TOMMASO MARINO

QUESTIONS

1) What stage are the criminal proceedings against the former CEO Scaroni at?

Reply

The proceedings before the Court of Milan are in the trial phase.

2) The CEO did not provide any information in the Financial Report regarding the reversal of the acquittal of Mr Scaroni and Eni by the Court of Cassation: why not?

Even though he was charged of serious crimes! In relation to this question, I am submitting a complaint to the Board of Statutory Auditors under Art. 2408 of the Italian civil code, criticizing the CEO and whoever else is jointly responsible, regarding the breach of the right of shareholders to be fully informed in relation to their requests!

Reply

Please refer to pages 184 and 185 of the Financial Report.

3) What other proceedings regarding us are pending before Judge Alessandra Clemente?

Reply

None at the moment.

4) I would like to start with an excerpt from the reason for the ruling regarding the reversal of the acquittal of Scaroni: "the Panel assesses that, in pronouncing the decision not to proceed, the Milan judge went beyond the limits set for their own review by Art. 425 of the standard code of procedure and incorrectly applied the rules when evaluating the evidence" ... "On a different point, it should be noted how the preliminary hearing judge not only went beyond the limits set for their investigation, but also incorrectly applied the rules governing the assessment and the use of the statements made by the co-plaintiffs set out by Art. 192, paragraph 3 of the code of criminal procedure." How much has the defence of Scaroni by legal counsel Franco and Enrico de Castiglione cost us to date, including at the Court of Cassation?

Reply

The defence costs are in line with legal fees, considering the complexity of the matter.



5) Has Alessandra Clemente or her family ever had direct or indirect dealings with Eni Group?

Reply

No dealings.

6) What contracts exist between the Group and Scaroni or related companies?

Reply

The Group does not have any contracts with Paolo Scaroni in relation to services connected to Eni financial activities. If by related company you are referring to NM Rothschild & Sons Limited, a company with which Paolo Scaroni currently has an organic collaborative relationship (Vice President), the only contract related to financial activities concerns support activities to the M&A function.

Other than what has been specified, there are no existing contracts of any other type with Scaroni or related companies.

7) Viggiano Oil Centre: what point is the inquiry at?

Reply

The criminal proceedings on the illegal trafficking of liquid wastes at the Val d'Agri Oil Centre, prepared by the Public Prosecutor's Office of Potenza, is currently undergoing the preliminary hearing phase. This stage in the proceedings will be concluded by the end of April either with a ruling not to prosecute the defendants - which will signal the closure of the whole process - or with a committal to trial. In the latter case, the actual trial will start with the first hearing, expected to be by the end of the year. Eni presented its defence in the preliminary hearing reiterating: i) the legitimacy of the reinjection of produced water into the field; ii) the conformity of the liquid and gaseous hydrocarbon separation cycle with BATs (Best available technologies); iii) the correct application of the EWC (European Waste Catalogue) to wastewater; iv) the correct reporting of COVA's temporary emissions to the authorities. Eni's defence asked the judge for an acquittal for all the defendants and for the company at this stage of the proceedings.

8) Can Eni confirm that the problem in the Viggiano area is confined just to two wells?

Reply

The areas concerned are mainly within the facility with the exception of two limited areas around two external wells.



Emergency safety measures were implemented both in the areas within the COVA facility and around the two external wells. The necessary site investigations to define the area affected by the leak from tank A are currently underway by means of a 'Characterization Plan'.

At the moment, all areas where safety measures have been implemented are being monitored. Additional checks are currently underway.

9) Shock decision by the Federal High Court: the new African government has authorized the revocation of the license for the OPL245 field. The order confirms the accusations of the Public Prosecutor's Office of Milan: mega-corruption of over one billion dollars!

The Italian company now risks losing the largest crude reserves in Africa after paying as much as 1,092 million for them. Paid to the State but, it seems, ending up in the hands of former corrupt ministers. Does Descalzi believe he needs to be self-critical in this regard?

For the reply, see the answer to question 11.

10) In 2016, Descalzi led us to a loss of over one and a half billion. Wouldn't it be better if he resigned rather than renewing his term of office?

Reply

During the two years of downturn in the oil industry which saw commodity prices lose around 60% of their value (2016 average: 44 \$ vs 2014 average: 100 \$/barrel), reaching 27 \$ in the first quarter of 2016, the lowest point in the last three years, Eni recorded balance sheet losses attributable to two main causes:

- **The contraction of revenues from the sale of production hydrocarbons considering that the upstream costs are, by their nature, fixed**
- **The maintenance of material write-downs, which obviously do not impact on cash flow, as a function of management's decision to revise the long-term oil price downwards, which is the main driver in determining the recoverable value of Eni oil&gas assets. In particular, the Brent long-term reference price adopted by management was reduced from 90\$ in 2014 to 70\$ in 2016, thus falling within the lower end of the long-term forecasts made by merchant banks and specialist institutions (for example, one of the leading international oil companies reported having adopted long-term price forecasts in line with the market consensus). Considering the 2016 financial statements, the net loss for Eni shareholders from continuing and discontinuing operations was €1,464 million, mainly as a result of low oil prices, which fell on average by 17% in 2016 alone.**



To counter the effects of the weakening oil market, Eni adopted a series of actions in 2014 as part of a strategy to optimize the cost position, with the aim of adapting the Eni business model to the altered energy scenario, safeguarding financial strength, and maximizing cash generation:

- optimization of CAPEX, down 37% since 2014, through the better selection of investment decisions, renegotiations, and rescheduling/scaling of large projects
- a broad programme to reduce E&P operating costs and G&A, reduced in the three-year period 2014-16 by 25% and 37%, respectively
- portfolio streamlining with the divestment of non-core assets including Saipem, and Galp and Snam shareholdings, and application of the dual exploration model with revenues of €18 billion in 2013-2016
- the growth in upstream production and recovery of the G&P, Refining and Chemical sectors, once again generating positive cash flows with around €3 billion in 2016 alone, able to mitigate the fall in oil prices
- finally, in 2015, the “rebasings” of the dividend to €0.8 per share, constituting the dividend floor.

In 2016 alone, these actions enabled the impact of the oil market to be mitigated by €1.7 billion.

Cost and investment containment did not occur at the expense of growth, the prospects of which improved thanks to exploration successes and their management according to the dual exploration model, which with the sale of stakes in these successes enable cash generation to be brought forward, and a more efficient development model aimed at reducing the time-to-market of the reserves. Production increased by 13% in the three-year period 2014-2016 compared with 2013, and the portfolio projects in the pipeline and their progress will sustain an average annual growth rate of 3% in the next four-year period.

Overall, despite the balance sheet losses attributable to the exogenous factor of the collapse in oil prices, management initiatives have enabled Eni to come out of the downturn with a solid financial position, with strengthened prospects for growth, and the creation of long-term value, and having safeguarded employment levels (for example, one of the largest international oil companies explained to the financial community how its cost-cutting programme was implemented in part thanks to a 27% reduction in the workforce compared with 2011).

To sum-up, thanks to the strategy implemented in response to the downturn, Eni has achieved very significant results:



- a pro forma debt to equity ratio (discounting the already concluded Zohr and Mozambique transactions) which has fallen compared to the start of the downturn, the only example among international oil companies, having paid cash dividends to shareholders of more than €10 billion (in the three-year period 2014-16)
- the reduction in the break-even price level, which ensures the self-financing of capital expenditures with the cash flow of operating activities from \$127 in 2013 to around 45 current (average plan 2017-20)
- the generation of an aggregate cash flow of €35 billion in the three-year period, essentially in line with the 37 billion of the previous three-year period, despite the 50% decrease in the price per barrel
- the 3% projected growth in production is among the best in the industry and greater than the previous plan, despite the 8% reduction in the investment programme.

11) There is now a request to commit Descalzi to trial. Up to what point in the process will he remain in his post, if he is committed to trial?

Reply 9-11

On 27th January, 2017, the Eni subsidiary Nigerian Agip Exploration Ltd ("NAE") was made aware of an order of the Federal High Court of Abuja with which a temporary seizure ("Attachment Order") of licence OPL 245 was ordered at the request of the Economic and Financial Crime Commission ("EFCC"), pending ongoing investigations and related proceedings for alleged corruption and money laundering crimes in Nigeria.

NAE, in conjunction with its partner Shell, promptly submitted an application for revocation of the seizure order with the same court. On 17th March, 2017, the Nigerian court revoked the seizure order, and NAE and its partner regained full availability of the asset.

With regard to the Italian criminal proceedings, the first preliminary hearing is set for 20th April, and the judge has set a long schedule of hearings, and only following the outcome of these will the committal to trial of the natural and legal persons be decided. A committal to trial, it should be remembered, does not constitute a judgement of guilt, but only an assessment of the theoretical sustainability of the allegations in the first instance.

A committal to trial, if decided, does not constitute a judgement of guilt, but only an assessment of the theoretical sustainability of the allegations in the first instance.

It should be noted that Eni has provided the US legal counsel appointed to perform the independent verification of the OPL 245 transaction with a copy of all the documents submitted as part of the Public Prosecutor's Office of Milan's investigation file. In summary, the US lawyers concluded that the additional checks performed by them confirm the



conclusions of the previous controls based on which no evidence of unlawful conduct by Eni emerged in relation to the acquisition of the OPL 245 license from the Nigerian Government.

12) Eni appointed so-called independent studies, which describe how, in particular in Val d'Agri, Basilicata, where dozens of oil wells were opened, the environment is beautiful and fragrant, worthy of heaven on earth. Who are these experts who have fortunately opened our eyes to a story which instead local residents persist in wanting to attribute to Eni, blaming Eni for the widespread death of fish, the smell of sulphur they are forced to live with, and deaths from cancer?

Reply

As part of the pending criminal proceedings before the Court of Potenza, currently in the preliminary hearing phase, for alleged illegal waste trafficking, Eni appointed international experts to monitor the air quality within and around the facility as well as the state of health of workers and residents in the surrounding municipalities.

Air quality monitoring in and around the facility, carried out in two stages, 60 consecutive days for 24 hours, using independent personnel and equipment, was entrusted to a leading international environmental consultancy and monitoring firm.

Health checks, on the other hand, were conducted by a group of distinguished academic experts in industrial hygiene, epidemiology and public hygiene, and legal medicine, with the task of examining all the medical and risk records of employees and hospital admissions since the Oil Centre opened in 2015.

The results of these studies have not so far been refuted by the Public Prosecutor's Office of Potenza's consultant.

The results of the health and air quality studies conducted by Eni have been acquired and in no way refuted by the "Parliamentary Inquiry Commission on illegal activities connected to the waste cycle and on environmental crimes", which in April 2016, following seizure of the Val d'Agri Oil Centre by the Public Prosecutor's Office of Potenza, undertook a mission in Basilicata aimed at examining in detail the environmental questions connected to the extractive operations in Val d'Agri, listening to the position of all the interested parties.

13) How much did the consultancy referred to in the previous point cost?

Reply

Eni significantly invests in maintaining the highest safety and environmental standards. Proof is the important amount of expenditures made in health, safety and environment in Italy alone from 2009 to 2015, which amounted to 6.1 billion euros and these will continue to increase over the next four years.



14) Is Eni aware that a study of twenty municipalities of Val d'Agri, conducted by the National Institute of Health (Istituto Superiore di Sanità), shows higher levels of death caused by cancer and cardiovascular disease which may have environmental exposure as a "potential contributing factor"?

Reply

The study has the objective of assessing the impact on the environment of anthropic activities in the area of Val d'Agri. The health surveillance study is based on death rate and admissions data for 20 municipalities. Hospital Discharge Forms (SDO), a tool for gathering information on every patient discharged from public and private healthcare institutions across the whole country, were also used.

The conclusions from the National Institute of Health study are: "Death rates: this study is aimed at providing a picture of the state of health of the population in question. The geographic study does not enable a definite causal link between the exposure to environmental pollutants and the state of health of the population to be established, but it may suggest that these exposures could constitute a possible contributory factor. The health profile of the residents in the areas related to the extraction license does not seem to be critical. However, the situation relating to circulatory system diseases, and respiratory system and digestive system diseases is worth noting. The epidemiology of these diseases includes lifestyle among the main risk factors (including smoking, eating habits, alcohol consumption). That said, the picture of the state of health of the population in question showed that for both sexes higher numbers of deaths are observed due to malignant stomach cancer, myocardial infarction, diseases of the respiratory system as a whole and diseases of the digestive system as a whole (and in particular, due to cirrhosis and other chronic liver diseases). For men living in the municipalities subject to analysis, further increased numbers of deaths are observed due to lymphoid leukaemia (acute and chronic), insulin-dependent diabetes mellitus, diseases of the circulatory system as a whole (and in particular due to coronary heart disease), chronic respiratory diseases, and symptoms, signs and abnormal clinical and laboratory test results, not classified elsewhere and due to external causes. No mortality defects have been observed. For women, an increased number of deaths is also found for acute respiratory diseases".

The increased number of deaths shows different trends in the two sexes and this argues against a likely and/or significant causal environmental component; lifestyle (including smoking and alcohol consumption) are most likely to be a potential cause of many of the described increases in deaths.

Regarding the analysis of hospital admissions, it is worth noting the fact that pulmonary neoplasms, which can be more directly linked to the presence of potentially carcinogenic air



pollutants, are not significantly high, with different trends for the two sexes (insignificant increase in women and insignificant reduction in men).

The picture relating to respiratory system diseases shows a situation where, while there is a significant increase in acute infections and asthma in the two sexes, there is a reduction (statistically significant in men) in admissions for chronic obstructive pulmonary disease.

If it is considered that the latter comprise one of the most common consequences of chronic exposure to airborne lung damaging agents, it is difficult to attribute a role to these agents in the increases in the acute pathologies reported above. Another thing worth reporting concerns the complete absence of the above mentioned pathologies in the worker population at the Viggiano COVA site. Finally, the period of study under examination is considered inadequate for the onset of the health effects related to occupational and environmental risks to which the population of the municipalities in question has potentially been exposed. From the results of the study under consideration, no elements emerge at all proving any correlation between the pathologies analysed, in particular those which are tumorous in nature, and the conditions of exposure to occupational and environmental risk factors present at the Viggiano COVA site.

15) To confirm these studies, has Eni carried out an assessment of the health impact on the municipalities of Viggiano and Grumento Nova?

Reply

Eni is aware of a study commissioned by the municipalities of Viggiano and Grumento Nova from the Pisa CNR (National Research Council) in 2014 regarding a Health Impact Assessment aimed at highlighting any correlation between the environmental conditions in the area, where it is speculated that the Viggiano COVA site has resulted in deterioration and harm, and the health of the population (highlighting pathologies caused by any environmental damage).

The project carried out by the CNR is complex and regards multiple aspects of the environmental and health conditions of the population.

The investigation also involves various regional and national institutions.

- 1. Pisa CNR Institute of Clinical Physiology;**
- 2. University of Bari, Chemistry Department;**
- 3. CNR Institute of Ecosystem Studies;**
- 4. CNR Institute of Atmospheric Sciences and Climate;**
- 5. Department of Epidemiology of the Lazio SSR (Regional Health Service);**
- 6. "Mario Negri Sud" Foundation**



The definitive results are still pending, in particular those based on the analysis of the state of health of the population sampled in the two municipalities.

Eni has cooperated fully with this study, providing, among other things, all monitoring documentation to date.

In October 2016, the state of the art of those managing the project was made known with reference to the current year for the end of the study.

In September 2016, the working group published a review on "Non-methane hydrocarbons in the atmosphere close to crude oil treatment plants", the conclusions of which do not enable estimates of the potential impacts on the health of the communities that live and work close to crude oil stabilization sites to be made (like that represented by the Eni Viggiano Oil Centre).

16) Vincenzo Lisandrelli, Roberta Angelini, Nicola Allegro, Luca Bagatti and Antonio Cirelli were arrested for environmental crimes. Eni commissioned an internal audit. What were the conclusions and who signed it off?

Reply

Following the order of the Court of Potenza of March 2016 which ordered the prejudgement seizure of the Costa Molina 2 reinjection well and of the two production water treatment tanks at the Val d'Agri Oil Centre as well as the house arrest of 5 employees, the Internal Audit Department, at the request of the Chief Executive Officer, promptly commissioned an audit carried out jointly with the Health, Safety, Environment & Quality Department (HSEQ). The related report was issued by the Internal Audit Department on 14th July 2016.

During the audit, checks were carried out concerning the subject matter under investigation, and some topics referred to in the Court of Potenza order were looked at in detail. From the analyses carried out, on the basis of the documentation made available and the available investigative tools, no significant elements emerged confirming the nonconformity with national legislation and with the requirements of the Integrated Environmental Authorization (IEA). In relation to certain localized deficiencies identified during the audit, a remediation plan was quickly prepared by the teams involved, which has now been implemented.

17) Do the employees described above still receive remuneration?

Reply

On 31st March, 2016, having just received the news of the orders by the judiciary, Eni ordered the temporary and precautionary exemption from working activities of the 5 employees involved in the matter, while maintaining their salary.

On 28th June, 2016, following the revocation of the precautionary measure of house arrest, Eni informed the 5 employees of their immediate re-employment at sites other than Viggiano.



18) The Potenza magistrates have acquired the medical records of the residents in the areas affected by oil facilities. Various studies over the years have shown an abnormal growth in pathologies attributable to increased exposure to pollutants. The latest, produced by the National Institute of Health (ISS), relates to twenty municipalities in Val d'Agri and has not yet been released. Ilfattoquotidiano.it has seen the report: 16 years on from the first study, which showed below average death rates, there are now "an increased number of deaths" related to disorders of the hematopoietic system, and of the respiratory and digestive systems. Has Eni been able to see these studies?

Reply

A comment about the ISS study relating to the 20 Val d'Agri municipalities has already been made in the reply to question 14.

With reference to the official statistics of the Regional Cancer Center of Basilicata (CROB), all malignant tumours were analysed on a regional basis, examining the age-standardized incidence rates with reference to the Italian population in 2001 and in the period 2005-2012.

The data were also analysed on an individual municipality level, characterized by a very reduced number, therefore presenting significant variability intrinsic to the investigated phenomena.

From observation of the results relating to the hospital discharge forms for the period 2012-2013 of the Val d'Agri populations, some key information can be obtained, including: a modest increase in the occurrence of cardiovascular disease; the presence of diabetes mellitus and chronic liver disease at average regional levels; no significant elements regarding chronic renal failure, stomach, colon, liver, lung, kidney, prostate and bladder cancer, with lower than regional and national average levels; cancer of the blood and lymphatic system lower than the regional averages. Overall, there are no elements or confirmations of an increase in the frequency of pathologies studied in the context of the municipalities adjacent to Viggiano.

It can therefore be stated that data from the hospital discharge forms do not infer increases in relation to acute syndromes or attributable to air pollution, from bronchopneumopathy and allergy syndromes to cancer of the blood and respiratory system.



As for the working population at the COVA site, independent studies have shown that inflammatory-irritative diseases and neoplastic diseases account for 10.21% and 2.35% of the employees, respectively, without however ever showing a correlation with or dependency on specific occupational risks.

19) Did Eni perform or delegate the unlawful disposal of toxic waste in 2016?

Reply

No.

20) How much did Eni Group pay to Confindustria in 2016?

Reply

In 2016, Eni paid 1,590,873.50 euros in membership fees to Confindustria.

21) Even if insignificant, can you provide the amount of financial subsidies received by Eni in 2016?

Reply

In 2016, Eni SpA received around 1,674,000 euros of grants, essentially for training activities with a grant of around 1,586,000 euros from Fondoimpresa.

22) In 2015, the Rimini Meeting cost us at least 3 million. How much did we contribute in sponsorship in 2016 and what was the outcome?

Reply

In 2016, Eni contributed 200 KC in sponsorship to the Rimini Meeting, including the cost of setting up the stand situated in an area managed exclusively by the organizers. The value of the sponsorship was the same as the previous year. The Meeting, which has been held in Rimini every year since 1980 in the last week of August, is now an important event not just for the Catholic world and culture. It involves important people from various fields talking about social, political, cultural and entrepreneurial topics. The key figures recorded in relation to the 2016 edition include: attendance of 600,000 visitors; over one million views of the Meeting's official website and tens of thousands of contacts on social media; 85 meetings; and 7,000 press articles across all national and international newspapers.



23) Which manager decides about sponsorships?

Reply

The process of sponsorship evaluation is complex and involves several functions, and is based on the segregation of roles. The initiatives are chosen in line with corporate values (partnership, sustainability, culture, innovation, efficiency), and on the basis of criteria established by the corporate regulatory system.

24) In 2016, how much did we set aside for social security contributions for Ms Marcegaglia and Mr Descalzi?

Reply

Social security contributions were not "set aside" for either by Eni.

In 2016, the contributions required by the regulations in force were paid to INPS (National Social Security Institute) for the CEO/COO; for the Chairman no contributions were made to INPS, having already reached the maximum threshold laid down by the law in relation to other positions outside Eni.

25) What is the total of bad and doubtful debts in relation to the Marcegaglia Group?

Reply

As of 31.12.2016, there were no bad or doubtful debts with respect to Marcegaglia Group subsidiaries.

26) What was the overall cost of the Trevisan legal firm in 2016?

Reply

The overall cost was €3,170.77 plus tax and social security charges.

27) In 2016, I asked Ms Marcegaglia if she paid money in order to keep her position (question no. 2). She did not respond. Does she earn too much to have anything to do with minor shareholders and therefore doesn't want to deal with us?

Reply

The remuneration of the Chairman of Eni is the subject of an information notice in the Remuneration Report drawn up according to current regulatory and legislative obligations, available to shareholders on the Eni website (eni.com).



28) In 2015, Mr Bardazzi entered into a controversy with Report, the well-known television programme. As a percentage, by how much was his remuneration increased?

Reply

The remuneration of all Eni executives is determined on the basis of the roles and assigned responsibilities with respect to market benchmarks for roles with a similar level and responsibilities; remuneration increases are determined based on enlargement in the scope of responsibility or coverage of the role, as described in the 2017 Remuneration Report, page 21.

Consob regulations do not require the disclosure of remuneration on an individual basis for managers with strategic responsibilities.

29) In question no. 8, I asked why the expenses reimbursed to Mr Bardazzi were raised compared to those of his predecessor. Eni avoided this specific point. Therefore, I am asking the question again and I am wondering if there were also any further increases in 2016!

Reply

The expenses reimbursed to Mr Bardazzi in 2016, as for all other Eni employees, are those calculated according to the criteria and limits set out by current contractual regulations and by corporate policies.

30) How many people are on the staff of Mr Bardazzi?

Reply

A total of 52 people report to Mr Bardazzi in the External Communication Department, divided as follows:

- **4 senior managers**
- **22 managers (two in the overseas offices of London and Brussels)**
- **26 office workers**

31) Which, how many, and where are the Group buildings with asbestos and why are people still working there?

Reply

The regulations in force oblige the "manager/employer" of every site to verify the presence of Asbestos-Containing Materials (ACM).



ACM structures, if they do not in any way generate air dispersion of fibres, do not constitute a health hazard for workers.

As a result, the regulations do not necessarily require removal but, in the interests of protection and prudence, control and management procedures should be adopted aimed at identifying, programming and implementing remediation actions based on the condition.

Within Eni, the role of "Site Asbestos Manager" has been identified for the management of these activities, to which the control and coordination of all activities relating to ACMs is entrusted.

The Asbestos Manager plans, implements and periodically updates an ACM control (records) and maintenance programme.

The programme is aimed at maintaining the ACMs in good condition, preventing the release of fibres and, in the case of changes to the condition, planning and revising the remediation action plan.

The removal, authorized by the Workplace Safety and Prevention Services (SPSAL) of the Regional Healthcare Companies (ASST), is in any case planned on the basis of specific circumstances, including, for example, non-routine stoppages or revamping activities, and decommissioning of equipment.

In order to protect and safeguard the health of workers, environmental monitoring is also carried out when necessary to measure the concentration of airborne asbestos fibres in the workplace.

An "asbestos free" plan is underway in Eni, which provides for the complete removal of asbestos by 2022 and the resulting decontamination of all the sites.

32) Who manages the Donegani Research Centre?

Reply

Carlo Perego, SVP Renewable Energy & Environmental R&D, as part of the Research & Technological Innovation Department.

33) How much has the cost of Attilio Befera increased?

Reply



The remuneration of Mr Befera in 2016 as Chairman of the Eni Watch Structure did not increase compared to the amount set by the Eni Board of Directors on his appointment in 2014.

34) I'd like to ask for a summary of the results of the Watch Structure in order to understand how useful it was in 2016

Reply

During the period in question, the Watch Structure duly carried out the activities under its responsibility, making sure the results were communicated to the relevant subjects and bodies, in accordance with the provisions of Eni SpA's Model 231 (freely available on www.eni.com).

In order to fulfil the requirements of its mandate, the Watch Structure met twelve times during 2016, specifically on 20th January, 18th February, 16th March, 15th April, 19th May, 16th June, 11th and 21st July, 29th September, 18th October, 16th November and 14th December. On 18th February and 21st July, joint meetings with the Board of Statutory Auditors and the Control and Risk Committee of Eni SpA were held to deal with issues of common interest.

Please note that the following activities and information flows were activated and received in that period:

- **the six-monthly information from the CFO, the ACC Manager (Anti-Corruption Compliance), the Health, Safety, Environment and Quality Manager and the Security function Manager was acquired as documents and through specific meetings;**
- **periodic updates were received from the Internal Audit Department on the main results of all the activities carried out in 2016 with reference to the supervisory programme approved by the Watch Structure, in particular through the periodic updates on the Plan's progress and the examination of the audit reports issued, as well as monitoring the corrective actions defined by management as a result of findings that emerged;**
- **analysis of the reports were carried out regarding the Internal Control System and so-called Other Subjects, also through the acquisition and examination of quarterly reports produced by the Internal Audit Department;**
- **an important part of its activities was dedicated to monitoring the main judicial issues regarding the company, also keeping a close watch, within the realms of responsibility, on the development of events which closely involve Eni SpA, with particular reference to the "OPL 245/Malabu" and "Algeria" questions. With particular reference to the "OPL245/Malabu" issue, forensic investigations have continued as requested by the Watch**



Structure and the Board of Statutory Auditors. These investigations were assigned to independent experts of the US Pepper Hamilton law firm and the investigation firm Freeh Group International Solutions. The results of these investigations, as reported, have not shown any evidence of unlawful behaviour by Eni.

35) How much did we pay to Confindustria in 2016?

Reply

In 2016, Eni paid 1,590,873.50 euros in membership fees to Confindustria.

36) With Question 18 last year, I asked for the expenses reimbursed to the CEO. You avoided the question, showing a lack of transparency and an intolerance of shareholder questions. I'm asking once again for the amount for 2015 and 2016 and if by chance you take advantage of the fact that Consob turns a blind eye to certain unanswered questions! Concerning this question, I am also sending a complaint to the Board of Statutory Auditors under Art. 2408 of the Italian civil code, so that it reprimands the CEO and any others responsible, regarding the violation of the right of shareholders to be fully information regarding their requests!

Reply

The CEO's business trips are organized by the appropriate Eni departments and the related costs are incurred directly by the company. Therefore, in 2016 no expenses were directly reimbursed to the CEO.

37) As well as the supply of gas, fuel, oil/lubricants and ancillary services (multicard), what other special arrangements were made with the Marcegaglia Group in 2016? Naturally this also refers to those of lower value which have not been listed.

38) What relationships have been entered into with the Marcegaglia Group other than under market or standard conditions? I imagine much fewer than those listed above.

Reply 37-38

See the reply to question 71.

39) In 2016, how much was paid to Ivan Lo Bello, vice president of Confindustria, and for what?

Reply



Regarding the association relationships with Confindustria, payments are made according to an agreement, exclusively payable to the Regional Associations of Confindustria, by means of bank transfers to current accounts held in their names.

40) I would like to know which managers were granted stock options in 2015 and in what amounts

Reply

The last Stock Options to vest were granted in 2008, as part of the 2006-2008 stock option plan, approved by the Shareholders' Meeting. These stock options did not vest and expired in July 2014.

41) How many trainee journalists were in service in the Group in 2015 and in which companies?

Reply

In this period, 1 trainee journalist worked with the Agi agency.

42) Have we produced slush funds within the Group?

Reply

No.

43) Regarding the lawsuit for harassment before the Court of Messina: what was the settlement or conciliation amount for 2016? Will Eni recover this amount from the party or will it turn a blind eye given that it was one of its managers?

Reply

The lawsuit ended on 24th March, 2016 without any recognition of the alleged harassment. The employment contract was terminated by mutual consent on 31st March, 2016 in line with corporate practices.

44) Were there any cases of sexual harassment within the Group in 2016?

Reply

There were no known cases of sexual harassment within the Company.



45) What relationships does the Group have with the Bruno Leoni Institute and how much did we pay it in 2016?

Reply

RASI confirms that Eni does not have any type of partnership relationship with the Bruno Leoni Institute.

To the extent of Ideco's responsibilities, there are no relationships/contributions with respect to the Bruno Leoni Institute.

46) How much did the Enrico Mattei Foundation, chaired by Ms Marcegaglia, donate in 2016?

Reply

According to its by-laws, the Eni Enrico Mattei Foundation (FEEM) is not a "grantmaking foundation" and therefore cannot make "donations" to third parties.

The Chairman, Emma Marcegaglia, when appointed (July 2015), waived any payment for her activities as Chairman of the Board of Directors of FEEM and therefore does not receive any contribution.

47) With question no. 56 and 56.1 last year, I asked, in vain, for detailed information regarding the expenses incurred in the lawsuits brought against Milena Gabanelli, specifying that in the case of no feedback I wanted to involve Mr Befera and the Board of Statutory Auditors. What conclusions were reached by the above? This represents an official complaint if the missing responses did not lead to the involvement of the above authorities.

Reply

The company believes that the replies given at the time were adequate.

48) The CEO is a member of the Board of Directors of Teatro alla Scala: has he given a report of the work carried out given that he represents us (in my opinion unnecessarily)?

Reply

The CEO constantly reports on the activities carried out in relation to the Fondazione del Teatro alla Scala to the Eni function responsible for relations with associative bodies, which prepares documents reporting what was carried out.



49) Below are questions previously unanswered in 2015. Last year responses were not given because, I was told with an apology, there were ongoing investigations. As it is known, the suspect or accused is not required to maintain confidentiality in the ongoing investigations, not being a magistrate or investigative police agent, nor a public official. We are talking about those responses which are clearly given believing that the shareholders are ignorant when it comes to legal issues, facilitated I have to say by Consob, which is clearly not averse to turning a blind eye to these types of issue, rather than pointing out certain inconsistencies as the control authority. Us shareholders can cope, but I am curious to see how you will now cover up the data in question since the closure of the investigations, and therefore the files have been made available and a committal to trial has been requested for the CEO. Here are my questions which I would like precise answers to today: 60) During investigations against Eni, some nicknames were intercepted, including one of a certain Baldy. The prosecutors claim it might be Mr Descalzi. According to Eni, who did this nickname refer to? 61.1) Are nicknames used when Eni executives talk on the phone to avoid having the corresponding names intercepted? Concerning this question, I am also sending a complaint to the Board of Statutory Auditors under Art. 2408 of the Italian civil code, so that it reprimands the CEO and any others responsible, regarding the violation of the right of shareholders to be fully informed regarding their requests!

Reply

As already pointed out during the Q&A session at the 2015 shareholders' meeting, the evidence referred to in the questions above is currently the subject of an investigation for which there are ongoing proceedings.

50) In 2014, the Financial Police of Florence found that the amount of energy products that went into the Livorno refinery was not the same as that certified in the storage depots of 44 Calenzano. This could be part of a large tax fraud, with the evasion of excise duties on fuels that would amount to several million. What point is the legal case against the 20 indicted employees at?

Reply

The proceedings are reported in the 2016 Annual Financial Report, Litigation section, pages 186 – 187. The proceedings are in the preliminary investigation phase.

51) In 2014, AGI losses amounted to around 2 million euros, as in 2016. Every year, however, Eni, the cash cow, recapitalizes and it starts all over again! What are the recurrent causes of the losses and why do we persist in keeping an agency that has never made a profit?

Reply



The trend in management revenues characteristic of the primary information sector has been affected by the downturn in publishing for more than a decade. The reason lies in the gradual decrease in the number of newspaper readers, who are among or the main customers of news agencies, which have indiscriminately registered a significant fall in sales and advertising investments with cuts to the costs of Agency services for the production of newspapers. Another factor is due to the reduction in public spending as part of the gradual spending review in the Public Administration sector (Presidency of the Council of Ministers, Local and Regional Authorities). Finally, the reference market is characterized by excessive supply over demand due to the presence of too many players on the market (over 10 news agencies on a national level) aggravated by a deep crisis in the Agency business model in relation to the economic crisis and new technologies.

Starting from 2016, AGI initiated a significant internal reorganization of its structure and business model, with streamlining and the containment of production costs and labour costs, which will see the company achieve break-even in the period of the 2017-2020 Plan, establishing itself as a leading player in the sector in terms of business model innovation and sustainability of production.

52) I would like to know the overall number of positions for protected categories under law 68/99 in the Group, but also the total number of positions held.

Reply

Eni complies with the obligations set out by Law 68/99 - Regulations on the right to employment for persons with disabilities - across the whole country.

The number of obligations of Eni SpA and its subsidiaries as of 31st December, 2016 was 1,467. The shortage of 498 is covered through:

- **the signing of agreements with local public authorities (commitment to gradually hire persons with disabilities);**
- **suspensions due to labour mobility procedures under law 223/91;**
- **partial exemptions on industrial sites with strenuous, hazardous or special work.**

53) Are there or were there any protected categories in relation to the Group which, however, have not been taken on? I know this is illegal, I don't need Eni to tell me this. I'm only asking if this suspicion is founded.

Reply



Eni SpA and its subsidiaries have never received a request for “official mandatory introduction of a protected category”. The authorities for the targeted placements of disabled persons can instigate the “official mandatory introduction of a protected category” with respect to companies which do not comply with the obligations and which are uncooperative; Eni SpA and its subsidiaries are compliant with the obligations and cooperative.

54) Have we committed the offence of false corporate communications?

Reply

No.

55) I would like to know about any special arrangements granted by Eni Group to Intek Group: what is the overall amount due to relationships with related parties? I remember that Diva Moriani is, among other things, Vice Chairman of Intek. What other standard relationships does Intek Group have with Eni Group?

Reply

There are not, and there have never been, special relationships with Intek Group. The relationships with Eni Group relate to the supply of gas and fuel, ancillary services (multicard), printing services and mailing; the relationships are under market or standard conditions. In any case, all relations with Intek Group companies, which can be qualified as related parties or interested subjects, whenever the amount is not small or not under market or standard conditions, are subject to the relevant internal procedures, which involve, among other things, the provision of information to the statutory bodies.

56) How much cash did the CEO and Chairman use in 2016?

Reply

In 2016, no expenses reimbursements were made to the office of the Chairman or the Chief Executive Officer.

57) I would like to know who the convicted executives within Eni Group are, including those with non-strategic responsibility, and including those where the case does not concern the Group.

Reply

Please refer to pages 180 - 187 of the 2016 Annual Financial Report, where the most significant lawsuits are described.



58) What are the names of the CEOs of Versalis, of Syndial, and the related managers who have been investigated, convicted or committed to trial? This refers to two questions already asked last year and not answered: question no. "73.1", which the CEO Descalzi would have ordered to hide from me, possibly knowing that Consob would have nothing to say as the control authority!

Reply

The Governance of Versalis and Syndial is shown in detail on the websites of the two companies. The relevant proceedings involving managers of the two companies are reported in the 2016 Annual Financial Statement, Litigation section, page 180 et seq.

59) The Public Prosecutor's Office has recently initiated new inspections in Viggiano, with the help of technical consultants. What is the name of these consultants? Among them, who has already provided consultancy to our Group?

Reply

The Potenza Public Prosecutor's Office has arranged checks of the external areas at the COVA site affected by the discharge of contamination, appointing technical consultant Greco (geologist), previously involved in other criminal proceedings against Eni. He has never been an employee or consultant of Eni.

60) Regarding the asbestos proceedings, Ravenna, I would like to know the name of the judge that issued the judgement of the court of first instance and the name of the convicted parties.

Reply

The proceedings are reported in the 2016 Annual Financial Report, Litigation section, page 181. The judgement of the court of first instance was given by Milena Zavatti.

61) Question no. 79, Mr Descalzi, of last year: you informed me that 22 Group employees were investigated, but it was not said how many were managers. Can we have the names or is it better not to tell the shareholders in case we maybe help them with their careers in the future? Concerning this question, I am also sending a complaint to the Board of Statutory Auditors under Art. 2408 of the Italian civil code, so that it reprimands the CEO and any others responsible, regarding the violation of the right of shareholders to be fully information regarding their requests!

Reply

The Gela Public Prosecutor's Office opened criminal proceedings against managers of the Gela Spa Refinery and Enimed SpA for unnamed disaster offences, illegal waste management,



and unauthorized discharge of industrial wastewater. The parties involved are the temporary CEOs of the Gela Refinery and Enimed from 2004 to 2015, as well as the Managers of the plants which are the subject of the litigation.

The administrative offence resulting from a crime under Italian Legislative Decree 231/01 is being contested by Raffineria di Gela SpA. Eni is not part of the proceedings. These criminal proceedings were initially concerned with the assessment of the alleged soil pollution resulting from leakage from 14 storage tanks at the Gela Refinery not yet equipped with a double bottom, as well as relating to contamination in the costal marine areas adjacent to the facility due to the failure of the barrier system realized as part of the remediation of the site. On closure of the preliminary investigations, the Public Prosecutor's Office of Gela added other investigations to these proceedings concerning specific episodes related to the operation of certain plants of Raffineria di Gela and Enimed in relation to crimes, mainly contraventions, and regarding which no evidence of particular weight emerged, both in terms of responsibility and in terms of the real impact on the surrounding environment. The two companies concerned in the alleged facts had always operated in compliance with the regulations in force and implemented the appropriate actions in terms of safety and environmental clean up, where necessary, in agreement and under the constant and specific control of the relevant public bodies. The proceedings are pending following notification of the setting of the preliminary hearing.

62) In question no. 80, I asked for the names of the convicted managers in the appeal stage, but the CEO clearly referred me to the Eni financial report, where, however, these names are not found. What does Mr Descalzi have to say? Or do we have to continue to keep a curtain of anonymity around those under investigation and convicted where we invest our money? Concerning this question, I am also sending a complaint to the Board of Statutory Auditors under Art. 2408 of the Italian civil code, so that it reprimands the CEO and any others responsible, regarding the violation of the right of shareholders to be fully information regarding their requests!

Reply

At present there are no convictions undergoing appeal relating to managers for reasons related to the performance of tasks assigned by the company with reference to proceedings relating to criminal/administrative liability.

It is reiterated that the proceedings relating to criminal/administrative liability, including in the preliminary investigation phase, as proceedings under Italian Legislative Decree 231/01, are part of significant lawsuits and therefore are reported in the Eni annual financial report in the Litigation section.



63) What do you have to do to be invited to Investor Day?

Reply

The corporate events organized by Eni Investor Relations, including the 'Strategy Presentation' and 'Investor Days', exclusively involve the direct participation of financial analysts and institutional investors. Participation is not open to retail investors.

However, these events are always broadcast live on our website eni.com, where it is also possible to consult and download the related documentation (e.g. presentations, transcripts, press releases, videocasts, audiocasts).

64) I would like to know how many and which European loans the Group received in 2016

Reply

In 2016, Eni signed just one loan contract with the EIB for € 70 million, which has yet to be disbursed. No other EBI loans were granted in 2016, or loans from other European institutions.

65) I would like to know about any definitive convictions of Eni Group for environmental, corruption and/or extortion offences.

Reply

Eni and the companies it controls have never reported definitive convictions under criminal/administrative liability.

66) What fines have we incurred to date from the Ministry of the Environment?

Reply

Eni has not received any penalties from the Ministry of the Environment in 2016/2017. It should be noted that normally the Ministry does not issue fines but rather requirements/notices which, where considered fair and legitimate, are fulfilled by the company. Fines in the strict sense are issued where necessary by other control bodies (e.g. ISPRA or the Provincial Council for environmental issues).



67) Overall, how much did the Group donate to Teatro No'hma di Teresa Pomodoro in 2016 and with how much of an increase/decrease compared to the previous year?

Reply

In 2016, Eni sponsored Spazio Teatro No'hma with an amount of 200 K€, 20% less than that paid in 2015.

68) To date, what fines have we incurred from the European Commission?

Reply

Over the last financial year, Eni has not incurred fines in relation to competition from the European Commission. In any case, the most significant legal proceedings in progress are all reported in the annual financial report, which is freely available to shareholders.

69) Before taking up the position of Chairman, what relationships were there between Ms Marcegaglia's Group and Eni?

Reply

On the date she took on the role of Eni Chairman in May 2014, the nature of the existing relationships between Ms Marcegaglia and Eni Group were the same as they are now, governed under market or standard conditions and for an overall insignificant amount.

70) Following Ms Marcegaglia's arrival at Eni, contracts were signed in a variety of sectors between Eni and the Marcegaglia Group: in total what special arrangements were granted to the Marcegaglia Group in 2016?

71) In relation to supplies to the Group, what type of special arrangements were granted by Eni to the Marcegaglia Group, considering that it would pay us much less for supplies compared to when she was not the Chairman!

Reply 70-71

There are not, and there have never been, special arrangements with the Marcegaglia Group. Moreover, as well as the supply of gas, fuel, oil/lubricants and ancillary services (multicard) - regulated under market or standard conditions - in 2016 no other contracts were signed with the companies of the Marcegaglia Group, which may qualify as "related parties", even of "minor importance" or of a "small amount", in accordance with internal regulations regarding related parties.



72) How much are the Marcegaglia Group's debts with respect to Eni? I am asking this specifically in relation to the following: According to Biastignenews (<http://it.blastingnews.com/economia/2016/12/ecco-chi-sono-i-clienti-vip-che-non-avrebbero-onorato-i-debiti-con-montepaschi-001360349.html>)

"The Marcegaglia Group accrued an exposure of 1.6 billion euros with Banca Agricola Mantovana, to which another 500 million must be added for restructuring of the same debt by the bank. Since 1999, following a takeover bid, BAM converted to a SpA company and became part of the MPS Group".

And what's more, news reports state that the Marcegaglia Group also owes several million in VAT. Does Eni believe that the Group will settle its debts?

Reply

As of 31.12.2016, trade receivables due to Eni by the Marcegaglia Group amounted to 470 thousand euros, a figure of less than one million euros. We do not see any issues in this regard.

73) I would like to ask if and why the sale of 12.5% of Saipem shares to CDP at a price of 8-odd euros at a time when Saipem was issuing shares at 0.362 euros does not in fact constitute State aid and does not constitute a prerequisite for a mandatory takeover bid? Is the European Commission aware of these transactions?

Reply

1. The deviation between the sale price to FSI and the subscription price of the capital increase of Saipem is not considered de facto state aid and is due solely to the fact that the two transactions were conducted with different timing, approaches and criteria:

(a) the sale price to FSI (€8.3956/share) was in fact determined: (i) in the context of a market transaction; and (ii) on the basis of a criterion conventionally agreed by the Parties (i.e. the arithmetic average of the official prices of ordinary shares in Saipem registered on the two trading days before and on the four trading days after the announcement to the market of the rights option capital increase by Saipem - on 27th October, 2015 - and, therefore, on the trading days of 26th and 27th October, 2015, and on the trading days 28th, 29th and 30th October, 2015, and 2nd November, 2015).

(b) the subscription price of the capital increase (€ 0.362/share), on the other hand, was determined by the Saipem Board of Directors on 21st January, 2016: (i) in the context of a rights option capital increase in which the theoretical price resulting from the capital increase, the TERP (so-called Theoretical Ex-Rights Price) takes into account the dilution effect resulting from the issue of new shares onto the market; (ii) in accordance with the criteria established by the Saipem shareholders' meeting, according to market practice, and the current methodologies for determining the issue price in the context of similar capital increase operations; and (iii) referring to, among other things, stock prices for a



time period different from the one reference was made to. This mechanism ensures equal treatment for all shareholders and creates the conditions for protecting the value of the investment for the shareholder.

2. The transaction does not constitute a prerequisite for a full mandatory takeover bid, as also clarified by CONSOB, with Decision no. 19442, on 11th November, 2015. The transaction is, in fact, attributable to the exemption for the “share transfer [...] between parties connected by significant shareholding relationships” as referred to in Art. 106, paragraph 5, letter b) of the TUF (Consolidated Finance Act).

3. Commission issued its consent for the transaction following the successful completion of the antitrust procedure. This authorization was one of the condition precedents to be met before the conclusion of the transaction.

74) What is the total of non-performing loans?

Reply

The comment to item 11 – Trade and other receivables on pages 135 - 136 of the Notes to the Consolidated Financial Statements reports the following:

1. the impaired receivables net of the allowance for doubtful accounts amounted to €1,191 million (€759 million trade receivables, €432 million other receivables); these were €1,178 million at 31st December 2015 (€1,085 million trade receivables, €93 million other receivables);

2. the doubtful accounts provision amounts to €2,371 million, €1,817 million referring to trade receivables, €68 million to financing receivables and €486 million to other receivables. At 31st December 2015, the value was €2,083 million, €1,915 million referring to trade receivables, €66 million to financial receivables and €102 million to other receivables. The allowance for doubtful accounts in 2016 amounted €503 million (€588 million in 2015) and related to the Gas & Power segment for €399 million and it was taken, in particular, in the retail customers segment due to continued difficulties in collecting overdue receivables. The counterparty risk mitigation actions implemented by Eni through capillary collection actions, including outsourcing to specialist external services, led to a reduction in overdue receivables in 2016.

Utilizations of the doubtful accounts provisions of €607 million (€249 million in 2015) related to the Gas & Power segment in the amount of €559 million due mainly to losses on receivables from the retail business.

Furthermore, in the assets there are €1,747 million of past due and unimpaired receivables, of which €497 million are past due by more than 12 months. These receivables mainly relate to accounts with Italian and foreign public administrations and government bodies,



counterparties with elevated creditworthiness for supplies of oil products and natural gas, and accounts with retail customers in the Gas & Power sector, with the latter past due by no more than 90 days.

At 31st December, 2016, trade receivables for hydrocarbon supplies in the Exploration & Production sector comprised €1,764 million. The highest exposures relate to: (i) government counterparties in Egypt, where there are approximately €420 million of outstanding past due receivables in relation to hydrocarbon supplies, down compared to the value of around €771 million at 31st December 2015, due to the gradual implementation of a repayment schedule for overdue amounts and other industrial and trade agreements with the above counterparties. The amount of receivables still outstanding at the reporting date was further reduced with the payment of \$240 million (€228 million) in January 2017; (ii) government counterparties in Iran, in relation to which there are €264 million in outstanding receivables for the recovery of past investments, essentially based on the settlement agreement defined in 2015, down compared with the opening balance (€312 million). Government counterparties have shown themselves willing to negotiate a repayment schedule for past due receivables based on agreements relating to cargos of crude oil owned by state companies, with the allocation to Eni of a share of the revenues from their sale. This agreement in principle was first applied in the last months of 2016 with the repayment of \$44 million (€42 million) to Eni. Negotiations are ongoing in order to identify additional cargos to sell, some of which have already been allocated to Eni in the first few months of 2017, with the aim of settling the overdue amount.

75) Which managers hold shares in the company Banca Sistema?

Reply

There are no constraints on the possession of shareholdings by Eni managers in companies not belonging to the Group.

76) What tasks does the manager Umberto Vergine carry out in Eni?

Reply

Mr Umberto Vergine is the Chief Executive Officer of the company Eni International BV based in Amsterdam.

77) What penalties did we incur in 2016 from the Italian Competition Authority (AGCM)? Were investigations opened?

Reply



The Italian Competition Authority (AGCM), with an order published on 13th June, 2016, adopted an order with respect to Eni relating to certain cases of non-compliance with the Consumer Code of the methods which Eni used to bill some customers for electricity and gas consumption. Within the order, a total fine of 3,600,000 euros was applied, with a reduction of 1,000,000 euros in recognition of the proactive behaviour adopted by Eni in order to definitively resolve the issues encountered. At the same time, the Italian Competition Authority (AGCM) adopted similar orders with respect to various other operators. During 2016 and up to now no other investigations were or have been initiated with respect to Eni.

78) Labour costs: what expenses are included in the "other costs" item?

Reply

The other costs mainly include costs for redundancy incentives and severance payments allocated to Pensions Funds or to INPS (National Social Security Institute).

79) I would like to know about the complaint made by the shareholder Bava to the Board of Statutory Auditors: what was it regarding exactly and why was it not published in full, and why were no concrete reasons given as to why it was decided not to follow it up?

Reply

As reported in the Board of Statutory Auditors' Report to the Shareholders' Meeting, the complaint made by shareholder Marco Bava regarded the use of advertising space by Eni in the printed press and in particular the alleged cancellation of an advertising campaign in "Il Fatto Quotidiano", indicated in the same newspaper in an article on 24th January, 2017.

The Board of Statutory Auditors looked in detail at the complaint received, and on the basis of the outcome of the checks made, including through meetings with top management of the relevant company structures, it did not find any elements to justify the alleged irregularity.

In fact, in implementing the overall press plan, Il Fatto Quotidiano was subject to planning of two on air advertisements on 21st and 24th February, 2017.

80) I would like to know the names of the top executives of AGI and those of the board of directors.

Reply

The top executives of Agi are the CEO Alessandro Pica, the Chairman Massimo Mondazzi and directors Marco Bardazzi, Raffaella Leone and Cristiana Argentino.

81) Almost all the consolidated financial statements close with a loss. This amounts to millions of euros for each company. As is well known, companies who produce a loss do not pay taxes. Are we sure that no arrangements have been put in place to make the earnings lower than expected and losses higher than they should be?



The doubt arises because even though the companies we control often make a loss, the people in charge of them not only keep their positions but are always paid better.

In a private company, the managers are replaced if they don't produce a return and increase losses: with Eni it seems to be exactly the opposite!

So, what is the true approach adopted by Eni in all this? Here are a few examples: Gela SpA Refinery – Gela - The Shareholders' Meeting of 11th April, 2016 approved the 31st December, 2015 financial statements which closed with a loss of €178,844,872.58; Servizi Aerei SpA – San Donato Milanese - The Shareholders' Meeting of 5th April, 2016 approved the 31st December, 2015 financial statements which closed with a loss of €2,639,447.74; LNG Shipping SpA – San Donato Milanese - The Shareholders' Meeting of 21st April, 2016 approved the 31st December, 2015 financial statements which closed with a loss of €30,489,488.47; Floaters SpA – San Donato Milanese - The Shareholders' Meeting of 14th April, 2016 approved the 31st December, 2015 financial statements which closed with a net profit of €12,883,115.34; Eni West Africa SpA – San Donato Milanese - The Shareholders' Meeting of 15th April, 2016 approved the 31st December, 2015 financial statements which closed with a loss of €14,126,633.02; Eni Trading & Shipping SpA – Rome - The Shareholders' Meeting of 22nd April, 2016 approved the 31st December, 2015 financial statements which closed with a loss of €5,135,640.10 and it was decided to carry the balance forward. *And I could go on....*

Reply

In 2016, Eni's subsidiaries in Italy did not pay income taxes at the level of national fiscal consolidation due to the incurrence of pre-tax losses due to a weak energy scenario. The financial statements of Eni's Italian subsidiaries are regularly audited by an independent public accountant, nor is there any reason to reduce the tax burden by impairing the value of the assets, because the pre-tax result was negative on a consolidated level. As is well known, Eni conducts most of its operating activities abroad.

82) Which external press and public relations offices does the Group use?

Reply

Eni does not make use of external press offices. For relations with international information bodies, consultancy is provided by the company RLM Finsbury Limited of London.

83) What is the name of Descalzi's preliminary hearing judge?

Reply

The preliminary hearing of the criminal proceedings relating to the acquisition of the exploration block OPL245 in Nigeria will be heard before Giuseppina Barbara, the preliminary hearing judge at the Court of Milan.

