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Index 82352

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MINUTES OF THE ORDINARY  
SHAREHOLDERS' MEETING OF  
**"Eni S.p.A."**

HELD ON APRIL 13, 2017

\* \* \* \* \*

THE ITALIAN REPUBLIC

\* \* \* \* \*

On this ninth day of the month of May of the year two thousand seventeen in Rome, piazzale Enrico Mattei n.1.

Appearing before me PAOLO CASTELLINI, Notary Public, registered with the Unified Notary District of Rome, Velletri and Civitavecchia, with my office at Via Orazio no. 31,  
is:

- EMMA MARCEGAGLIA, born in Mantua on December 24, 1965, domiciled for the purposes of her position in Rome, Piazzale Enrico Mattei no. 1, Chairman of the Board of Directors of **"Eni S.p.A."**, having its registered office in Rome at Piazzale Enrico Mattei no. 1, with share capital of €4,005,358,876.00, fully paid up, R.E.A. no. RM-756453, listed in the Company Register of Rome, taxpayer ID no. 00484960588, certified email address [eni@pec.eni.com](mailto:eni@pec.eni.com).

Ms. Marcegaglia, whose identity and position I have confirmed, has asked

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me to prepare, in accordance with Article 2375 of the Italian Civil Code, the minutes to the Ordinary Meeting of the Shareholders of "Eni S.p.A.", held on April 13, 2017 in Rome at Piazzale Enrico Mattei no. 1, from 10:05 am to 5:32 pm that she chaired. These minutes are recorded in my File no. Rep. 82317/22485, dated April 13, 2017 registered with the Revenue Agency – Rome Territorial Office no. 1 on April 18, 2017 no. 10931 series 1T.

Therefore, I report as follows:

"On this thirteenth day of April of the year two thousand seventeen in Rome, Piazzale Enrico Mattei n. 1, at 10:05 am.

at the request of:

- **"Eni S.p.A."**, having its registered office in Rome at Piazzale Enrico Mattei no. 1, with share capital of €4,005,358,876.00, fully paid up, R.E.A. no. RM-756453, listed in the Company Register of Rome, taxpayer ID no. 00484960588, certified email address eni@pec.eni.com. (hereinafter also "Eni" or the "Company").

I, PAOLO CASTELLINI, Notary Public, registered with the Unified Notary District of Rome, Velletri and Civitavecchia, with my office at Via Orazio no. 31, Rome, for the purposes of preparing the minutes, have come on this day, April 13, 2017 to Piazzale Enrico Mattei no. 1, Rome to attend the Ordinary Meeting of the Shareholders of the Company, called for today at the aforementioned location at 10:00 a.m. to discuss and resolve the following

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## **AGENDA**

1. Eni financial statements at December 31, 2016. Related resolutions. Eni consolidated financial statements at December 31, 2016. Reports of the Directors, of the Board of Statutory Auditors and of the Audit Firm.
2. Allocation of net profit.
3. Determination of the number of members of the Board of Directors.
4. Determination of the Directors' term of office.
5. Appointment of the Directors.
6. Appointment of the Chairman of the Board of Directors.
7. Determination of the remuneration of the Chairman of the Board of Directors and of the Directors.
8. Appointment of the Statutory Auditors.
9. Appointment of the Chairman of the Board of Statutory Auditors.
10. Determination of the remuneration of the Chairman of the Board of Statutory Auditors and of the standing Statutory Auditors.
11. Long term incentive Plan 2017-2019 and disposal of Eni's own shares in service of the Plan.
12. Remuneration report: policy on remuneration.

\* \* \* \* \*

Entering the meeting hall, I note that EMMA MARCEGAGLIA, born in Mantua on December 24, 1965, domiciled for the purposes of her position in Rome at Piazzale Enrico Mattei no. 1, Chairman of the Board of Directors of the Company, is present and that, by virtue of her position, will

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be chairing today's Meeting, pursuant to Article 15.1 of the By-laws.

I, as Notary, have confirmed her identity.

Ms. Marcegaglia asks me to prepare the minutes of today's Meeting.

\* \* \* \* \*

The notice calling the Meeting was published on March 1, 2017 in accordance with the law and regulations, on the Internet sites of the Company and of Borsa Italiana S.p.A, on Consob's authorized central storage mechanism, denominated "Info-Sdir" and "Info", as well as in the daily newspapers "Il Sole 24 Ore" and "Financial Times".

The Shareholder's Meeting was therefore properly convened.

The Chairman announces that, in addition to herself, the following members of the Board of Directors are present:

- CLAUDIO DESCALZI - Chief Executive Officer;
- ANDREA GEMMA - Director;
- PIETRO ANGELO MARIO ANTONIO GUINDANI - Director;
- KARINA AUDREY LITVACK - Director;
- ALESSANDRO LORENZI - Director;
- DIVA MORIANI - Director;
- ALESSANDRO PROFUMO - Director

as are the following members of the Board of Statutory Auditors:

- MATTEO CARATOZZOLO - Chairman;
- PAOLA CAMAGNI - Auditor;

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- ALBERTO FALINI - Auditor;
- MARCO LACCHINI - Auditor;
- MARCO SERACINI - Auditor.

\* \* \* \* \*

Also in attendance is the Magistrate of the State Audit Court responsible for overseeing the financial management of Eni, ADOLFO TEOBALDO DE GIROLAMO, and the Company Secretary, ROBERTO ULISSI, head of Corporate Affairs and Governance.

\* \* \* \* \*

The Chairman announces that, as allowed by Article 2 of the Meeting Rules, the Shareholders' Meeting is being attended by experts, financial analysts, journalists, representatives of the audit firm, Ernst & Young and the Notary's assistants as well as employees of the Company and its subsidiaries to help prepare responses to the questions posed by shareholders and to ensure that the Meeting is conducted in an orderly fashion.

The Chairman announces that several executives of the Company and its main subsidiaries are in attendance.

\* \* \* \* \*

The Chairman announces that, in accordance with Article 5.2 of the Meeting Rules, the Chairman's Bureau has been appointed and is located at the table to her right, composed of personnel from the Corporate Secretariat.

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The Chairman announces that the Ordinary and Extraordinary Shareholders' Meeting is being held after a single call in accordance with Article 16.2 of the By-laws.

\* \* \* \* \*

The Chairman asks the Bureau for the list of shareholders in attendance on their own behalf or by proxy.

Having verified the identity and entitlement to vote of those in attendance, having examined the notices issued by authorised intermediaries and having verified the compliance of the proxies submitted, the Chairman announces that there are currently no. 3,131 (three thousand one hundred thirty one) shareholders in attendance representing a total of no. 2,298,285,693 (two billion two hundred ninety eight million two hundred eighty five thousand six hundred ninety three) shares with voting rights, equal to 63.24% (sixty three point twenty four per cent) of the entire share capital.

The Chairman announces that no mail-in ballots have been received and 11 (eleven) proxies have been conferred on the shareholders' representative designated by the Company.

The Chairman states that she will provide updated information on the number of shareholders present also at a later stage and prior to each vote.

**The final list of the names of those present at the Meeting**, on their own behalf and/or by proxy (indicating name of the proxy grantor)

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and by mail is contained in Attachment “A” to the minutes of the Meeting.

\* \* \* \* \*

At 10.20 am FABRIZIO PAGANI enters the Meeting hall.

\* \* \* \* \*

From the floor, the shareholder Luigi Chiurazzi asks to know the number of people physically present.

The Chairman responds to the shareholder Luigi Chiurazzi, stating that there are 51 (fifty-one) people physically present in the hall, representing themselves or as proxies for other shareholders.

\* \* \* \* \*

The Chairman states that, before each vote, the number of shareholders present and the number of shares represented, on their own behalf and/or by proxy, will be verified.

The Chairman declares the Ordinary Shareholders’ Meeting in single call duly constituted and empowered to resolve the agenda items.

The Chairman informs that the Company did not receive any request to amend the agenda pursuant to Article 126-bis of the Consolidated Law on Financial Intermediation (TUF) and Article 13.1 of the By-laws.

She notes that, to the best of the Company’s knowledge, none of the shareholders present are not entitled to vote and no shareholders’ agreements involving Eni shares exist.

She therefore requests that any attendees who are not entitled to vote or who are party to a shareholders’ agreement so declare in accordance with

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applicable law and the By-laws.

No one present makes such declaration.

The Chairman notes that no one has indicated that they are not entitled to vote and announces that as of the record date (April 4, 2017) based on the contents of the Shareholders' Register and information received under Article 120 of the Consolidated Law on Financial Intermediation (TUF) and other information available to the Company, shareholders holding voting shares representing more than 2% (two percent) of the total shares issued are:

- Cassa depositi e prestiti società per azioni, holding 936,179,478 (nine hundred thirty-six million one hundred seventy-nine thousand four hundred seventy-eight) representing 25.76% (twenty-five point seventy-six percent) of the share capital;

- Ministry of the Economy and Finance, holding 157,552,137 (one hundred fifty-seven million five hundred fifty-two thousand and one hundred thirty-seven) shares representing 4.34% (four point thirty-four percent) of the share capital.

\* \* \* \* \*

The Chairman notes that , as of the record date of April 4, 2017, the Company held 33,045,197 (thirty-three million forty-five thousand one hundred ninety-seven) treasury shares, representing 0.91% (zero point ninety-one percent) of the share capital.

\* \* \* \* \*



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The Chairman notes that, in accordance with Article 7 of the Meeting Rules:

- requests to make a comment may be submitted to the Bureau from the time the Meeting is duly constituted up until the opening of discussion on the relevant item on the agenda;
- the Chairman sets the time limit for comment;
- once discussion ends, those wishing to declare their votes will be allowed to do so, briefly.

\* \* \* \* \*

The Chairman announces that in order to organise the items into uniform thematic areas and to rationalise the presentation and discussion of them, items 11 and 12 on the agenda will be addressed after item 2.

The Chairman then announces that discussion of the agenda will begin with items 1, 2, 11 and 12, which regard business and operational issues. At the end of the presentation, shareholders will have up to 8 (eight) minutes to comment. This will be followed by the presentation of items 3 to 10, which concern the appointment of the corporate bodies, after which shareholders will have up to 5 (five) minutes to comment.

In all cases, the Shareholders are free to decide how they will manage such time, dividing it as they choose for each of the items under discussion.

In this manner, all shareholders will be given an opportunity to express their opinions in a suitable amount of time, while keeping the Meeting to an

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appropriate length out of respect for all shareholders.

She invites the shareholders to therefore submit their requests to make a comment to the Chairman's Bureau, bringing with them their remote control voting devices.

She also asks that those shareholders who plan to ask questions on highly specific technical issues also submit those questions in writing and deliver them to the Bureau at the end of their comments so that a more accurate response to the question can be provided.

She announces that, pursuant to Article 127-ter of the TUF, the following shareholders duly submitted questions prior to the Shareholders' Meeting:

- Tommaso Marino, holding 1 (one) share;
- Fondazione Culturale Responsabilità Etica, holding 80 (eighty) shares;
- Marinella Garino, holding 1 (one) share;
- Investimenti Sud Italia S.r.l., holding 1 (one) share;
- Jacopo Fo, holding 1 (one) share;
- Marco Bava, holding 1 (one) share.

The Chairman notes that, as permitted by law, most of the questions received were answered prior to the Shareholders' Meeting, with the hard copies of the responses being made available to the shareholders at the start of the Meeting, with copies also available at the Chairman's Bureau. Therefore, the answers will not be repeated today and the questions should not be posed again during the Meeting.

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Questions to which no answer was given prior to the Meeting since they relate to situations that could only be addressed during the Meeting, will be answered today.

\* \* \* \* \*

The document entitled **"Questions and answers prior to the Shareholders' Meeting (Article 127-ter TUF)"** is contained in Attachment **"B"** to the minutes of the Meeting.

\* \* \* \* \*

Once the shareholder comments are complete, a brief intermission will be taken to allow time to formulate the answers to the shareholders' questions, which will be provided upon the resumption of the Meeting.

\* \* \* \* \*

Each shareholder wishing to declare his or her vote will be given 2 (two) minutes to make such declaration. Once this is completed, voting on the items on the agenda will be conducted.

The Notary will announce the results of each vote.

The Chairman points out that the Meeting Rules do not allow shareholders to reply, but only explain their votes, with requests to do so being submitted to the Bureau, with any motivations and the option of declaring whether they are satisfied with the responses. Requests to do so are to be submitted to the Bureau.

The Chairman emphasizes that the time allocated for discussion and voting is designed to make the Meeting run efficiently, but that nevertheless

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the dialogue between the Company and the Shareholders will continue following the Meeting, through the responsible departments (Corporate Secretariat and Investor Relations), which the shareholders are invited to contact.

The Chairman says those who plan to speak should go to the podium to her left, where a microphone is available.

For the purpose of helping each speaker best organise the time available, a timer visible from the podium and projected on the large screen behind the Chairman will be used.

During the first part of each comment, the numerals on the timer will be green, then for the next 2 (two) minutes, they will turn to orange and finally they will flash in red to inform the speaker that time is up.

In order to allow wider participation in the discussion, the Chairman asks that shareholders respect the time limit in making their comments. She also requests that shareholders restrict their comments to the items on the agenda.

The Chairman announces that she will ensure that the speakers follow the time limit allowed for their comments and that the comments are pertinent to the items on the agenda as a show of respect for all the shareholders.

The name of the shareholder slated to speak, as well as the next shareholder to be called to speak, will be projected on the screen behind the Chairman.

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Shareholders who wish to speak apart from the scheduled comments must request permission from the Chairman, providing their full names, and only after having received permission, must report to the podium or use the microphone provided by the hall attendants to make their statements.

\* \* \* \* \*

If an alternative to the Board's proposals on the agenda is presented, the Board's proposal will first be voted upon and then, only if that proposal is rejected, will the proposal with the amendments be put to a vote.

Any alternative proposals submitted by a shareholder must be formulated during that shareholder's own comments.

Similarly, in the case of presentation of points of order, for which there will be no discussion, where the Chairman decides to put it to a vote, the Chairman's proposal will first be voted upon and then, only if that proposal is rejected, will the shareholders' proposals be put to a vote.

\* \* \* \* \*

From the floor, the shareholder Luigi Chiurazzi asks to know why these rules have been established and who asked for them.

The Chairman replies that they are rules to govern the activities of the Shareholders' Meeting.

\* \* \* \* \*

The shareholders' proposals or points of order, if put to a vote, must be submitted to the Shareholders' Meeting starting with the proposal

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presented by the shareholders representing the largest percentage of share capital. The other proposals are put to a vote, in the order of the amount of share capital represented by their sponsors, only if this proposal is rejected.

She reminds those in attendance that proposed resolutions on items not indicated in the agenda cannot be presented during the Shareholders' Meeting.

She announces that, in accordance with Article 4 of the Meeting Rules, no recording equipment of any kind, nor photographic or similar equipment, apart from that employed by the Notary to assist him in preparing the minutes, can be used in the meeting hall.

Simultaneous interpretation from Italian to English and vice-versa is provided, with headphones available at the desk at the entrance to the hall.

\* \* \* \* \*

The Chairman reminds those in attendance that in order to facilitate participation and voting, Eni has adopted a system that enables shareholders to vote using the remote control voting devices they were given upon arrival along with instructions on their use.

It is necessary to use the remote control device to vote for or against an item or to abstain. In fact, the remote control has three buttons for precisely this purpose. So, if a shareholder does not intend to participate in a vote, and therefore not form part of the quorum, he may remain in the hall without pressing any button on the remote control or he may leave the hall,

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returning the remote control device to the Bureau. In both cases, the shareholder will be considered as “not voting” and therefore absent.

For further information or clarifications concerning the use of the remote control devices, shareholders may contact the Bureau.

If the remote control device cannot be used for technical reasons, or if the Chairman decides that another method is preferable for practical reasons, voting will be done by a show of hands.

Shareholders who temporarily or permanently leave the hall before the Shareholders’ Meeting is concluded are reminded to turn in their remote control voting devices to the sign-in desk located on the first floor.

\* \* \* \* \*

The Chairman reminds the shareholders that:

- i) the Report of the Board of Directors on the items on the agenda;
- ii) the 2016 Annual Report;
- iii) the 2016 Corporate Governance and Shareholder Structure Report;
- iv) the 2017 Remuneration Report;
- v) the English translation of the 2016 Annual Report;

were filed and made available to the public at the Company’s registered office, Borsa Italiana S.p.A., on Eni’s Internet site and through Consob’s authorized central storage mechanism, as required by law and regulations. These documents were also sent to anyone who requested a copy prior to the Shareholders’ Meeting and the primary documents were given to those in attendance upon arrival at the Meeting, along with a copy of the

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By-laws.

\* \* \* \* \*

As no objections are raised by the Shareholders' Meeting, the Chairman dispenses with a full reading of the explanatory report on the individual items in the agenda for the Meeting in order to allow more time for comments by the shareholders.

\* \* \* \* \*

Before moving on to a discussion of the items on the agenda, the Chairman makes the following statement:

**CHAIRMAN**

“Welcome Shareholders,

Once again I have the honour and the pleasure of presiding over Eni's Shareholders' Meeting, a very important opportunity to dialogue with our shareholders.

My job here today is to ensure that the Meeting is conducted in an orderly and proper manner and to ensure that you may exercise your voting rights.

Your presence here underscores the interest in actively participating in the key decisions of the Company.

We will discuss and you will vote on the financial statements, the distribution of the profits, the appointment of the Board of Directors, the Board of Statutory Auditors and their respective chairmen, and on other items concerning remuneration.

This Meeting is particularly significant because it marks the end of the



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terms of our corporate bodies and a new beginning.

I am pleased that your proposals for the election of the Board of Directors are marked by continuity, which enables us to proceed with the work begun three years ago.

Continuity is of fundamental importance to a company like Eni, which operates in a business in which it is essential to think with a medium to long-term perspective.

Some of the Statutory Auditors will not be accompanying us in the new term, but I would like to thank them all for the commitment, dedication and professionalism they have shown. A special thanks goes to the Chairman of the Board of Statutory Auditors, Matteo Caratozzolo, who has led the control body with wisdom and firmness, helping the Board to do its best.

Before beginning the discussion of the items on the agenda, as usual I would like to share some brief comments on the economic, political and energy scenario, the activity of the Board of Directors and the governance arrangements of the Company.

After a 2016 with growth of 3.1%, the world economy should expand by 3.4% in 2017 and 3.6% in 2018. All major economic areas will see an improvement in growth compared with 2016.

However, uncertainties and risks that could undermine that growth remain.

Uncertainty, instability, drastic changes in scenarios seem to have become a sort of “new normal”.

Growth in Europe is accelerating. Three million jobs have been created, but

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unemployment remains high and there are still great uncertainties: think of Brexit or the national elections scheduled in many European countries.

Even in Italy, growth has returned to 1%. Unemployment has dropped slightly but still stands at about 11.5%. We are unfortunately among the slowest growing countries in Europe. While we are seeing improvements in economic data, Italy is still beset by great uncertainties.

The global energy environment also appears afflicted by problems.

After decline that has characterised the last three years, with oil prices falling to \$27 a barrel, the lowest in 12 years, today's OPEC and non-OPEC cooperation is a good signal for a renewed search for market stabilisation.

Following last November's agreement (and the later accord with non-OPEC producers), the markets appear more positive but remain very volatile.

In the short term, the agreement seems to be holding: this is confirmed by the fact that the various participating countries are meeting their commitments.

But developments in oil stocks, which are declining - albeit slowly - raises doubts about the effectiveness of the measures.

The gradual nature of the market balancing makes it advisable to extend the agreement beyond June, and this is being discussed by the main players.

In the medium term, however, the ability of shale-oil producers to increase output and geopolitical dynamics will continue to play a key role.

In the long term, the process of decarbonisation and breakthrough technologies in the transport sector will impact the energy mix.

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The scenario is therefore improving, but remains highly complex.

Developing long-term strategies is becoming increasingly difficult.

I would like to devote a few words to Eni's positioning.

These have been three complex, challenging but also exhilarating years.

Under the guidance of our Chief Executive Officer, Claudio Descalzi, and the constant support of the Eni Board of Directors has been completely transformed. From a conglomerate, division-bound and costly company, it has been transformed into faster, more streamlined and more solid oil & gas company, with the restructuring of the mid-downstream and a focus on the upstream.

Exploration is Eni's absolute excellence.

Our production has grown by 15%, while we have reduced our investments by 33% and technical costs by 30%.

These three figures clearly capture the great transformation we have accomplished:

- In 2013, capex cost neutrality was \$127, while today it is \$46;
- we have the same cumulative cash flow as the previous three years, when the average oil price was \$110/barrel; now it is \$64/barrel;
- we are the only oil & gas company to reduce our leverage in these three years, and today we have the lowest level in the industry.

In this difficult environment, the Board has decided, assessed and agreed the strategies developed by the CEO, a demonstration of strong and effective team play.

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This teamwork was essential when we made difficult but key decisions for our company, such as selling a stake in Saipem and cutting the dividend.

Teamwork, coupled with strong motivation and commitment, ensured that the Board also played an active role in shaping the company's decarbonisation strategy, based on three pillars:

- reducing the “carbon footprint”;
- creating a “low carbon gas” portfolio;
- investing in renewable energy.

We have delineated an integrated decarbonisation strategy, we began implementing it and we have communicated it effectively. This has enabled us to be included in the Climate A-list of the Carbon Disclosure Project. Eni is the only oil & gas “major” to have achieved this.

The Sustainability and Scenarios Committee, which was set up in 2014, was an extraordinary locus of analysis and discussion: this committee has been the strongest demonstration of how the Company actually incorporated sustainability into its long-term strategy. We can state with pride that extraordinary results have been achieved. I have asked myself numerous times what the factors of Eni’s success are.

I believe that these are to be sought first and foremost in the leadership of Claudio Descalzi, which has been strong and visionary, but also supported by the great skills and strong attachment to the Company of all management, with a foundation of values shared by all of Eni’s people. The Board of Directors has also had a profound impact: we embarked on a

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courageous journey, and this would not have been possible if each Director did not interpret his role with balance and a sense of responsibility, contributing actively to debate and collegial decisions.

This assessment has also been confirmed by the board review process, whose findings have highlighted, among other things, a strong and balanced relationship between the CEO and the Chairman, as well as within the board as a whole.

The board review underscored the strong interest of this Board in measuring itself against international best practices, learning from them to promote innovative initiatives.

The exchange between individual Directors - through the peer review – enabled each Director to measure themselves against an ideal profile, taking on commitments to improve through teamwork. In this three-year period, the Board worked with the goal of ensuring effective governance and improving it further, fully aware that sound governance is a distinctive feature of success.

I would like to emphasize the existing separation of roles between the Chairman and the Chief Executive Officer and the Chairman's independence. The Chairman's role is exclusively that of guarantor, supervising internal audit and, in agreement with the Chief Executive Officer, appointing the main control officers.

Another cornerstone of governance is a focus on risk, reporting on which to corporate bodies has been reinforced in its frequency and content.

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The organisational control structure has itself been adapted to the evolution of the system.

Eni's Board has formed the integrated "Compliance" unit reporting directly to the CEO, to whom the head of integrated risk management also reports. In order to guarantee their independence in view of the role they play, both are appointed by the CEO in agreement with the Chairman.

I would like to emphasize in this regard how Eni's anti-corruption system is a key element of the internal control system, in which Eni has invested heavily in these years.

The system is based on a mandatory compliance programme for the entire Eni Group, which is subject to continuous monitoring.

The programme involves not only the control functions and bodies, but also the Board of Directors and all business functions.

The effectiveness of the system is supported by the internal unit, integrated into the new integrated compliance area, dedicated to providing specialized legal assistance. This unit monitors and supports the correct application of the law, especially with regard to anti-corruption due diligence, which is mandatory and must be brought to the knowledge of the person or body that authorises an operation, including the Board. The internal unit also ensures that reporting to the control bodies is adequate and the comprehensive training of all of Eni's people. In 2013, the compliance programme was assessed by an independent American lawyer, who expressed approval of our overall anti-corruption system and the implementation of the

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programme.

I am pleased to recall that last January Eni received an important certification of the compliance its anti-corruption programme with the international standard and was the first company in Italy to do so.

I have addressed all these issues in the “corporate governance roadshow”, which saw me involved in a number of meetings between 2016 and 2017, meeting about 45% of the institutional investors in Eni.

Once again, transparency and openness to dialogue have been rewarded by very positive feedback.

We have received many compliments on the major effort made by Eni, its people, the Board and the CEO.

We found an interested audience for the further improvements in governance and in the results achieved, and for this I thank our investors, who gave us the opportunity to examine these issues in greater depth.

Like last year, I would like to turn my attention to a number of legal disputes involving the Company.

First, let us see how a number of completed proceedings turned out.

Let me premise my remarks with one comment: in the last 25 years, Eni SpA has not been convicted, even in a court of first instance, for corporate offenses, fraud or corruption. We should bear this in mind.

Two cases, the first known as “Gas metering” and the second as “Kazakhstan”, were closed, the former with an acquittal and the latter with a recent dismissal. Both cases, over the course of several years of litigation,

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received incredible media attention casting a bad light on the Company. Given the positive ending of these trials, this negative focus on Eni and its managers was certainly disproportionate as well as unjustified. Among other things, the proper conduct of the Company emerged immediately in the careful internal investigations that Eni conducted.

We now turn to the main pending proceedings.

I refer to Algeria and Nigeria OPL 245.

In both cases enquiries were conducted with the help of independent external consultants. These enquiries also examined the documentation made available to law enforcement at the conclusion of the investigations. With regard to the lack of any confirmation of the alleged illegal conduct investigated in the enquiries, I refer you to the press releases the Company has issued in this regard.

The Board of Directors recently expressed its peace of mind and full confidence in management in relation to the Nigeria OPL 245 case.

Obviously, we are providing our utmost cooperation in the pending court proceedings and have full faith in the judiciary.

It will take some time to obtain the court's verdict on the facts and conduct involved. In the interest of the company and of all the people who work for us, we must remain focused on the work we do in compliance with company rules and ethics, essential aspects of our corporate conduct to which the Eni Board of Directors and – to the extent that I have been able to determine in these three years as Chairman of Eni – its management



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dedicate close attention.

## Conclusions

I would like to conclude my remarks, first of all, by thanking you, the Shareholders, who have given and renewed your confidence in the Company during these years, including through your participation in the Shareholders' Meetings.

We now face a new three-year challenge.

The corporate bodies are called upon to complete the process of transformation that is still under way, because there is still great value to be expressed.

It will then be necessary to achieve the goals that Eni has set itself in the 2017-2020 Strategic Plan, while retaining the ability to achieve cash neutrality under \$45, continuing to grow organically at a 3% rate and pursuing the decarbonisation process.

Over the next three years we will leave the restructuring and transformation phase and we will embark upon the phase of consolidating results and growth, which will be made possible thanks to the cash flow we will be able to generate.

This new phase will be overseen by a more experienced Board, one that knows the company and the industry better, capable of working as a team, focusing on the critical factors of the Company's success and leveraging them, able to analyse the Company's strategies more deeply and with a broad vision of the organisation.

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The Council will have to be able to understand and work on the great strength of this company, namely its people: how to enable them to grow and how to shape Eni for the next 10-20 years.

This journey will have to be built day by day, working together.

I am proud to be nominated again to be the Chairman of this company, and will once again be more than willing to give Eni with my skills, my commitment and my passion to make our Company even stronger.

My wish is that you Shareholders believe in the strength of your company.

Your care and your appreciation are indispensable to continuing down the road of excellence.

Finally, before turning the floor over to him, I would like to thank the Chief Executive Officer, Claudio Descalzi, for the work he has performed with great competence, sense of responsibility, passion and courage.

\* \* \* \* \*

The shareholders applaud at the end of the Chairman's remarks.

\* \* \* \* \*

The Chairman moves on to the first item of the agenda.

### **No. 1**

**ENI S.P.A. FINANCIAL STATEMENTS AT DECEMBER 31, 2016.  
RELATED RESOLUTIONS. ENI CONSOLIDATED FINANCIAL  
STATEMENTS AT DECEMBER 31, 2016. REPORTS OF THE  
DIRECTORS, OF THE BOARD OF STATUTORY AUDITORS AND  
OF THE AUDIT FIRM.**

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\* \* \* \* \*

The Chairman reports that, pursuant to the Consob provisions for the audit of the 2016 financial statements of Eni S.p.A., the Audit Firm, Ernst & Young S.p.A., required: a) 32,632 (thirty-two thousand six hundred thirty-two) hours for a fee of €2,261,334 (two million two hundred sixty-one thousand three hundred thirty-four) to audit Eni S.p.A.'s financial statements, the half-year interim report and the quarterly reports; b) 17,389 (seventeen thousand three hundred eighty-nine) hours for a fee of €1,535,546 (one million five hundred thirty-five thousand five hundred forty-six) to audit the consolidated financial statements and to review Form 20-F.

Furthermore, in connection with the audit of Eni S.p.A.'s 2016 financial statements, Ernst & Young performed additional work related to the auditing of the internal control system as it relates to financial reporting, in accordance with the U.S. law (Section 404 of the Sarbanes-Oxley Act), as well as other audit activities provided for under other regulations or other audit-related activities.

Overall, a total of €1,224,992 (eleven million two hundred twenty-four thousand nine hundred ninety-two) in fees corresponding to 151,195 (one hundred fifty-one thousand one hundred ninety-five) hours of work was recorded for the auditing of Eni S.p.A.'s 2016 financial statements.

The total fees recorded by Eni S.p.A., its subsidiaries and companies

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under joint control and joint operations as owed to the Ernst & Young network amount to €23,307,011 (twenty-three million three hundred seven thousand eleven) corresponding to 316,765 (three hundred sixteen thousand seven hundred sixty-five) hours invoiced.

\* \* \* \* \*

The Chairman invites the Chief Executive Officer to briefly explain the Company's main results for 2016 and to provide information on the plan strategies.

The Chief Executive Officer, Claudio DESCALZI, makes a thorough presentation of developments in 2016 and explains the essential points of the strategic plan. A number of **explanatory slides** are projected during his speech and they are attached to these minutes as letter "C".

\* \* \* \* \*

The shareholders applaud at the end of the CEO's remarks.

\* \* \* \* \*

The Chairman invites Matteo CARATOZZOLO to address the Meeting in accordance with Article 153 of the TUF, on the oversight activities provided by the Board of Statutory Auditors and on any omissions or censurable facts uncovered.

**MATTEO CARATOZZOLO - Chairman of the Board of Statutory Auditors.**

The activity of the Board of Statutory Auditors is contained in the report filed and made public by the statutory deadlines and to which the attendees

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are referred for a fuller treatment.

During the year ended December 31, 2016, the Board of Statutory Auditors performed the supervision required by Italian laws, as well as other tasks assigned to it as the audit committee under the Sarbanes Oxley Act, applicable to Eni as a company with shares listed on the New York Stock Exchange.

The Board of Statutory Auditors received from the Directors the required information on the activities conducted and the most significant transactions with respect with performance, financially or in terms of cash flows approved and undertaken during the year by Eni S.p.A. and its subsidiaries, and did not find any atypical or unusual facts nor any transactions deemed manifestly imprudent, risky or in conflict with the resolutions of the Shareholders' Meeting or such as to compromise the integrity and of the Company's capital. With respect to transactions with related parties, the Board of Statutory Auditors has found that the internal regulations comply with the applicable Consob provisions, as well as the effective application of these regulations.

It monitored the work of the independent audit firm, confirming its independence and that no engagements were awarded that would create a conflict with the firm's statutory audit work. It examined the seven grievances filed during the year under the provisions of Art. 2408 of the Civil Code. On the basis of the enquiries conducted with the assistance of the competent corporate structures and the checks carried out internally and

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by independent experts, the Board of Statutory Auditors found no grounds for the allegations and considered the rules adopted and actions taken by the Company to be appropriate.

It obtained information on and monitored, to the extent it is responsible, the suitability of the Company organisation structure, the compliance with the principles of sound management and the appropriateness of the provisions imparted by the Company to its subsidiaries in accordance with Article 114, paragraph 2, of the Consolidated Law on Financial Intermediation (TUF).

It monitored the adequate functioning of the internal control and risk management system and of the administration/accounting system, as well as the reliability of the latter in properly representing operations. In performing its oversight work in 2016, the Board of Statutory Auditors met 18 times with the participation of all its members and all of the auditors attended all of the meetings of the Board of Directors, with the sole exception of the justified absence of a Statutory Auditor from a meeting of the Board of Statutory Auditors and a meeting of the Board, the latter caused by technical difficulties with the connection to the meeting. Furthermore, the entire Board of Statutory Auditors took part in all the 13 meetings of the Control and Risk Committee and, in the person of its Chairman or a delegated representative, in all of the meetings of the other committees of the Board of Directors as well as some meetings of the Watch Structure.

From the activities performed, we found no material situations or critical

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circumstances such as to make us doubt the overall functioning of Eni's Internal Control and Risk Management System in 2016. Therefore, the Board of Statutory Auditors has not found any reason to oppose the approval of the financial statements at December 31, 2016 and the proposals put forth by the Board of Directors.

\* \* \* \* \*

The shareholders applaud at the end of the remarks of the Chairman of the Board of Statutory Auditors.

\* \* \* \* \*

The Chairman thanks Mr. CARATOZZOLO and invites MASSIMO ANTONELLI of Ernst & Young S.p.A. to read the conclusions contained in the firm's report on the audit of ENI S.p.A.'s 2016 financial statements..

**MASSIMO ANTONELLI.**

The activities carried out by the audit firm are contained in the reports filed and made public by the statutory deadlines.

Our opinion, as expressed in those reports, indicates that Eni S.p.A.'s financial statements and the consolidated financial statements provide a true and fair view of the financial position, of Eni S.p.A. and the Eni Group at December 31, 2016, as well as of performance and cash flows for the year ended at that date, in compliance with the International Financial Reporting Standards endorsed by the European Union, as well as the implementing measures for Article 9 of Legislative Decree 38/2005.

In our opinion, the Report on Operations and the information under

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paragraph 4 of Article 123-bis of the TUF, presented in the Corporate Governance and Shareholding Structure Report, are consistent with Eni S.p.A.'s financial statements and the consolidated financial statements at December 31, 2016.

\* \* \* \* \*

The shareholders applaud at the end of the remarks of Mr. Antonelli.

\* \* \* \* \*

At the conclusion, the Chairman thanks Mr. Antonelli and reads the following proposal:

"Shareholders,

the Board of Directors invites you to approve ENI S.p.A.'s financial statements for the year ended December 31, 2016 which closed with a net profit of €4,521,093,313.31 (four billion five hundred twenty-one million ninety-three thousand three hundred thirteen point thirty-one)".

\* \* \* \* \*

The printed document entitled the “**Annual Report 2016**”, comprising the integrated financial statements of Eni, consisting of, among other things, the Report on Operations, the consolidated financial statements at December 31, 2016 (financial statements, notes to the consolidated financial statements, supplemental oil and gas information required by the SEC, management's certification, report of the audit firm), ENI S.p.A.'s financial statements at December 31, 2016 (financial statements, notes to the financial statements, proposal by the Board of Directors to the



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Shareholders' Meeting, report of the Board of Statutory Auditors pursuant to Article 153 of Legislative Decree 58/1998, management's certification, report of the audit firm), the annexes to the notes to the consolidated financial statements (Significant shareholdings of Eni S.p.A. at December 31, 2016 and Changes in the scope of consolidation during the year) and the annex to the notes of the financial statements of Eni S.p.A. (Fees paid for auditing and other services), is annexed to these minutes under letter "D".

\* \* \* \* \*

The Chairman then moves on to the second item on the agenda.

## **No. 2**

### **ALLOCATION OF NET PROFIT**

\* \* \* \* \*

The Chairman reads the proposal as follows:

"Shareholders,

In regard to the results achieved, the Board of Directors proposes that you resolve as follows:

- to allocate the net profit for the period of €4,521,093,313.31 (four billion five hundred twenty-one million ninety-three thousand three hundred thirteen point thirty-one), of which €3,080,637,260.11 (three billion eighty million six hundred thirty-seven thousand two hundred sixty point eleven) remains following the distribution of the 2016 interim dividend of €0.4 (zero point four) per share, resolved by the Board of Directors on

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September 15, 2016, as follows:

- the amount of €19,233,515.44 (nineteen million two hundred thirty-three thousand five hundred fifteen point forty-four) to the reserve required by Article 6, paragraph 1, letter a) of Legislative Decree 38 of February 28, 2005;
- to the shareholders, in the form of the balance of the dividend, of €0.4 (zero point four) per share owned and outstanding at the ex-dividend date, excluding treasury shares on that date, thus completing payment of the total dividend following the interim dividend for the 2016 financial year of €0.4 (zero point four) per share. The total dividend per share for the 2016 financial year therefore amounts to €0.8 (zero point eight) per share;
- the payment of the balance of the 2016 dividend in the amount of €0.4 (zero point four) per share payable starting from April 26, 2017, with an ex-dividend date of April 24, 2017 and a record date of April 25, 2017."

\* \* \* \* \*

The Chairman then moves on to the eleventh item on the agenda

#### **No. 11**

### **LONG TERM INCENTIVE PLAN 2017-2019 AND DISPOSAL OF ENI'S OWN SHARES IN SERVICE OF THE PLAN.**

\* \* \* \* \*

The Board of Directors of Eni S.p.A., in relation to the expiration of the Long-Term Monetary Incentive Plan (2014-2016), approved by the Shareholders' Meeting of May 8, 2014, has resolved to submit for approval

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by this Shareholders' Meeting the adoption of a new share-based Long-Term Incentive Plan (2017-2019) (the "Plan"), prepared on the basis of a proposal of the Compensation Committee, comprised entirely of independent, non-executive directors, as a tool to incentivize and promote the loyalty of the Company's most critical managers.

The description of the Plan targets and characteristics are set out in more detail in the Informative Document prepared by the Board of Directors pursuant to Article 114-*bis* of the Consolidated Law on Financial Information (T.U.F.) and Article 84-*bis* of the Issuers Regulation, made available along with Report of the Board of Directors on the items on the agenda (as attached under letter "D" of these minutes), to which you may refer.

The Chairman reads the proposal as follows:

"Dear Shareholders,

I submit the proposal of the Board, pursuant to and for the purposes of Article 114-bis of the Consolidated Law on Financial Intermediation and Article 2357-ter of the Civil Code:

- to approve of the Long-Term Incentive Plan 2017-2019, under the terms and conditions set forth in the Informative Document made available along with the Explanatory Report, granting the Board of Directors all the powers needed to implement the Plan, including through persons delegated for this purpose, resolving: i) the annual award of Eni Shares to the Chief Executive Officer; ii) the approval of the Rules for each annual award; iii) the

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identification of the Beneficiaries on the basis of the defined criteria; iv) and any other terms and conditions for implementation provided they do not conflict with the resolutions of the Shareholders' Meeting;

- to authorise the Board to dispose of up to 11 (eleven) million treasury shares to serve the implementation of the Plan."

\* \* \* \* \*

The Chairman then moves on to the twelfth item on the agenda.

## **No. 12**

### **REMUNERATION REPORT (SECTION I): POLICY ON REMUNERATION.**

\* \* \* \* \*

The Chairman notes that the Remuneration Report, as approved by the Board, has been prepared on the basis of Article 123-*ter* of the TUF and Article 84-*quater* of the Issuers' Regulation and published as required by applicable laws and regulations.

The shareholders are asked to resolve in favour of or against the first section of the Remuneration Report regarding the Company's policy on the remuneration of Board members, chief operating officers and managers with strategic responsibilities and the procedures used to adopt and implement this policy. The resolution is not binding.

The Chairman reads the following proposal:

"Dear Shareholders,

I submit to you the proposal of the Board:

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- to resolve in favour of the first section of the Remuneration Report regarding the Company's policy on the remuneration of Board members, chief operating officers and managers with strategic responsibilities and the procedures used to adopt and implement this policy."

\* \* \* \* \*

As required by the Corporate Governance Code, the Chairman invites the chairman of the Compensation Committee, Mr. Guindani, to report to the shareholders concerning the activities of his committee.

\* \* \* \* \*

**PIETRO ANGELO MARIO ANTONIO GUINDANI - Chairman of the Compensation Committee**

"Dear Shareholders,

The year 2016 was an especially significant year for the Compensation Committee, which was involved in consolidating the implementation of the policies planned at the outset of its activities and in developing proposals for the next Board term.

The procedures followed by the Compensation Committee are thoroughly explained in the first section of the 2017 Remuneration Report, which was made available to the public in accordance with the time limits and procedures established by applicable law.

The first section of the Report also outlines the Remuneration Policy Guidelines for 2017 submitted for your examination as part of the advisory vote required under current legislation.

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In this respect, I am pleased to confirm that, as announced in the 2016 Remuneration Report, the most significant change introduced by the Committee concerns the adoption, for the 2017-2020 term, of a variable incentive system based on a simplified architecture (two plans instead of three), with the introduction of a new long-term share-based incentive plan to promote even greater alignment between management action with the greatest impact on performance and shareholder expectations.

The new long-term plan maintains objectives consistent with market expectations (TSR) and the Company's industrial profile and business cycle (NPV of proven reserves), measured in relation to the performance of a group of international peers over a three-year vesting period.

I would also like to point out that the whole process of developing the 2017 Guidelines was carried out while maintaining a constant dialogue with institutional investors and with the main proxy advisors in order to listen to their views and evaluate the findings and recommendations they provided.

Warm thanks go to Karina Litvack, Alessandro Lorenzi and Diva Moriani, who shared this experience with me, for the significant contribution to our joint discussions and their constant attention to the search for balanced and commonly agreed solutions.

Confident that the report submitted for your examination will once again underscore the constant commitment devoted by the Committee in these years, in the name of myself and the other Directors, I thank you for your approval of the 2017 Remuneration Policy for 2017 and I remain at your

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disposal to answer any questions you might have."

\* \* \* \* \*

The **2017 Remuneration Report** is attached to these minutes as Annex "E", while the **2016 Corporate Governance and Shareholding Structure Report** may be found under Annex "F".

\* \* \* \* \*

The Chairman opens the floor to the discussion of items no. 1, 2, 11 and 12 of the agenda.

She further reminds the Meeting that each shareholder will be allowed a total of 8 (eight) minutes in which to speak.

Taking the floor are:

**GIANLUCA FIORENTINI** (5 shares).

*Buongiorno*, Madam Chairman, members of the Board. Welcome back, shareholders. Given the brevity of what I have to say, I would ask that it be minuted in full.

My query encompasses the first and the eleventh items on the agenda. Curiously, I had foreseen today's grouping of our examination of the agenda items.

In the financial statements that we are called upon to approve, we can clearly see that the number of treasury shares has remained unchanged, as was also the case for the previous annual report approved in 2016.

During the past Shareholders' Meeting of May 12, 2016, I had asked about the reason for this decision, and I was told that the buy-back had been put on hold.

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Again today, the shareholders have not been asked anything concerning the potential buy-back of shares.

But I would like to ask a question: we will be asked to approve what you have called the 2017-2019 Long-term Incentive Plan, where in the documentation for which, under point 4.1, it is incontrovertibly specified that, for the purpose of assigning Eni shares to the beneficiaries, Eni treasury shares will be used. It is also clearly specified, under that same point 4.1, that the shares will be granted annually, but awarded after three years.

This operation will necessarily result in a reduction in the Company's treasury shares.

So these are my questions:

- should we expect to be called upon to authorise a purchase of treasury shares, beginning with the next financial year?
- how will you indicate in the financial report that number of treasury shares, granted annually, but which will be awarded after three years?

Will you therefore reactivate the buy-back, thereby creating a “cost to the Company”, as per your definition of the buy-back in response to my question at the previous meeting?

Thank you for your attention and for the responses you provide.

**LUCIO LA VERDE** (4,000 shares).

It was with pleasure that we hear that our Board of Directors is, at least, assisted by the Holy Spirit, how excellent it is, how committed it is and so on, and let us hope that the Holy Spirit does not get distracted in the near



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future.

It is nothing new that meetings of the shareholders of corporations such as Eni are reduced to little more than tired rituals, with shareholders being called upon to ratify decisions made elsewhere.

This is certainly true of today's meeting, called in order to ratify appointments of which we were made aware through the press.

It may have been the synchronicity with the timing of the appointments, given that the Italian government holds a 30% interest in Eni, but we have read with interest and agreement the recent statement of Mr. Descalzi when he said, "We pay 3-4 times more for our energy than others. And by costing so much, our industrial base is dying because we can no longer compete."

They were words that evoked the *raison d'être* of the Eni of yesteryear, although it is not proof that Eni will be changing its current orientation for paying healthy dividends, and with that feeling free from any other commitment, which should be that of being a national oil company.

You may then say that Eni is not a national oil company, and I would reply what is going on with the 30% interest held by the Italian government?

In a context in which there has been a drastic reduction in revenues, we see that, whereas in 2014 net revenues for the Eni Group in Italy accounted for 30% of the total, in 2016 the share of these revenues had risen to as much as 38.2% of the total.

Therefore, the domestic market makes up the core of our revenues.

Let's set aside the jokes we could make about Italian multinationals.

Setting 2014 revenues at 100, we see that Eni's revenues accounted for

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56.8%, which is a higher percentage than for similar figures of Exxon, BP, Shell and Total. If we then go and look at the difference between the value of Eni shares between December 31, 2014, and April 10, 2017, we see that Eni's stock has recovered slightly, up 0.49%.

This game of percentage increases, of course, lends itself to myriad interpretations. And indeed, in Total's annual report, we see, with a certain French presumption, that the closing prices of shares for the major European oil companies for 2013 to 2016 has Eni, despite a 12% increase, in last place in terms of the recovery in share price.

Given that we are at a Shareholders' Meeting, an indicator of share value is of particular importance.

We have read the following title on a page of Eni's website: "2016: a year of exceeding expectations".

This, after two years that closed with heavy losses, would appear a bit excessive.

And the dance, then, of ten or so indications of "adjusted" earnings certainly doesn't help clarify things.

I'm sure you will agree that it is not clear what action Eni will take to respond to the current turbulence in oil prices, given that statements by the Chairman at the 2016 Shareholders' Meeting that the decline oil prices was due to the increase in the production of shale oil did not appear to be sufficient.

In the same way, the dual-exploration model statement would appear, with all due respect, to be more of an accounting response than a business

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strategy, a discovery of the philosopher's stone.

One could, indeed, object that, in the current energy marketplace, the oil problem for Eni, more than about finding and producing, is about selling oil on advantageous conditions.

Not to mention that, still today, the target of two million barrels per day has not been reached, although the 2016-19 plan points to 2019 as the year for doing so.

Funny how, in these plans, it always happens in the final year.

In the annual report, emphasis is placed on the reduction of leverage to 0.28 on page 5, which is then transformed into 28 on page 11.

I say this not to play dumb, but to say that I have been following it closely.

And this when, in 2014, it was 21, and naturally it increased given a reduction in investments and a decrease in the scope of consolidation.

Finally, although with all due prudence and staying away from any personal involvement, because I have terrible memories about certain individual shareholders, I would like to mention the issue of shareholder structure and of measures to safeguard small shareholders.

This, too, is nothing new—I apologise—but I'm repeating it.

The shareholder structure, for various periods of time, gives us an indication among institutional investors, retail funds, and an indicator of appreciation by the market, which Mr. Descalzi rightly reiterated, but then he didn't provide us with the data.

Unless I missed it, I don't think the report includes any indication of the shareholder structure at various points in time as is provided in the financial

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reports of numerous other companies.

One wonders, then, why, within the Eni Group, unlike in other situations, we have lost track of associations of individual shareholders who are Eni employees or former employees.

At Total, employees accounted for a large percentage; in the other banks, the same.

With regard to initiatives that reward those who don't get involved in stock trading, in relation to the indications provided at the European level, I was told at the time the Eni did not have any such initiatives.

Eni no, but maybe the Ministry of the Economy and Finance might just take a look at it.

And this is an issue that we will also seek to propose to the majority shareholder, along with the advisability, within the scope of operations of financial engineering connected to future privatisations, of individual shareholders taking advantage of transforming their Eni shares into new instruments, perhaps without voting rights, but with guarantees of dividends.

And with this I have finished.

On the issue of remuneration, I hope that the shareholders will express, if not their rejection, their disgust for these operations about which I prefer not to comment.

**SIMON JONATHAN TAYLOR**, representing the shareholder Roberto Errico (5 shares) (contribution given in English and simultaneously translated into Italian for those requesting it. The English version below is a

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translation of the Italian text of the contribution provided for the minutes as expressly instructed by the Chairman.)

I would like to ask a few questions about OPL 245.

This week, Global Witness, the organisation that I support, uncovered a series of Shell's leaked internal emails indicating that a number of members of Shell's senior management knew that the money paid to acquire the OPL 245 asset in Nigeria was, in fact, paid to Dan Etete, Minister of Petroleum.

As if that weren't enough, based on the evidence, Shell employees had informed them that, in all likelihood, the money would go to political contributions and that, even more incredibly, Nigeria's President at the time, Goodluck Jonathan, probably would have received significant sums from any transaction.

In fact, I'll quote the words of Shell's Andy Norman, who, at the beginning of this week, told the New York Times, "Over time, it became clear to us that Etete was involved in Malabu and that the only way to resolve the impasse through a negotiated settlement was to engage with Etete and Malabu, whether we liked it or not." He added that Shell knew that the Nigerian government, and I quote, "would compensate Malabu to settle its claim on the block".

Then, this February, Descalzi told the Financial Times, "Eni and Shell paid the government of Nigeria, and were not involved with the government decision on how to use such money. If you buy a house, what the seller does with the money is not your responsibility."

Would Descalzi admit that his position as reported to the Financial Times

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earlier this year shows a certain shift from Shell's position? If so, would Descalzi perhaps like to revise this apparent indifference as to what happened to the money?

In conclusion, in light of Shell's admissions, which appear to be in marked contrast to the previous position that only the Nigerian government was paid, it would appear that Shell's new position is actually a *de facto* admission of the fact that they knew that the money paid probably would have gone to an individual convicted of money laundering, the same individual who, as they were aware, had acquired the block illegally and that, therefore, the block acquired equated with the receipt of stolen goods.

What is Eni's position on this? Thank you.

**ANTONIO TRICARICO**, representing the shareholder Michele Tricarico (10 shares).

Good morning, Madam Chairman, and congratulations on your re-election. We believe a great deal in your leadership and, given that we have spoken of leadership, in anti-corruption compliance within this company, which remains Italy's largest multinational.

I have three questions.

First: The press has reported that, in 2016, Eni was unfortunately excluded from the Dow Jones Sustainability Index. The organisation I work for has criticised these indexes for their inadequacy in various ways, but it is certainly not nice to be excluded from them, both as regard Europe and as regards the rest of the world. So I would like to know, in detail, what the reasons were for the exclusion from the Dow Jones Sustainability Index.

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I think it's important; they don't publish certain things; we believe it that, for the global marketplace, it is important to know what these reasons are. Allow me to add a related question, that is, to know if this has led to a reduction in incentives for management or for the staff on these issues, because we know that, in other companies, incentives are tied, in part, to performance in sustainability.

The second question concerns how the Legal Affairs office responded to three questions that were asked by the shareholder Fondazione Culturale Responsabilità Etica, because, if I may, and with all due respect, I don't think that you've answered these three questions, so I would ask for a clear reply.

Now, I turn to the issue of leadership. You are correct, but leadership also calls for clarity, above all when speaking of markets, and at times clarity also implies the courage to say that you don't agree with your primary partner, that it isn't true what the partner is doing in certain operations, as was mentioned by the previous shareholder concerning the OPL 245 issue and Shell's new position in that regard.

I'm referring, in particular, to questions 1.5 and 1.9 submitted by Fondazione Etica (included in the document attached to these minutes under point "B") in which the Board was asked to provide assurances to shareholders as to the fact they were not aware of any emails or SMS messages or corporate reports concerning awareness among Eni senior management in 2010 and 2011 of payments made. Therefore, it is very important to clearly state, "No, the Board is not aware of any compromising

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internal documents or email exchanges.” We would like to hear this clearly stated to the markets.

With regard to question 1.9 of Fondazione Etica (included in the document attached to these minutes under point “B”), they asked for assurances to shareholders that no issues were raised by the internal anti-corruption unit at both the Board level and the entire organisation. Here, too, we would like to know, clearly, whether on the OPL 245 matter anyone from the internal anti-corruption unit raised any doubts prior to approving the operation.

And I believe this is important to say: if Eni legitimately thinks that no illegal operation has taken place, the Company must state this with certainty to the markets and to the other partners.

The third question concerns question 1.8 of Fondazione Etica (included in the document attached to these minutes under point “B”).

Now, this, unfortunately, concerns me, in the sense that what has been said in the two reports of The Risk Advisory, which had clearly (and so externally commissioned as one of the elements of your due diligence) warned Eni that Dan Etete was behind Malabu, are of public domain.

Now, there are two possibilities: either Legal Affairs, when processing the due diligence, took responsibility for saying that The Risk Advisory was wrong, and it is important to know if this was a decision by Legal Affairs or if the Board, as the Company, said, “No, we believe that, on the whole, due diligence was performed.” It’s clear, it’s positive, it isn’t negative, so who was responsible for this decision?

Personally, I think that clarity is essential when it comes to transparency.



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At 12:16, Director Alessandro Profumo leaves the Shareholders' Meeting.

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**GIULIA FRANCHI**, representing the shareholder Elena Gerebizza (5 shares).

I have three questions that concern Eni's operations in the Republic of the Congo.

According to reports in *Il Fatto Quotidiano* on February 5, 2017, in 2011 Eni commissioned The Risk Advisory to prepare a report on the Africa Oil and Gas Corporation (AOGC) and on its ultimate beneficiaries and any connections with any politically exposed individuals in the Congo.

According to the article, the report showed worrying ties between Denis Gokana, special adviser on oil to President Sassou Nguesso as well as chairman of the national oil company SNPC, and certain new shareholders to whom shares had been sold.

Could Eni provide details on what exactly emerged in the report of The Risk Advisory on the AOGC?

According to the Nordic Hawk ruling of November 28, 2005 (in the public domain), one of the current AOGC shareholders, Dieudonné Bantsimba, has family ties to Denis Gokana, contrary to what was stated in written replies we received from Eni this morning, and as Gokana himself has said during his testimony.

Given that at the previous Shareholders' Meeting you told shareholders that

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you had conducted due diligence on the AOGC through international service providers, we would like to know the outcome of this due diligence and if the issues mentioned above were taken into consideration before proceeding with execution of the agreement with the AOGC.

My final question is as follows: continuing with Eni's operations in the Republic of the Congo, could you clarify if the company has or has had, commercial relations with the following companies and what type: Diamond, Petrol Services, Emeraude, and OSM Group.

**JACOPO DOMENICO FELICE FO** (1 share).

First of all, I'd like to say something obvious: we're living in an era of rapid change. And at the same time, we are also in a period of great confusion.

Politics has merged with marketing and leaders are being sold like detergent.

And at the same time, corporate marketing sees products as embodying a philosophy, almost as if corporations have become generators of philosophy. When a company tells the consumer, "My detergent will change the quality of our life!" they encroach on the field of politics by selling suggestion.

Consumers are confused, bombarded on a daily basis, making decisions that are uninformed, superficial, fragmented, and fleeting. Fake and real news are mixed together on new media.

At the same time, however, awareness is growing among the public of the need for new models in which efficiency and self-sufficiency become new

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standards and consumption is replaced by forms of informed use. Market surveys show us that users today are very open to innovation in environmental technologies.

It is an inescapable trend. According to the most accredited studies, over the next two decades the markets for energy-saving products and services will grow by over 8% annually.

Corporations, therefore, are faced with great challenges.

And it is now universally required that wealth and power incorporate social and environmental responsibility.

There's a term that has been going around lately: loyalty marketing.

The idea is that I respond to a user's confusion and anxiety by providing a stable point of reference, an organisation that ensures continuity in providing quality service along with an emphasis on social and environmental responsibility. It's an excellent idea and very innovative.

Indeed, we are seeing strong demand for a real offering of loyalty marketing, *fidelizzazione* from the Latin *fidelis*; *fidere*, to have faith; *foedus*, the treaty in ancient Rome that united nations.

Loyalty marketing means that two parties come together and enter into a relationship of listening and of mutual respect.

Under this view, corporations become an ally with the user, a collaborator or a partner. I hear your opinion as to what you need; I listen to your desires, and then we look for a solution together.

Shared planning between the corporation and its users is what is needed for true loyalty marketing.

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Therefore, the company is being called upon to sell not only a service, but an energy system and a relationship.

And above all, users want facts, concrete demonstrations that this strategy is being implemented and that they can trust who they're dealing with. And they also want to know the corporation providing them with a service.

For the general public, financial statements remain an impenetrable mystery. Corporations are only able to speak to investors. But today, users are starting to wonder, "What does the company providing me with services do? How do they work? How do they spend their money?"

There is a growing number of users who are asking questions about the ethical and environmental decisions of corporations.

And I believe that there is also growing interest in numbers, in solidity, in the dynamism and vitality of the company that provides their energy. A healthy company gives me a better product system! The math of financial statements is energy and can become marketing.

I'm speaking of a different way of being socially responsible through a form of business that the Nobel laureate Mohammad Yunus has termed "Ethical Capitalism", being able to improve, even if only in part, the way households consume energy would be the realization of a great cultural and energy revolution as well as an enormous gift to the planet. In this era of complexity, communication is energy in the same way that energy makes communication possible.

If we want to respond to this confusion, communication must not be just an aspect of marketing, but must be a fundamental part of the product. People

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don't want to buy products that come with instruction manuals written in Sanskrit.

Here is my question for the Chief Executive Officer, Claudio Descalzi.

Last year, you gave a vision of Europe's energy future that resonated very well with practitioners in the field.

And I was amazed to hear the Chief Executive Officer speak of an energy corporation that I, as an ecologist, could agree with.

In part because, today, energy is the crucial industry for our future, one that is vital to our social and economic system. And even more so because you didn't speak of mere adjustments to the energy industry, but described a global vision for the future and the major decisions of social and environmental responsibility for this company.

I also received direct, tangible confirmation by participating in projects of international scope together with Eni Foundation.

Does Eni think that, today, the time is right to imagine an innovative business model, an offering of mutual trust between corporation and user based on a quality service together with a focus on social and environmental responsibility?

What steps have you already taken in this direction? And what commitments have you made for the future?

In recent years, Eni has reduced general and administrative costs by 800 million a year.

How will you be investing these resources?

**MAURO MEGGIOLARO**, representing the shareholder Fondazione

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Culturale Responsabilità Etica (80 shares).

Created in 2003 by Banca Etica, Fondazione Finanza Etica is now in its tenth year as a critical shareholder. By now, you know who we are. We bought Eni shares in 2007 and each year we attend the meetings of shareholders together with a series of associations and non-governmental organisations to ask questions, particularly concerning social and environmental issues.

We have already provide the Company with a series of questions, taking advantage of the option provided by Article 127-ter of the Consolidated Law on Financial Intermediation, and we would like to thank Eni for the responses provided.

Having said this, I would like to bring to the attention of Eni's Board of Directors and shareholders a number of questions that concern Eni's annual report, about which we would like to announce our abstention.

The first question goes back to the one that was asked by our friends and Re:Common and Global Witness about the OPL 245 permit.

I wanted to ask a question about the financial report because we've read the report and we didn't see any provisions for the risks that could arise from the investigation currently under way.

We also wanted to ask if there is an investigation under way by the SEC in America or, in general, by the US authorities into the OPL 245 issue.

Moving on to another topic.

At the 2016 Shareholders' Meeting, the Chief Executive Officer, Claudio Descalzi, announced an Eni investment plan for the installation of

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photovoltaic panels in the areas of the Group's assets. In Italy, they are to be installed in the area of Syndial with a total expected peak capacity – as described earlier by the Chief Executive Officer – of 463 megawatts for a four-year investment (from 2017 to 2020) of €0.55 billion.

Last year, too, we criticised this strategy in renewables because we thought, and still think, that it is a weak one; it's good that it's being done, but we believe it to be a weak strategy. Indeed, Eni will not be developing its own technologies in the renewable energy industry, but will be limiting itself to acquiring panels made by other companies and installing them on Eni land. So we are far from a true "Plan B" (as we like to say) that would make it possible to gradually acquire in-house skills to increasingly diversify production in favour of renewable energy as called for by the international climate agreements that Italy has signed.

If we look at Eni's direct competitors in the oil and gas industry, we can undoubtedly conclude that Eni has come late, and poorly, to the renewable energy party. Heaven forbid, you are there, and that's already something.

We've already noted the strategy of Total, the company that is most similar to Eni in Europe. Total is not limiting themselves to buying panels, but is taking action throughout the photovoltaic value chain thanks to a 56.73% stake in SunPower, a US producer of photovoltaic systems.

Total invested \$1.38 billion in SunPower way back in 2011.

In 2016, the French company acquired Saft Groupe (a world leader in battery manufacturing, a complementary industry to renewable energy) for another \$1 billion investment.

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In 2016 alone, SunPower installed 1,300 megawatts of photovoltaic capacity, triple what Eni plans to install over the period of 2017-2020.

And now for Shell.

Shell already has an installed capacity of over 400 megawatts, but in wind power, in the US alone.

In December 2016, in a consortium with other companies, Shell was awarded the contract by the Dutch government to develop two offshore wind farms for a total capacity of 700 megawatts.

And then there's Statoil, the Norwegian firm that launched a \$200 million venture capital fund to invest directly in renewable energy companies.

Statoil has already developed two offshore wind farms with 319.3 megawatts of capacity in Norway and the US, and three more offshore wind farms are under construction in Great Britain and in Germany for a total of 817 megawatts.

These are very different numbers, much higher Eni's.

Investments in offshore wind farms have an internal rate of return of 10-15%, so they earn more than the simple installation being done by Eni with solar panels purchased from others. A 10-15% internal rate of return, whereas Eni is expecting a return on its solar panels of barely 6%.

So we feel that not only is Eni not developing proprietary renewable energy technologies, its investments in this industry generate earnings that are much lower than those of competing companies.

Therefore, we would ask Eni if you are expecting to invest significantly in other sources of renewable energy as well, and not only in solar,



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particularly by participating in tenders for onshore and offshore wind farms in consortia, of course, with other companies.

We would ask if you are expecting to invest in developing proprietary technologies in the renewable energy field, and not just solar, and if you are expecting to invest over the medium and long term in acquiring existing renewable energy businesses in order to internalise portions of the production chain that are currently external to the Company (thereby doing essentially what Total has done and is doing).

We would also ask to be provided with a list of projects for the installation of solar panels, the development of which may have already begun in 2016 and the first part of 2017.

I saw some indication earlier, in the presentation by the CEO, but we would like to understand what the expected rate of return is for each of these projects.

We then have a question related to point 11 (the incentive plan).

We acknowledge that we are satisfied with your achieving the targets of safety and environmental sustainability with a further reduction in the rate of accidents, in part because these targets were introduced based on our recommendation from a few years ago, so we are, of course, happy that they have been reached.

With regard to the long-term incentive plan, we see that, under point 4.5, there are two parameters that determine the performance conditions (we saw earlier the total shareholder return) and the percentage variation in reserves compared with the ten leading competitors; both parameters

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account for 50% of the total.

It is written that each partial multiplier related to each individual parameter can vary between 0 and 180%.

So if, for one of the two parameters, the multiplier is 0 and the objectives related the parameter are not even partially achieved, with the help of the second parameter, one may still be granted the free award of shares, assuming that the overall sum of the two parameters is equal to 26.6% over the three-year period. Practically speaking, based on the multipliers specified in the plan, it is enough for Eni to rank in sixth place among the eleven companies considered in the parameter of change in reserves for two out of three years to earn the award of shares. This parameter alone (sixth place for two out of three years) is enough to earn equity remuneration.

We would ask that Eni provide clarification on this parameter (i.e. have we understood correctly?) and, in the event that our interpretation is correct, we are tending towards voting against the plan because the performance conditions don't seem ambitious enough.

**MARIO RAFFAELLI** (100 shares).

Thank you, Madam Chairman. Rather than questions, I would like to make certain recommendations, because I believe that opportunities like this need to serve, apart from asking legitimate questions - even specific and, at times, unpleasant ones - also to verify and underscore the long-term strategies that a system such as Eni, one that is so important for our nation, must pursue.

This is important because it would enable the Shareholders' Meeting to not

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only be a mere echo chamber, but to act, every now and then, a locus of assessment between management and shareholders as to what the underlying direction is.

Much more so in a moment such as the one we are currently experiencing, including internationally, which feels like the earthquakes afflicting our poor compatriots in much of Italy.

An international system in which we are often used to seeing problems in the economy and to not fully seeing the issues inherent in an international political system that jumped the rails and in which we are seeing that the era of control of the two superpowers has come to an end. Indeed, we are entering an era of control by just one power.

We are faced with years in which groups of nations, or individual nations, or organisations, like - we hope - the European Union, will have to compete, and to do so in an increasingly selective manner.

Just a few days ago, I was reading the 2017 report by the ISPI, a major Italian think tank, and in the foreword, by the [think tank's] director, [Paolo] Magri, who cannot be accused of flattering institutions given that, just a few days ago, he participated in a meeting promoted by Casaleggio & Associati at which he said that the only two assets that Italy can take advantage of in terms of international competition are: our food and agriculture industry on the one hand and Eni and its system on the other.

This is not merely true. I believe that it gives Eni greater responsibility, precisely for being positioned between the environment and development, which have often, historically, been two alternative points and which must,

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conversely, become elements of a circuit, as was rightly underscored by Mr. Descalzi in his report; coming in as elements of a virtuous circle, because we now that, over the next twenty years, demand for energy will rise by 30%, and it is evident that, if we don't create this virtuous circle through a gradual transition that can reduce the factors of pollution in energy products, we will be paving the way for that unliveable world that obviously none of us want.

This aspect, creating this virtuous circle, creating this transition, is of particular importance, and this, too, was mentioned in relation to Africa.

I mention this because I have more than thirty years of experience in relations with Africa in the various roles I have filled. It is fundamental, now more than ever, because there is potential for Europe and Africa to complement each other, and for Italy to play a special role within this context.

Why “complement”?

Because Europe is an aging continent; it is a continent that lacks resources; it is a continent, however, that has great technological capabilities.

On the other side, then, we have a continent where the population is getting ever younger, that has great potential in its resources, but which lacks infrastructure, lacks technological capabilities, and lacks human resources.

And here is where we see the potential for complementing each other, but Italy has a role in this and a risk to be avoided, because one element that has not been mentioned today is another time bomb, that of demographics.

There will be one billion more people in the next 10-15 years, and these

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billion people will be mainly in Africa. So here, in one of the three places in the world where the worlds of the rich and the poor come together, we have not only a duty of solidarity, but a national and European interest to ensure that this potential complementary relationship becomes real.

For the sake of time, I will mention just one example that I experienced directly in Mozambique. For those of you who don't know, I was a negotiator in the peace process 24 years ago that brought peace to that nation, and I was called back into service a few months ago because of renewed tensions which, fortunately, we were able to ease in six months. Eni has a great role there, not only in economic terms, and can play a role there in terms of policy and stability, which is the main requirement for growth, because without stability there can be no growth, and it is the main requirement for preventing the waves of emigration that are the main number in this new populism that many of us fear.

Of course, this calls for responsibility. On the one hand, it is required of Eni, its senior management and its procedures, but, on the other, it is required of local actors, who are not only the Government, but must also be the other actors of society in those nations. Here, in my view, the recommendation is that Eni can and must do more in triggering a virtuous circle in these nations, too, reinforcing society's actors in Mozambique, but also in the other nations this should be done as well, in part by strengthening partnerships between the Italian companies there and exploring a new frontier of attracting private-sector investment.

You know that, for the first time in the last two years, private investment in

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Africa surpassed that of partnerships, but it is still little, and Italian companies in particular are afraid, because the continent is still relatively unknown, and you know that a business will go there and take a risk when it sees that someone else has already done it and been successful.

So, this new frontier pointed to, once again, by the European Union, that of creating a mix of profit and not-for-profit in which Italian non-governmental organisations can bring knowledge of the territory, can bring relations with the authorities, and can bring their credibility. It is an as-yet-unexplored frontier, and it is a frontier in which Eni, but directly and indirectly, by creating a favourable environment for it, can make a great contribution.

It is an important gamble because, as when a business takes a chance after having seen another success story, in Africa, too, best practice in government comes when there are stories of success.

Mozambique can be one in part with the help of Eni. Thank you.

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At the end of the remarks, the shareholders applaud.

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**GIANNI BESSI** (100 shares).

Good morning, everyone. He who preceded me gave me an assist in breaking the ice, as it were, by speaking about food and agriculture and about energy.

I'm from Emilia-Romagna, so I'd say there is no better example or witness.

Italy is a nation of villages, so you'll forgive me.

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I don't want to go off topic, as would happen to me at school. I'd like to thank Eni, our Chairman, the Chief Executive Officer, the Board of Directors, and the rules of this meeting of shareholders which enable me to bear witness and offer a number of considerations and ask a couple of questions.

I'll begin with a general aspect, i.e. the need, at this time, not only to defend the energy industry and Italian industry generally, but to make this industry an important opportunity for Italy's growth and environmental, economic and social sustainability.

These are issues that the CEO has also touched upon, but it always takes some effort to come to the truth.

In recent years, the issue of energy has been a leading focus of this nation's political agenda. In particular, it has found its way into Italian households as a topic of discussion, not in terms of the utility bill, but of issues of a more electoral nature.

Political movements and committees against the constitutional referendum have promoted actions and opinions that have placed in doubt the credibility, the knowledge, the reputation and our trust in Italy's energy industry (often over the years this phenomenon has been underestimated).

I bring one example myself, being, as I said, from Emilia-Romagna, from Ravenna, that of the Adriatic, which was demonized last year during the "No Drilling" referendum against the natural gas drilling platforms.

So now, recently, science has debunked this "fake news", seeing as how we always have to translate Italian into English.

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The Adriatic is a clean sea, so much so that it has become, in recent times, the sea with the most fish in the Mediterranean, as can be seen in the atlas of fauna and flora edited by Attilio Rinaldi, a professor of marine biology, which also made the headlines of Italian newspapers.

The Adriatic is the best example of how a diverse range of human activities can coexist, from fishing to tourism, as well as the work of those men in the helmets we saw in the video earlier.

For me, living there and working there and, for the moment, also representing the region in politics and government, the Adriatic has what it takes to be an innovative paradigm of production that combines the production of energy using “all-Italian” local gas with renewable energy, with research and development, in order to create that system we would all like to arrive at.

It is something that we are doing now, that requires the daily commitment of the authorities, the ministries, the regions, the worlds of academics and science, Eni, and the many other enterprises that work in this industry. And I come back to that assist given to me by the previous speaker, because we need to work together in order for us all to work.

The four-year investment plan presented by Eni a few days ago in Ravenna, billions of investment, isn't “a”, but “the” important sign of a move in this direction, of this model of growth and of environmental sustainability, and I believe that also the words that were reported nationally, of Michele De Pascale, the mayor of Ravenna, are this same sort of testament.

It wasn't said what we can expect, royalties or something else; what was



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requested, and put on the table, were collaboration and the sharing of a project.

The Adriatic is strategic because of its infrastructures, which many of you in this room have built, at a high level in order to produce that local gas that has made us competitive throughout the world to export our knowledge and our capabilities.

We've tried to count how many people work in the oil and gas industry in Emilia-Romagna. There are 976 companies with some 10,000 direct employees.

If we then look at the ATECO codes of related industries, from engineering to systems or others, we get to nearly 100,000 people.

Clearly, not all of their revenues depend on this industry, but a portion does, because there is another aspect of the economy called the "value chain".

It is a world that is often underestimated, not to mention actually stigmatised.

In just one example, OMC in Ravenna a few weeks ago attracted 20,000 visitors and exhibitors. At the same time, a few hundred people protesting the TAP, a strategic infrastructure, dominated all the headlines of newspapers and TV news.

The 20,000 attending the trade show were relegated to a footnote in these reports.

In conclusion, a couple of questions, and a question, a "speech", if you will  
Madam Chairman and Chief Executive Officer.

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Could we think of a political decision, given that here there is a portion, as mentioned, of the government, which owns this company, to promote the consumption of our gas over the consumption of other, more polluting sources of fossil fuels?

And, at the same time, establish fiscal and pricing measures to promote consumption and put local Italian gas, rather than imported gas, on display in the utility bills of Italian households?

I wonder, and I ask, what can we do together to make this industry - that of energy, chemical, and reclamation - an opportunity for Italian growth and environmental, economic and social sustainability, as I mentioned at the start of my remarks?

What can we do for the cultural and industrial growth of our nation, which, in my opinion, we sometimes overlook, without conveying a precise commitment in our schools or in our day-to-day debates? Thank you for everything.

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At the end of the remarks, the shareholders applaud.

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**GIOVANNI POTUTO**, representing the shareholder Opera San Francesco Saverio CUAMM (4,000 shares).

Thank you, Madam Chairman, Chief Executive Officer, Board. And hello to all the shareholders. I'm here to speak on behalf of the director of Doctors with Africa CUAMM, Father Dante [Carraro], who could not attend due to a grave bereavement.

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But I am here, above all, to look back at a number of issues that have been raised, beginning with the CEO, who spoke of new forms of cooperation.

I would like to describe an experience of our association and the Eni Foundation in Mozambique in the area of healthcare.

A few words of introduction, a number of considerations, and a closing question. Doctors with Africa CUAMM was established in 1950, beginning with a doctor who had worked for 12 years in the Middle East, on the belief that it was important to train Italian and international students at the University of Padua's school of medicine before generously returning to lands where healthcare was unavailable.

In 1955, the association began working with Prof. Dal Lago in Kenya and, since then, has sent 1,600 people, largely doctors, nurses, midwives and technicians, to Africa.

It is based on the principle of health not as a consumer good, but as an unalienable right of every individual, particularly seen as access to essential healthcare services, so for pregnant women, malnourished children, people with chronic illnesses connected with poverty, such as HIV, or with malaria, tuberculosis, and so on.

We currently work in seven African nations, including Angola and Mozambique, where we started in 1978, having sent more than 200 doctors there since then, working in every province in direct contact with the local institutions and communities. Seven countries including Uganda, Tanzania, Ethiopia, South Sudan, and Sierra Leone as well.

We support 16 hospitals, five nursing schools, and two universities, one

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which trains doctors and healthcare staff in Mozambique and one which trains in healthcare management - something for which Africa has a great need - in Uganda.

Because to manage a hospital, or a healthcare network or 2 million people on \$17 in healthcare spending per capita, you need to be good, very good.

Our strategy is a long-term one - and we've put it in writing after discussing it with outside sources - that of strengthening healthcare systems within the global agenda of objectives of sustainable development.

It has these pillars: supporting local governance, that is, the respect of and alignment with the nation's healthcare policies, programs, and plans; strengthening human resources (one midwife for every 20,000 births in Ethiopia, to give one example); the need for accountability for results, having a metric for measuring, and having others measure, results; and the fourth essential aspect of this strategy, research, innovation and young people. We have sent to Africa over 200 student doctors, working towards their specializations at 30 Italian universities, to work in hospitals, with a local tutor, for them to learn and take on board a new way of dealing with healthcare issues in Africa.

Last week, we provided the University of Padua with our scientific output, created in collaboration with Italian and African universities, of 19 scientific papers produced in Africa.

Why have we chosen a partnership with Eni, through the Eni Foundation?

Because Eni has had a focus on Africa starting with its founder and has a preeminent interest in Africa, and in today's mission, too, there is this great

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emphasis.

This decision has also come out of an observation. In our view, many of today's healthcare problems are also connected with other sectors: energy practice and policies influence the environment and the population's health. So there is also a need for a multidisciplinary approach.

Based on a clear, transparent relationship, we began working in northern Mozambique on a project of maternal/infant health that determined the communities and, consequently, the education, communication, the education of women, the strengthening of the outlying healthcare network, and then the hospital, with the creation of a surgery unit and a major investment in training. Despite various difficulties, all of this led to good results.

Today in the area where we made this investment, 70% of all women give birth in a safe setting; there are emergency services that enable women to find a helpful hospital setting, and hospital mortality rates have are four times lower.

However, much remains to be improved, because the differences are colossal (such as in language, approaches and philosophy) between a for-profit corporation and a not-for-profit NGO.

This has, however, been an essentially encouraging experience.

This model of cooperation is a model that will also be opened up to Italian organisations, to the NGOs.

We are aware of our limits. We have a presence in the region; we have longstanding relationships of collaboration with the authorities, with

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academia, and with the communities.

What developments are to be pursued in this area?

What are the ways in which this model of cooperation will move forward?

And finally, how much is to be invested in human resources?

Africa certainly has many energy resources, but Africa's great resource are its young people, and there's an enormous hunger for leadership, for learning skills in planning, in management, and in assessment methods and tools.

Thank you for your attention, and I wish you all the best.

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At the end of the remarks, the shareholders applaud.

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**LANFRANCO PEDERSOLI** (1,500 shares).

I'll stay on the topic. I will make observations that I feel are appropriate, and then ask a few questions.

We've spoken about reorganisation, but what are the goals?

Have you considered the dynamics?

Many situations change not on a daily basis, but in a very limited period of time. Do you follow trends or anticipate them? (This one of the leading themes.)

For example, there has been a reduction in revenues, but not the same correlation for costs, because have costs not decreased according to the report.

This, too, is a problem to be solved.

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Eni's debt has decreased due to the Saipem operation. This operation, which placed Saipem shareholders in a situation to either lose 92% of the value of their shares or inject more (essentially diluted) capital, should be assessed at another time.

Eni's receivable for the Saipem operation was €2,483 million and now it has decreased (this we know).

However, it seems to me that Eni has abandoned Saipem to some extent.

You're doing new explorations, but do you use Saipem?

How many Saipem shares does Eni have?

Have you written them down in order to make the balance sheet more compatible with the new situation?

With regard to Saipem, recently, on March 31, 2017 (published in the press on April 1), the chairman of Cassa Depositi e Prestiti, Mr. Costamagna, said, "With the Saipem operation [...] which we have written down [...] we were able to maintain the dividend." Eni maintained the dividend of €0.80 (and this was said by Eni's majority shareholder, that is, Cassa Depositi e Prestiti) precisely because of the Saipem operation.

But in the future, there can't be another Saipem operation.

What does the future hold?

Other considerations.

Dual exploration. Eni conducts exploration and, I feel, should use Saipem more, but then sells the equity interest. Investments fell by 8% and this cannot go on indefinitely, in part because the terms of return on this sale have decreased.

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I would like to remind you that, in this room, I had asked the then Chief Executive Officer, Mr. Scaroni, "Why have you given China a portion of the resources that we discovered in Mozambique? Are you happy about that, Mr. Scaroni?" The reason is that you earned a very large figure, but now the figures are lower. Eni can't go on like this because, otherwise, it would become another Saipem.

With regard to covering investments, can you confirm the limit of 45 dollars a barrel to cover investments, with conditions that are constantly changing and all sectors, not just oil research, are changing?

Another thing that has slipped by unnoticed and that, in past years, was on the front pages is the investment in the Caspian Sea.

Is this famous investment that cost Eni so much (some eight billion and a portion was sold to other affiliates) producing?

It wasn't producing as recently as last year. There were problems with pipes, and there were other issues. Now have these issues been resolved?

Then in the same nation, there was another agreement you signed, Mr. Chief Executive Officer, in the presence of Prime Minister Renzi. Is that an active or inactive investment?

Strategic objective and local development. Yes, you've come now with a positive photovoltaic segment, but it's marginal and late.

Time to market is essential, but it doesn't seem linear to me.

We have 0.31% in treasury shares; in the past, you have purchased treasury shares and then them.

**LUIGI CHIURAZZI** (3,000 shares).



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Well done. You're giving us a bit of a dividend again, and we thank you.

I have to say I agree with the previous speaker. I really haven't been able to swallow Saipem.

What do you want to do with it?

Give us some information.

Because you're doing inspections, work, and everything else, but are you about to abandon this darn company?

I'm a professor of actuarial mathematics and, as it happens, I've had to develop an interest in corporate law, so much so that, at a certain point, I got the idea to create an association that I named "APAI-APAG", which, in essence, is supposed to defend the interests of individual shareholders.

I come to all of these shareholders meetings (as many as I can, of course, because then they overlap; for example, next week I should be, at the same time, in Turin and twice in Trieste) as an act of goodwill.

I believe in investing in equity; unfortunately, I believe in it! There are barely sixty people here at this meeting. Italians are great investors, but they don't come to these meetings.

Now the game is in the hands of investment managers.

There's ASSOGESTIONI on one side, the ministry on the other, Cassa Depositi e Prestiti on yet another. But where is our money going?

It's going into funds where the earnings are greater.

A certain situation has been created with the funds because we should vote without knowing what the funds will do; I don't know if they will vote and, personally, I hope that it goes well for you. I can't hurt myself; I believe

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and, I repeat, I wouldn't want to finance the public debt, but this public debt is really huge! When I began my lessons, this is all that I would tell me students.

I was interested in the insurance and social security sector (including healthcare and all the rest), which, as you know, accounts for 25% of [Italy's] gross domestic product, both public and private sector.

As Prodi used to say, "With this 3% public and private, we can't make it. [...] But my colleague at ISTAT said that things are changing."

On my blog, all I do is write; now and then I write. I referred back to an article that appeared in *Il Messaggero* on March 24, 2017, by Andrea Bassi: "In addition to being a population of saints, poets, and explorers, Italians are also distracted investors" because they don't go to Shareholders' Meetings, so we are in the hands of these organisers who scrape together the money. Funds, funds, funds. The important thing is, "You have an account? Well, come here and let me fix it for you!" Then I'll give you a negative interest rate, and I have no idea how it will end up.

Perhaps one question could be: What is the actuarial interest rate used to calculate the mathematical reserves for outgoing personnel?

It would be interesting to know this indicator.

This rate seems to be nothing because it's just about reached zero; everything's at zero percent interest; actuaries aren't needed anymore.

What's an actuary for?

What do we need actuarial mathematics for?

Why do we need to know the laws on simple interest and compound

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interest, or commercial interest?

I'll move on to something I wrote on April 11, 2017.

APAI-APAG asked, "And when will senior management waive their incentive plans with a variable portion of remuneration, which serve to hide stock options and stock grants, with consent of the Bank of Italy and CONSOB?"

All at the expense of the individual shareholders and investors, that is, practically speaking, my capital is diluted with the increase in capital.

Can we decide to pay management in euros or whatever you like and leave the stock alone?

Why do you want to do it with shares?

I mean, Italian law didn't envisage it, but it was added—imagine that—because some guy at FIAT wanted to take home a few billion.

So we invented the institution of stock options and stock grants - stock grants even - in a country that has debt as large as a house: trillions!

Do we want to set an example, or not?

What does it mean that next week a certain company (I don't want to name names because later I'm going to tell them) will now, from one part fixed and one part variable, be moving to one fixed and two variable?

I mean, can we stop it already?

Let's set an example; please, let's set an example!

And to the press who's listening, where are *you*?

Are you in the other room eating dessert?

I'm leaving tonight, travelling all night to go to Trieste, and I'll be there in

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the morning to say these things!

Let's set a good example. Come on, please!

\* \* \* \* \*

At the end of the remarks, the shareholders applaud.

\* \* \* \* \*

**AMEDEO SANTUCCI** (50,000 shares).

I'm essentially here to have information on how we compare with our (leading) peers in the specific area of renewables.

It is a very precise question and I don't think I need to add anything else, so

I await your response.

**ALBERTO GROTTI** (100 shares).

I hadn't been here at Eni in a long time.

I was deputy chairman at Eni when the government held a 100% stake in the Company.

I was a part of the Eni Group, and I worked within this Group all my life until I ended up in the country's prison system, where I remained for about five years.

When I was a part of the Group, Eni was held entirely by the Italian government and, although management operated with full autonomy, strategic guidelines were handed down by the government. This meant that, in addition to having financial targets, there was a great sensitivity towards employment with a view to growth in Italy's economy.

Still today, as it was then (as we see in the press and hear on television broadcasts), Eni hasn't kicked the habit of paying bribes, something that

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has characterized the Group for over thirty years now, but with a minor difference: once the recipients of the bribes were the heads of the political parties, but today they go to others.

I would recommend that the shareholders do something emphatic, that is, to include in the Eni bylaws that Eni can't pay bribes.

Because this is the conclusion I reached last Monday.

Until last Monday, I thought I would vote to re-elect Descalzi and the Chairman; I thought I would vote to confirm everyone like I've always done, but, after watching a television broadcast, I thought I was in a different world.

I would like to ask Mr. Descalzi a favour: how is it possible that you, with the consent of this Bisignani, blocked the entire investment for OPL 245?

All the billions paid for the concession in Nigeria were supposed to have been blocked by a certain Bisignani!

I've never met Mr. Bisignani; I don't even know if he's a member of this organisation.

And so how could you, Mr. Chief Executive Officer, block these billions in investment?

And then, are you aware, Mr. Descalzi, that it is your responsibility to answer to your actions before your shareholders?

This is fundamental.

Can you tell us, Mr. Descalzi, what Mr. Bisignani represented in this circumstance?

What title did he have?

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How did he manage to have such a presence in these negotiations?

You know. He was a part of Licio Gelli's P2; with all the unbelievable things in the world, I couldn't understand what relationship he had with Eni.

Imagine, following that television broadcast of a few days ago (last Monday), I changed my opinion from being very much in favour of helping you here at Eni, because I've always been here at Eni, to a situation that is completely different.

So I'm sorry, Mr. Descalzi, but should it be true that you yourself had even mere phone contact, that would in itself be of unheard-of gravity. Do you realize this?

Did you know that Mr. Bisignani has been convicted of "political aggression and intimidating business leaders for the purposes of the stable, ongoing agreement signed by Bisignani with the other accused [...]" ?

Apologies, Mr. Descalzi, you know that I was convicted to five years of confinement because "I couldn't not know". I did five years in prison because "I couldn't not now".

Just now, a certain Mazzanti comes to mind, a man you didn't know, but I knew Mr. Mazzanti well. He was the chairman of Eni.

Mr. Mazzanti had the strength to be removed by a certain Cossiga, who said to him, "Why don't you step down?" I told Mazzanti, "There's no point in you stepping down; he needs to pass a vote of no confidence against you."

No, they kicked him out, and Mazzanti never came back as chairman.

I mention this as an example.

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So I thank you and I'll close now, but first I ask you for a favour: don't trust him; don't have any contact at all with that Bisignani person.

**GIAMPAOLO SILVESTRI**, representing the shareholder Squellerio-Ferrandi Lucia (350 azioni).

Thank you, Madam Chairman. Thank you all for this opportunity.

I represent the AVSI Foundation, an Italian CSO that has been working with Eni in various countries, and in Africa in particular, for over ten years.

As such, I wanted to say a few words about the experiences we have had and make a few comments about the issue of sustainability. We very much appreciate what was said earlier by the Chairman and Chief Executive Officer about the role that sustainability plays in this company within its core business and its strategic plan, and this is very important. This is because, on the one hand, it is in line with leading international trends, particularly in terms of the fact that, if we want to create development in Africa and in other challenging contexts today, the role of the private sector is now essential, as is being recognised by all the world's major stakeholders, and this also ties in with the fact that, in Italy, there is a new law on cooperation for development which transposes these dynamics and states that the private sector is an actor that can bring development.

So I have very much appreciation for this underlying strategic decision on the importance of sustainability.

In these experiences over the ten years, from Nigeria to the Congo to Mozambique to Iraq and to Ghana, we have seen a number of particularly positive aspects. On the one hand, there is the fact that this strong

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commitment of senior management has an interest, an emphasis on the issue of local development. This is also coming gradually, we see, throughout the organisation, even at the lowest levels, but the strong commitment of management has certainly been essential over the years.

On the other, there is the fact that there is a marked acknowledgement of the importance of the role of civil society, such as the CSOs and civil society at the local level, both as points of contact and, above all, as actors that can take this development the last mile, to the individual person, to the development of the individual. This remains the fundamental aspect, that is, the impact that a major corporation such as Eni can have in these difficult contexts, and I'm thinking of Africa in particular. It is precisely this ability that can take us the last mile.

This can be done in partnership with civil society, both internationally and, in particular, locally. From this point of view, allow me to underscore a number of issues regarding the work that we are doing which I think are important and that I think are important to say here at this meeting of shareholders.

On the one hand, the attention that management pays to contractual aspects with civil society needs to continue. We feel that the procurement methods, the due diligence, and the contractual aspects (which Eni normally has to apply for suppliers) cannot be the same for the core civil society organisations for a variety of reasons.

First, because they are different entities and then because the type of service they provide is different. It's not that we are asking for special treatment;



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however, we would ask that you take account of the fact that we are particular entities that evidently do not have the same fiscal, legal or organisational requirements of a company that provides services related to your company's core business. This is very important because I feel that recognition of the specific needs of a civil society organisation is a fundamental aspect for a major corporation like Eni.

So I would ask that Eni pay a great deal of attention to this aspect and that these investments—it seems that I saw it in the plan that you presented—be long-term investments, because if we want to create development, we need long-term thinking. Sustainability is, first and foremost, a long-term concept, that is to say, an investment over time.

Short-term projects or actions have no real impact because bringing about development means, first and foremost, changing people's attitudes and getting people involved. This can only take place over the long term, so with long-term investments, but it seems to me, reading the sustainability document, that this is in there to some extent.

Even the types of contract, if we want to get a bit technical, could be changed, so not only "call-off" contracts, but also long-term investments.

There needs to be a real partnership, as someone a few moments ago said about the company taking account of the specific needs of the core organisations, of the CSOs that have to be CSOs, that, first and foremost, are service providers, providing services to the poorest of the poor, and Eni on the other side that has to do business. If there is mutual recognition of these different roles, of these different skills, of the different needs, it is

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possible to build a true partnership, which is the fundamental element for success in this type of project.

The other important aspect is that Eni invest in people, as was said on various occasions by those who came before me, and above all that there be an emphasis on the training of people skilled in sustainability, because this is very important. It is not a job that can be improvised; it requires training, investing in people, who need to have certain types of skills and a certain attitude.

I would invite Eni to continue investing in this in order to create the right personnel who can interact with the various stakeholders in this landscape.

Thank you.

**CARLO MARIA ROSSI** (3 shares).

Hello, everyone. I'll be very brief.

I'm here for a very odd, very simple reason. I just happened to become interested in Eni because on the vest we wear when we work for the food bank there's the name "Eni", so I got curious. I went to the web site and saw the word "sustainability", a magic word, and then I took a closer look and saw some very interesting things.

I do volunteer work for the food bank now and then, because I don't want to all the time.

I happened to read a speech that Mr. Descalzi gave in Assisi on September 19, 2016, "*La casa comune*", on the weaknesses of the old model of development. In the past, economic and political models had a short-term view without worrying about what would happen over the long term.

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So, okay, let's say that what I have to say is quite political.

At this point, coming back to what Jacopo Fo said, why should this be done in politics and not in business? In my opinion, if someone is able to make a contribution, wherever it happens, it's a good thing, so long as it's real.

Whether it comes from the Pope, from Descalzi, or from Mourinho, to be honest... if it's interesting and intelligent, why not?

My actual job is actor, so when I went to the section of the website related to sustainability, I saw that Jacopo Fo is working in Africa with a number of African actors, and this is an experience that I had, too, years ago, and one of the things I discovered was that Africans are natural actors, particularly in *commedia dell'arte*. So I get it... it's an easy game. My question is this: where does the convenience in change lie? Or better: what is the profit in having less profit?

This is a cultural question and since without culture there is no life, because culture gives meaning to things, this is the first question that I've asked myself, while the second question is related to the first.

In Africa, they do a sort of "healthcare theatre" on whatever issues of health and hygiene there may be, and I think that, in Italy, we must learn from this because, if we have to be prepared to have less profit to have more profit, perhaps someone should explain it to us.

**RICCARDO PACIFICO** (10 shares).

Hello, everyone. The Chief Executive Officer had some nice things, interesting things, to say. As I said last year as well, we have the fortune of having a director like this in these times in which, in Italy, executives are

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being sought from abroad, but we have a talented leader who has, however, very challenging responsibilities.

This is a highly complex, very challenging company. He has the merit/defect of being a specialist, so we come to the aspects... to the slips in tone, big and small, that the Company, not he, has had.

Saipem is the problem; it's the blemish. Why do we tarnish ourselves on the financial market?

I read the annual report quickly, and it was as if certain things just jumped out at me. The write-down of the Saipem investment was done with January 2016 figures. Why not December 2016? Who knows?

What is the average carrying amount today of all Saipem shares, because there was also an increase in capital? What is the carrying amount per share and what is the total carrying amount? The Saipem operation was to, shall we say, lighten Eni's debt, because Eni, in turn, was a creditor towards Saipem for some € billion.

With the capital increase, we partially covered the Saipem debt with the use of bank credit, but did this bank credit have some sort of guarantee by Eni? This is my question.

In the Book of Proverbs, it is written, "Do not be one who puts up security for the debts of one's neighbour", and then we see what Eni is doing with Saipem, which is only a neighbour and no longer a subsidiary.

At December 31, 2016, there were guarantees totalling € billion. That's some neighbour! Let's take a look back at what happened. To facilitate this operation, a sale is made to Cassa Depositi e Prestiti; costly appraisers are

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brought in, and a price is set.

Immediately after, there's an increase in capital, and the next day the market value of the shares prior to the capital increase is zero. To simplify, today the stock is worth €0.41, and if we were to take the sum of the value prior to the capital increase plus the capital increase, it should be worth €0.72.

In other words, Eni made it so that, on Saipem's financials, there would be no losses at all, losses that we, shall we say, ascertained the day after the capital increase. If the company isn't a subsidiary, how can they relieve themselves of this responsibility? Eni had two roles: not only was it the primary shareholder, and the controlling shareholder, it was the *de facto* banker. If you lend someone six billion, you pay close attention to their financials. What happened? What's the truth about Saipem?

For the management of Eni, however, we can't help but appreciate their efforts in the industry, but, as I emphasized last year as well, or maybe two years ago, alongside their operations, that is, exploration for wells, there is also finance, commercialization, cost control, the shareholdings, Saipem, chemicals. All of these aspects have an impact on Eni's financials.

But instead of adding value, they take value away from what you've been able to do in exploration.

At least this is what the market thinks, because Eni's stock is no longer moving the way it should, that is, the way the shares of other oil companies are moving.

In recent years, there has always been a comparison with the performance

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and stock prices of the other major industry players. Once before, I had had the opportunity to object to the performance of the stock prices in various currencies and, okay, let's say that there was a conceptual error, because Eni, on its financial statements, benefits from the exchange rate of the euro against the dollar.

For the other majors, on the other hand, including Shell and BP, we find financial statements in dollars, so the dollar exchange rate doesn't apply, so to compare the two financial statements, we need to be very careful. For example, BP, despite poor performance, maintained a dividend, in the same way as Eni and other oil companies.

But we need to remember that BP caused pollution damage, the costs of which it will be paying back to the tune of \$20 billion or more. These are non-recurring losses, so we need to remove what BP has lost for old, previous things from what they earn, so we need to be very careful with these comparisons.

For example, you've talked about "scrip dividends". These aren't at all mandatory. They're something optional, and you called them this because it is the option of shareholders to receive shares in place of dividends. First of all, they're optional. Not everyone is required to do it. You can do it or not, and then the number of shares given is determined 5-10 days before.

Moreover, it's another variable where you never know right up until the end if it's a good idea or not, because the price at which the stock is issued is very close to market value.

Therefore, if the scrip dividend worked, it means that the shareholders

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trusted you, that is, they said, “Why should I settle for an egg today if, in all likelihood, I’ll have a chicken tomorrow?” Thank you.

**ANTONIO IADICICCO** (1,600 shares)

*Buongiorno* to all the Board, to the Chairman, to the Chief Executive Officer, and to all the shareholders.

This is a ritual at which it is always the same people who speak, but - I have to say - the topics are always different.

This year, the topic is very important. Why? Now and then, I like to look back at recent history, not the distant past.

Eni has been publicly listed for 21 years. Had we forgotten that? Yes, it was 1996; now we’re in 2017, so it’s been 21 years.

I’m not great at math, but it’s 21 years. What does this mean? Eni has become an adult.

Eni is an old company that has become an adult in terms of its financial structure because, a strange case, beyond the criticisms and complaints, since becoming publicly listed, Eni has always paid a significant dividend.

This means that it is a company that has been well managed. Sure, I’ve heard some criticism. Fake news is all the rage these days, so I won’t get into that, but I will talk about documented facts that have been written down and signed off on, meaning the 21 annual reports over the last 21 years.

A transformation like this is hard. We need to acknowledge those who have led this transformation and the enormous effort it has taken.

I can still remember a bit about the series of people who have been at the

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helm of Eni. Sure, I don't have the list, but I haven't forgotten Guglielmo Moscato, who unfortunately passed 3-4 months ago and who was a chairman of Eni.

He was promoted from within. Indeed, Eni has always pursued this sort of upgrading by taking advantage of internal resources, without, of course, overlooking outside resources in order to acquire new know-how.

Eni is highly innovative, both in Italy and abroad. We have a presence throughout the world, which is no small feat; it's something that gave honour to Italy abroad and continues to do so to this day. When talking about Eni, we need to be careful not to say something that could lessen its credibility in the world.

One question, because I've also worked in Africa and I'm familiar with some of the former refineries and abandoned sites. Are these abandoned sites being redeveloped?

It seems to me the African sites should be redeveloped. This is a topic that I certainly don't have to point out to the CEO, because he's a person who is not only competent, his entire background comes from a certain type of work with Agip when it was a real minerals company.

Now it's all called Eni. The transformation has led to a series of changes, including in mindset, compared with the 12 previous sector heads.

It's all called Eni, and now it's hard to know one's way around and understand how things are. I'm certainly voting in favour of the annual financial statements, on the distribution of earnings, on the long-term incentive plan, the stock options.



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Given that Eni is an international company, remuneration must be defined based on the existing international model, so Eni management needs to be remunerated like the competition. Ceilings aren't needed! Ceilings go in buildings that have been destroyed by earthquakes and need to be rebuilt right away! Ceilings are for those who don't know how to manage because, until proven otherwise, remuneration needs to be commensurate with performance!

Business managers are to be measured, and we need to know who's in charge. An enterprise needs those who think, those who govern, and those who control.

**ALESSANDRO GOVONI**, representing Capurso Sebastiano (2 shares)

*Buongiorno*, everyone. This is my first time at Eni. I'm a court-appointed expert witness for banking and finance with the Court of Cremona, as well as an independent consultant of the finance commission of the Five Star Movement in Rome. I chose to become involved with the Five Star Movement's finance commission only insofar as it is the only political movement that has included in its policy agenda the fundamental reintroduction, vital for a nation's development, of the separation between retail and speculative banking, a separation of banks that was, unfortunately, stealthily repealed with Legislative Decree 481 of December 14, 1992. The separation of retail and speculative banking was established with the Banking Act of 1936, the only law of its time that remained in effect until 1992 and which enabled Italy to become the world's fifth greatest industrial power. Today, if we take away banking, which suddenly

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became an industrial business in 1992, we've slipped back to forty-ninth place.

I would ask that you note the dates. I was one of the creators of the spreadsheet that used mathematical calculations to show that Banca Italia S.p.A. is, and presumably has been since 1992, controlled by about a dozen foreign speculators. You'll be wondering what this information has to do with Eni's agenda for this meeting. It is highly relevant in that the agenda includes earnings for the year, the financial statements, remuneration, and I hope that what I will say here can help to preserve the price of Eni's stock. For the first time in Italy, the two techniques used to negatively influence stock price have been revealed. The income recognised by a publicly listed company influences its stock price, and shareholders look to the dividends distributed by the company. The profits of many companies has been heavily influenced over the years by losses on interest-rate derivatives and by losses on currency derivatives. For the first time in Italy and, perhaps, the world, the technique that determines an already certain loss upon signing to the detriment of these unwitting companies has been explained. Italian courts have issued rulings against investment banks regarding aspects that would void a derivative contract, without however ever determining the technique that resulted in a certain loss for the unfortunate customer, a technique that I would now like to briefly describe. It took about twenty years to understand it, and now you will be able to understand in just a few minutes.

It was seen that the derivative contracts analysed, which were fobbed off

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onto consumers, businesses, local government bodies, and even the Italian Treasury, included a strange clause whereby the bank would win on the derivative if the Euribor rate fell. This means that the bank would have earned a total of 3-4 times greater interest than already earned on the loan or on the underlying bond if the interest rate fell. The suspicion then arose that someone was, on their own initiative, lowering the interest rate, and we discovered that the governor of the Bank of Italy had been unwittingly lowering the interest rate since 1992, unwittingly in that he couldn't have been aware of two situations, as he lowered the interest rate - and he did lower it from 15% in 1992 all the way down to 0% where it is today:

1. that, at the same time, around twenty foreign merchant banks were passing off derivatives with this "bank wins if the interest rate falls" clause onto Italian customers.

He was unaware of the fact that, as he lowered the rate, that these hedge funds at Banca Intesa, UniCredit, Carisbo, Carige and BNL would end up, unbeknownst to their respective chairmen, owning about 90% of the float, as recently confirmed by the Ministry of the Economy and Finance in response to a question from the Five Star Movement concerning the UniCredit shareholders' meeting to approve the capital increase.

Unbeknownst to their respective chairmen and the CEOs of the Italian banks and unbeknownst to the governor of Bankitalia S.p.A., in that the worldwide aggregate figure of delegates and delegators had not previously been available and so it was previously humanly impossible to cross-check the data manually on the 17 billion shares issued, for example, by Banca

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Intesa, that is, without a specially prepared global software applications, prepared, one assumes, by the governors of the supranational central banks (the Fed, ECB, BIS and IMF), which are finding it increasingly difficult to govern this system.

So it was discovered by way of mathematical calculations that these five Italian banks, together with INPS and Assicurazioni Generali which had voting rights, held, based on calculations of the voting thresholds, 265 votes in Bankitalia S.p.A. It was calculated that a total of 529 votes could be expressed in Bankitalia S.p.A.; therefore, it was discovered that these controlling hedge funds held a majority plus one in the Bank of Italy.

Conversely, it was discovered that these hedge funds therefore indirectly controlled Bankitalia S.p.A., thereby influencing, unbeknownst to its governor, the acts of ordinary and extraordinary administration, including that of making him lower the interest rate from 15% in 1992 to 0% where it is today, thereby resulting in a certain win upon the signing of all derivatives that contained this, what we could now describe "killer", clause: *the bank wins if the interest rate falls.*

As if by chance, this clause was added to all of the derivatives with the largest underlying debt, whereas the other derivatives of minimal notional value signed by companies included an opposite clause to give the appearance of a win to the customer.

But that's not all. There is another technique that has had an enormously negative impact on the stock prices of Italian corporations. This is the technique of offshore short selling. It should first be noted that short selling

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is prohibited on the securities of publicly traded companies in Great Britain and the United States thanks to the "tick-up" clause, which essentially prohibits betting on a downturn if there hasn't first been an uptick. Inexplicably, this tick-up rule doesn't apply to the securities of publicly listed companies in Italy. Inexplicably, among its bylaws, CONSOB does not have investigative powers, powers which the US and UK supervisory authorities do have. Therefore, CONSOB doesn't have the power to go and discover who has conducted short selling on the securities of an Italian company to make it collapse, given that hedge funds make use of intermediaries.

I will now explain, based on recent discoveries, how this short selling technique is actually executed, an explanation that differs from the definition provided by the stock market supervisory authorities, which is difficult to interpret, not to mention by Wikipedia, which provides a definition that was made to not be understood.

In order for short selling to take place, the float of the target company needs to have expanded to at least 85%.

From this we understand the intrusions into certain boards of directors with the likely intent of getting an increase in the percentage float.

According to certain authors, in order to execute short sales, hedge funds make use of that enormous mass of funds that, according to certain authoritative authors, comes out of the intermediary Italian banks unbeknownst to them, likely by way of specifically designed software installed in 1992-1993 which neutralizes the accounting effects on the

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financials of Italian banks of the principal repaid by the unwitting borrowers who, after 1992, obtained a mortgage loan the amount of which was created somewhere in the world by way of an electronic “click”, rather than being taken from the bank’s reserves, as was done prior to 1992 when the 1936 Banking Act still required it.

This creation of money with an electronic click became technically possible in the world beginning, unfortunately, on August 15, 1971, when conversion of the dollar into gold was abolished.

The next step for the hedge funds to take advantage of the enormous business of the amount of loans created with a click was that of being able, in some nations, to have the separation between retail and speculative banking abolished.

Unfortunately, this happened in Italy in 1992, as I’ve already said, by way of Legislative Decree 481 of December 14, 1992, and from that moment on, the temporal restriction – funding for lending - having been eliminated, this creation of money with a click by hedge funds by way of the unwitting intermediary investment banks had begun. It is illegal in that there is no register of money creators in Italy, but only of banks, and it is illegal in that the creation of money is solely the responsibility of the central banks, as stated by the Bank of England in 2014 (First Quarterly Bulletin on Money Creation by Commercial Banks).

It was found that the short selling that may have also concerned Eni despite the public ownership came about in the following manner:

first of all, the hedge funds are the only funds in the world authorised to

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engage in short selling. By statute, investment funds do not conduct short selling. Hedge funds, for example, sell shares in a given Italian bank without having purchased them first, but only by borrowing them from controlled, accommodating online trading platforms that have attracted unwitting investors ...

**EMMA MARCEGAGLIA, Chairman, intervenes.**

Your time is up.

**ALESSANDRO GOVONI**, representing the shareholder Capurso Sebastiano (2 shares)

I've finished. Can I have one minute?

**EMMA MARCEGAGLIA.**

No. To avoid being accused of being anti-democratic, I let you speak, but, as you'll understand, what you are discussing is in no way relevant to our agenda.

**ELMAN ROSANIA** (2 shares), also representing the shareholder Carlo Sibilìa (2 shares).

Madam Chairman, you have an enviable tact, so let me just specify that I am here also on behalf of Carlo Sibilìa.

I came to listen, because it is my first time attending this meeting of shareholders of the, most likely, leading Italian corporation.

I was impressed by the clarity of the Chief Executive Officer's presentation. I've lived in Rome and in Lombardy, but I'm originally from Basilicata.

Now, allow me, with all due respect, to disagree with the last comment

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regarding Mr. Govoni. I don't think that his speech wasn't in line with today's agenda. Indeed, I believe that it is.

Because it's true that a significant share is held by Cassa Depositi e Prestiti (over 25%), while an additional share (of over 4%) is held by the Treasury Ministry, but Eni's stock is publicly listed, and everything under the sun happens on the stock market.

It is highly relevant because this volatility we see on the markets is the result of pure speculation and a lawyer might say even of a "sophisticated criminal nature".

The first question that occurs to me is this: are there derivative contracts at Eni? And how much is invested in these derivative contracts?

I have to say that, today, I'm a bit emotional because, across from here, there's a building on which it is written "Unicredit-Banca di Roma". I had respectful debates with the former CEO Alessandro Profumo for many years, beginning on May 8, 2008, after the merger with Capitalia.

We had debates multiple times, I as an insubstantial shareholder representing a somewhat more substantial group of poor, mistreated investors from southern Italy looking back on the former Banca Mediterranea, and here I see a number of frequent attendees of the UniCredit shareholder meetings, where we saw first-hand all of these speculative transactions. So we're here today. I didn't think I would be speaking, but the clarity of the CEO's presentation and the passion of Mr. Govoni have prompted me to speak.

Now, coming back to the technical issues of Mr. Descalzi, who I will now



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be following more closely. His report was also simple, even understandable, apart from a few too many words in English.

With regard to the new energy solutions, the necessary question is: what does the future hold for the Viggiano facilities? Especially as concerns environmental compatibility?

These new energy solutions are scheduled in that region where I believe there has been a ridiculous increase in tumours. I come from another part of Basilicata, although I don't live there all the time, but this is something that I would like to know.

This in addition to the question about Eni derivatives.

After which, about the last slide, I would kindly ask one other thing: is it possible to have a copy of the proxy that was given to Studio Trevisan by shareholders known as Vanguard and BlackRock?

**EMMA MARCEGAGLIA.**

It is a document between them. We had no part in it.

**ELMAN ROSANIA** (2 shares), also representing the shareholder Sibilia Carlo (2 shares).

The proxy has to be given. Is it possible to have a copy from the Company?

\* \* \* \* \*

Mr. Elman Rosania continues his particularly detailed remarks and, for the sake of better understanding of what he has said, provides me, the notary public, with a page of questions which are accurately transcribed below:

1. Following the speech from a few moments ago by Alessandro Govoni, it seems natural to ask senior management: are there derivative contracts at

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Eni? And, if so, which and how many derivative contracts are there?

2. To complete what Mr. Govoni had deduced concerning possession by foreign speculators of the float of Italian companies, I would ask to include, as an integral part of this contribution, the document of the Ministry of the Economy and Finance of March 2, 2017, filed for the inquiry by the Chamber of Deputies Finance Commission signed by the Honourable Alessio Villaroa and others (Q.T. 453), in which it is written that, at the extraordinary meeting of the shareholders of UniCredit on January 12, 2017, “Dario Trevisan voted, based on 1,655 proxies received, for 2,996,004,090 shares out of a total (at the start of the meeting) of 3,170,888,854 shares”.

3. Is it possible to have a copy of the documents for the proxies granted to the party in attendance at this meeting of Eni shareholders (I assume the Trevisan law firm in Milan, because I see Dario Trevisan here today) by the foreign funds bearing the names Vanguard and Black Rock?

4. Eni’s Chief Executive Officer, Claudio Descalzi, discussed the nine energy solutions at the end of his report today with the help of the final slide presented. Being from the Basilicata region, it also occurs to me to ask: what does the future hold for the facilities at the Viggiano oil plant in Basilicata, and what environmental compatibility efforts for this oil plant with the related lands, where reported tumours and environmental pollution are growing, will there be?

**ANTONIO LIBRI** (6,000 shares)

Hello, everyone.

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I worked for 36 years at Eni and for the other companies of the Group, so I listened with great interest to CEO Descalzi and the Chairman concerning the attention paid - coming back to a past habit that recently may not always have been done with care - to the environment where Eni operates.

I'm a member of the association of former employees and employees who have been with the company at least 25 years, people willing to contribute the experience they have gained throughout their long careers with the company, in my case of more than 35 years.

The question I'd like to ask the Chief Executive Officer is of much more limited scope than for those who have come before me. In particular, I would like news about Val d'Agri.

I recall that in 1998 in Val d'Agri there was a flowering of initiatives that led to the signing of contracts, of proposed agreements that called for development not only of the production facilities, but also of the surrounding environment following the recent events we read about in the press in 2016; I wonder, is Eni planning to make investments in the area?

If so, can we know what type of investments?

What return do you expect to have on these investments, including in terms of direct or ancillary employment?

Perhaps, though, the key question is another: how does Eni expect to be able to regain that relationship of trust with the local residents, which - it seems to me from what I've read in the newspapers - has deteriorated over time? Thank you.

**JEAN LEONARD TOUADI** (2 shares).

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Thank you, Madam Chairman. I would like to begin with brief biographic details that date back to my adolescence in Brazzaville, in the Congo, when Agip (as it was called at the time) arrived there.

Amongst ourselves, we would say, “*Les italiens sont different*”; Italians are different from everyone else who was there, and one of these differences materialized in the fact that Agip’s cafeteria was open to everyone, even to the Congolese.

The culture of sharing food together, eating together, has a very strong value of cohesion, of building relationships, and this fact impressed many of the Congolese.

That “*les italiens sont different*” has been the trademark of this company since the time of Enrico Mattei as far as I have read of the history of this legendary founder, that is, to stand beside those peoples, beside those communities, seeking to understand their needs, that yearning for growth we will talk about later, while continuing to conduct the core business of a company that needs to make a profit.

I would like to take the opportunity to thank Eni - Agip at the time - for the scholarships of the Enrico Mattei Foundation that enabled many young people like me to study, which is something they never would have been able to do, both in the Congo and in Europe and at Italian universities.

This, too, is a form of giving back to those communities, to those nations, an important resource, the human resources for the political, economic and whatever-else governance of these nations. I’ll never forget Eni’s efforts of local development in Congo, to give energy to the people, to give them

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water and food, to provide produce, basic healthcare, and those fundamental needs that are also fundamental rights.

So through local cooperation, Eni is in some way adding something to the set of rights these people need, and I thank you for this as well. For every child who was fed, for every village that had clean water, for every doctor who was able to save a woman giving birth.

But perhaps we mustn't act only after the fact; perhaps we can also act before the fact, and this certainly means continuing to work with governments, but, at the same time, to be allies with the people and the communities. Because at times in these nations Eni can play this role of breaking the twofold solitude of these peoples, alone in the face of the grand mechanisms of globalisation, but also alone before their leaders, who are not always focused on the fundamental needs of their populations.

We are talking about local problems in this case in the Congo and in Africa that I know about, but I also know that Eni is a global organisation that is up against the great global challenges, one of which is that of the environment, of sustainability. I think that leadership can and must play an important role, participating in the entire process of the Paris Agreement on climate change. Africa is one giant construction site where truly all of humanity can experience this challenge of sustainable, inclusive development that respects the value of the environment.

So it was with great pleasure that I witnessed the recent meeting of Eni's CEO with the Director General of the FAO, together, two global players like the UN's FAO and Eni dealing with the challenges of sustainability,

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dealing with urgent problems. At this moment as we speak, 20 million human beings risk dying, not because they don't eat caviar, but because they don't have the calories they need to go to sleep tonight.

Eni is working with the FAO on these projects of strategic importance for the African continent, which is, as I say, that great laboratory where all of us will learn not only a different way of viewing the economy, but of producing and reproducing wealth, not only material wealth, but, as an African, I would add material, symbolic and relationship wealth, because all of this is a part of holistic development.

If all of this gets done—and I would like for Eni to accept this challenge—we'll no longer keep hearing, every time they discover oil or gas somewhere, talk about the “curse of oil”.

Oil, as well as gas, cannot and must not be a curse, given that we are in times of peace, but rather a great blessing. Thank you.

\* \* \* \* \*

At the end of the remarks, the shareholders applaud.

\* \* \* \* \*

The Chairman then moves on to the third item on the agenda

### **No. 3**

## **DETERMINATION OF THE NUMBER OF MEMBERS OF THE BOARD OF DIRECTORS.**

\* \* \* \* \*

The Chairman announces the Shareholders' Meeting has been called to appoint the Members of the Board of Directors, as the term of office of the

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present Directors, appointed by the Shareholders' Meeting held on May 8, 2014, draws to an end.

The Board of Directors proposes to maintain the number of Directors to be appointed by the Shareholders' Meeting at nine to ensure that the Board of Directors has a composition that is suitable to the size of the Company and the complexity of its activities.

The Chairman reads the proposal as follows:

“Dear Shareholders:

You are invited to approve the following proposal of the Board:

- to set the number of Directors to be appointed by the Shareholders' Meeting at nine.”

\* \* \* \* \*

The Chairman then moves on to the fourth item on the agenda.

#### **No. 4**

#### **DETERMINATION OF THE DIRECTORS' TERM OF OFFICE.**

\* \* \* \* \*

The Chairman reads the proposal as follows:

“Dear Shareholders:

You are invited to approve the following proposal of the Board:

- to set the term of the office of the Directors to be appointed to three financial years, this term expiring on the date of the Shareholders' Meeting called to approve Eni's financial statements for the year ended December 31, 2019.”

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\* \* \* \* \*

The Chairman then moves on to the fifth item on the agenda.

**No. 5**

**APPOINTMENT OF THE DIRECTORS.**

\* \* \* \* \*

The Chairman announces that, pursuant to Article 17.3 of the By-laws, the Board of Directors is appointed by the Shareholders' Meeting on the basis of the slates presented by the Shareholders.

The Chairman announces that, on March 20, 2017, two such slates had been filed at the registered office of the Company, complete with the required documentation, by the Ministry of the Economy and Finance and by a group of shareholders including asset management companies and other institutional investors.

The list presented by the **Ministry of the Economy and Finance**, a shareholder with a 4.34% (four point thirty-four per cent) holding in the share capital at the time the slate was filed, contains the following names in the order shown:

1. Emma Marcegaglia;
2. Claudio Descalzi;
3. Fabrizio Pagani;
4. Diva Moriani;
5. Andrea Gemma;
6. Domenico Trombone.



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The candidate Emma Marcegaglia has declared that she meets the independence requirements established by law (Articles 147-ter, paragraph 4 and 148, paragraph 3, of the Consolidated Law on Financial Intermediation), referred to in the By-laws. The candidates Diva Moriani, Andrea Gemma and Domenico Trombone have declared that they meet the independence requirements established by law and by the Corporate Governance Code.

The slate presented by a **group of shareholders including asset management companies and other institutional investors**, jointly holding about 1.7% (one point seven per cent) of the share capital at the time the slate was filed, contains the following names in the order shown:

1. Alessandro Lorenzi;
2. Karina Audrey Litvack;
3. Pietro Guindani.

All of the candidates have declared that they meet the independence requirements established by law and by the Corporate Governance Code.

\* \* \* \* \*

The Chairman reads the proposal as follows:

“Dear Shareholders,

You are invited to vote for one of the slates submitted.”

\* \* \* \* \*

The Chairman then moves on to the sixth item on the agenda.

**No. 6**

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**APPOINTMENT OF THE CHAIRMAN OF THE BOARD OF  
DIRECTORS.**

\* \* \* \* \*

The Chairman reads the proposal as follows:

“Dear Shareholders,

I submit to you the proposal of the Board:

- to nominate and elect one of the Directors indicated in the slates presented by the shareholders for the election of the Board of Directors as Chairman of the Board of Directors.”

\* \* \* \* \*

The Chairman then moves on to the seventh item on the agenda.

**No. 7**

**DETERMINATION OF THE REMUNERATION OF THE  
CHAIRMAN OF THE BOARD OF DIRECTORS AND OF THE  
DIRECTORS.**

\* \* \* \* \*

The Chairman announces that, pursuant to Article 26.1 of the By-laws, the Shareholders’ Meeting determines the remuneration of the Chairman and the members of the Board of Directors.

The same article provides that, if the Shareholders’ Meeting does not set the remuneration, the most recently approved remuneration shall remain valid until decided otherwise by the Shareholders’ Meeting.

The Chairman reads the proposal as follows:

“Dear Shareholders,

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You are invited to submit your proposals on this item on the agenda and approve one of them”.

\* \* \* \* \*

The Chairman then moves on to the eighth item on the agenda.

### **No. 8**

#### **APPOINTMENT OF THE STATUTORY AUDITORS.**

\* \* \* \* \*

The Chairman announces that, pursuant to Article 28.2 of the By-laws, the Shareholders’ Meeting is called to appoint the Board of Statutory Auditors on the basis of the slates presented by the Shareholders.

The Chairman announces that, on March 20, 2017, two such slates had been filed at the registered office of the Company, complete with the required documentation, by the Ministry of the Economy and Finance and by a group of shareholders including asset management companies and other institutional investors.

The list presented by the **Ministry of the Economy and Finance**, a shareholder with a 4.34% (four point thirty-four per cent) holding in the share capital at the time the slate was filed, contains the following names in the order shown:

#### Section I – Standing Auditors:

1. Paola Camagni;
2. Andrea Parolini;
3. Marco Seracini.

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Section II – Alternate Auditors:

1. Stefania Bettoni;
2. Stefano Sarubbi.

The slate presented by a **group of shareholders including asset management companies and other institutional investors**, jointly holding about 1.7% (one point seven per cent) of the share capital at the time the slate was filed, contains the following names in the order shown:

Section I – Standing Auditors

1. Rosalba Casiraghi;
2. Enrico Maria Bignami.

Section II – Alternate Auditors

1. Claudia Mezzabotta.

\* \* \* \* \*

The Chairman reads the proposal as follows:

“Dear Shareholders,

You are invited to vote one of the slates submitted and published as provided for in the By-laws.”

\* \* \* \* \*

The Chairman then moves on to the ninth item on the agenda

**No. 9**

**APPOINTMENT OF THE CHAIRMAN OF THE BOARD OF  
STATUTORY AUDITORS**

\* \* \* \* \*

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The Chairman reads the proposal as follows:

“Dear Shareholders,

as provided by Article 148, paragraph 2-bis, of the TUF, you are invited to appoint as Chairman of the Board of Statutory Auditors one of the standing Auditors elected by the minority.”

\* \* \* \* \*

The Chairman reminds the Meeting that, in electing the Board of Directors and the Board of Statutory Auditors, if for any reason the entire Board of Directors or entire Board of Statutory Auditors cannot be elected through slate voting, as provided for by the By-laws, the Shareholders’ Meeting shall elect persons to fill the vacant Director and Standing Auditor positions with the majorities required by law, acting upon proposals submitted by the shareholders, in such a manner as to ensure that the composition of such boards complies with the law and the By-laws.

She notes that the candidates nominated in such a case by the shareholders must meet any requirements set out in the law and the By-laws, including those on gender balance. A curriculum vitae of the candidate must also be provided to the Shareholders’ Meeting (if not already published) to enable it to evaluate the candidate.

As to the Board of Statutory Auditors, to ensure substantive compliance with Article 148, paragraph 2-bis of the TUF, which requires that the Chairman of the Board of Statutory Auditors be chosen from among the auditors elected from the minority slate, in the event that the slate

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designated for the appointment of the majority of the Board of Statutory Auditors, i.e. the slate submitted by the Ministry of the Economy and Finance, does not obtain a majority of the votes and therefore the elected Standing Auditors are drawn equally from the two slates submitted and the fifth Auditor is elected by the Shareholders' Meeting by with ordinary majorities, the Chairman of the Board of Statutory Auditors shall be selected, on the basis of a proposal submitted by the shareholders:

- i) from among the Standing Auditors elected from the slate designated for the appointment of the minority of the Board members, if such fifth Standing Auditor is one of the auditors listed in the slate submitted by the Ministry of the Economy and Finance, or if the majority of the members of the Board of Directors was elected from the slate submitted by the Ministry of the Economy and Finance, including as a result of voting by the Meeting with ordinary majorities, except where the Chairman of the Board of Directors is not appointed from among the Directors elected from the slate of the Ministry of the Economy and Finance; in the latter case, the Chairman of the Board of Statutory Auditors shall be appointed from among the Standing Auditors elected from the slate of the Ministry of the Economy and Finance, which obtained a minority of the votes;
- ii) or, if the conditions above are not met, from among those Standing Auditors elected who are drawn from the slate that received the least votes.

\* \* \* \* \*

The Chairman then moves on to the tenth item on the agenda.

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**No. 10**

**DETERMINATION OF THE REMUNERATION OF THE  
CHAIRMAN OF THE BOARD OF STATUTORY AUDITORS AND  
OF THE STANDING STATUTORY AUDITORS.**

\* \* \* \* \*

The Chairman reads the proposal as follows:

“Dear Shareholders,

You are invited to submit your proposals on this item on the agenda and approve one of them.”

\* \* \* \* \*

The Chairman opens the floor to discussion of items 3, 4, 5, 6, 7, 8, 9 and 10 of the agenda.

She reminds those present that each shareholder will be allowed a total of five (5) minutes in which to speak.

\* \* \* \* \*

Taking the floor are:

**MAURO MEGGIOLARO** representing Fondazione Culturale Responsabilità Etica (80 shares).

As Fondazione Culturale Responsabilità Etica we announce our vote in favour of the investors’ list, we express our satisfaction with the new candidacy of Karina Litvack and her restoration as a member of the Control and Risk Committee on April 4.

We think, however, that the mere fact that she was removed from the

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Committee on July 29, 2016 on the basis of an enquiry into an alleged conspiracy that had the look of a farce from the outset was shameful: an enquiry in which none of the targets were committed for trial.

Conversely, the investigation into alleged international corruption in the acquisition of the OPL 245 permit in Nigeria ended with the Milan Public Prosecutor's Office asking on February 8 this year for the Chief Executive Officer Claudio Descalzi and Roberto Casula to be committed for trial.

Another Eni top manager, Antonio Vella, was committed for trial on July 27, 2016 in an investigation by the Milan Prosecutor into an alleged corruption case in Algeria. Antonio Vella is currently on trial.

While on the one hand, the zeal with which Ms. Litvack was removed from her position on the Control and Risk Committee seems strange to us, on the other we do not understand why we have not displayed the same zeal to remove, suspend or even simply reprimand managers in much more strategic positions than those held by Director Litvack, for whom committal for trial was requested - and in one case obtained.

We are then asking the Treasury Ministry, Eni's main shareholder, who is strangely silent today, and Assogestioni, the asset management association, to display greater courage in nominating candidates, bearing in mind that, as we pointed out in our previous remarks, a change of course in the management strategies of our oil company is now an urgent necessity, and the development of a plan B to takes us beyond oil can no longer be postponed.



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For this reason, prior to the submission of the slates, we sent a letter to both the Treasury Ministry and Assogestioni to propose the candidacy of Gianni Silvestrini, one of the leading renewable energy experts in Europe, a long-time consultant to the Ministry of the Environment and the Ministry of Economic Development on issues of climate change and energy policies, but we received no reply.

We are still waiting for you, Mr. Di Stefano, representative of the Treasury, who is here in the hall, and the members of Assogestioni present here: at least explain why you didn't like the candidacy, and what criteria did we not consider, so that we can submit more appropriate proposals in 2020. Thank you.

**LANFRANCO PEDERSOLI** (1,500 shares).

Very briefly, I'll stick to the theme: first, I'd like to announce by my active abstention, because in 2014 the number of Directors has changed in all public companies. It seems to me that the number increased from 5 to 9.

A strong majority of a minority, i.e. the holdings of the Ministry and the Cassa Depositi e Prestiti, gets 5 Board members, while 4 go to a large minority.

This is the real and essential problem: at Eni, it is guaranteed that five rule the enterprise. It's not that I'm abstaining because I do not have confidence in certain people, because I do know some, who are here, and I am confident in them, but rather because of a methodological problem: a minority becomes a majority, and this is an inconsistency. Thank you.

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**STEFANO DI STEFANO** representing the Ministry of the Economy and Finance (157,552,137 shares)

Thank you, Madam Chairman. I would like to speak on items 6, 7 and 10 on the agenda.

The MEF's proposals are:

1. on item 6 - appointment of the Chairman of the Board of Directors: re-election of Emma Marcegaglia in the position of Chairman;
2. on item 7 - determination of the remuneration of the Chairman of the Board of Directors and of the Directors: retention of the remuneration currently received, i.e. that paid in the last term and, more specifically, gross annual remuneration for the Chairman of €90,000.00 (ninety thousand point zero zero) and gross annual remuneration for each of the Directors of €80,000.00 (eighty thousand point zero zero);
3. on item 10 – determination of the remuneration of the Chairman of the Board of Statutory Auditors and of the Statutory Auditors: retention of the remuneration currently received, and more specifically gross annual remuneration of €80,000.00 (eighty thousand point zero zero) for the Chairman of the Board of Statutory Auditors and gross annual remuneration of €70,000.00 (seventy thousand point zero zero) for each Standing Statutory Auditor.

\* \* \* \* \*

Let me respond quickly to Mr. Meggiolaro, who asked the Ministry about nomination criteria. As the Minister has publicly stated in a parliamentary

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hearing, the selection criteria in the designation of candidates are followed on the basis of a procedure governed by a specific directive. In order to implement this selection process, we also use specialised companies, three consulting companies that have assisted us. So all selections were made on the basis of this procedure with criteria set out previously and implemented with the support of the companies I referred to earlier.

\* \* \* \* \*

No one else asks to speak.

\* \* \* \* \*

The Chairman, having completed the remarks on all items on the agenda at 2:35 p.m. suspends the Meeting to prepare answers to the questions submitted by the shareholders.

\* \* \* \* \*

At 3:35 p.m. the Chairman resumes the Shareholders' Meeting.

\* \* \* \* \*

The Chairman answers some of the questions posed by the shareholders:

**CHAIRMAN**

I will be answering the questions on litigation, compliance, governance issues and compensation; everything will be addressed by the Chief Executive Officer.

Let me begin with the questions from Tricarico, Grotti, Taylor and Fondazione Etica regarding OPL 245.

Let me clarify that all the key aspects of the OPL 245 operation have

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already been addressed in the questions received before the Meeting, to which we replied, pursuant to Article 127-ter of Legislative Decree 58/1998, contained in the file available in this hall.

Eni invites you to see those answers, confirming the positions it has already expressed on the matter.

However, I would like to answer some other questions that it was not possible to answer before the Meeting.

Regarding considerations concerning Shell, we have no comment because they regard the position of a third-party company and in any case do not change Eni's positions.

As for OPL 245 – although much has already been written about these issues - I would like to emphasize that from its initial award in 1998 and up to 2011, the OPL 245 exploration block has been involved in a number of international legal disputes or arbitration proceedings in which Eni has never taken part but did involve the Government of Nigeria, Shell and Nigerian company Malabu.

It is clear that the essential condition for beginning the exploitation of the OPL 245 block was the settlement of all disputes. Therefore, the Nigerian Government, considering that the block was a major asset for the country, which had an interest in putting it into production, intervened in order to find a possible solution for the definitive reassignment of the block and to enable it to be developed.

Therefore, thanks to the Government's intervention, it was possible to

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reassign the license without claims from third parties. Eni did not conclude any agreement with Malabu and no payment was made by Eni to Malabu or Dan Etete.

With reference to the question concerning pending investigations by US authorities - as reported on page 186 of the 2016 Annual Report in the section on litigation - Eni voluntarily contacted the competent US authorities, namely the SEC and the Department of Justice, providing them with all relevant documentation, including the findings of the independent enquiries carried out, and has provided constant updates.

There was then a question about the "Eni Board".

The Board of Directors of Eni, in its capacity as a management body, has decided not to enter into the merits of the independent enquiries carried out, which were independently commissioned by the control bodies and specifically by the Board of Statutory Auditors and the 231 Watch Structure immediately in September 2014. As we have already said, the independent experts appointed by those bodies had full access to all the documentation relating to OPL 245: the e-mails of all staff involved in the operation, the due diligence documentation, the checks conducted by the "Anti-bribery" unit and any other relevant internal documentation as well as all the information that has been filed over time with the Milan Public Prosecutors. The findings of these independent enquiries brought to the attention of the Chairman of the Board of Directors did not reveal any unlawful conduct.

We reiterate that Eni did not use any intermediaries in the acquisition of the

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OPL 245 block: neither Bisignani nor anyone else. This is also confirmed by the fact that the transaction was concluded by Eni directly with the Nigerian Government. Among other things, the possible transaction with Malabu was halted on the instructions of the current Chief Executive Officer, Claudio Descalzi.

Finally, we repeat that Eni does not pay bribes, in accordance with the zero tolerance principle established in the Eni Code of Ethics.

Then there is Ms. Franchi's question on the Congo.

The question is: "Can Eni clarify if and what type of business relationship has or has with the companies listed with reference to its operations in the Republic of Congo?"

I can reply that the companies cited provide logistics and/or personnel services to companies that participate in the tenders of all operators in Congo. Eni Congo today has open contracts with Diamond and Emeraude. The contracts were awarded following a regular tender process and concern the provision of air services by Emeraude and leasing and support services by Diamond. There are no contractual ties with the OSM Group or Petro Services in the Congo to date.

There is another question on the Congo: "Have you checked whether there is a link between Gokana and Bantsimba?"

This question is similar to those received before the Meeting and to which we have already replied in accordance with Article 127-ter of Legislative Decree 58/1998 contained in the file available in this hall, at pages 51 and

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52. Pages 51 and 52 provide exactly the answer to the question and I therefore invite you to consult those pages.

There is then a question from Meggiolaro, which was “Do the financial statements contain any provisions for OPL 245?”

This question is also similar to those received before the Meeting, to which we have already replied. However, I want to reiterate one thing: on the basis of the findings of the enquiries conducted by independent experts, which found no irregularities in Eni’s conduct, findings with which the Board of Statutory Auditors and the Audit Firm concurred, no provisions have been recognized in the provisions for risks. The description of the proceeding concerning the OPL 245 case is contained in note 38 of the section of the 2016 Annual Report (Italian version) concerning proceedings on corporate criminal-administrative liability.

I would like to point out that this assessment was shared by the Board of Statutory Auditors and the Audit Firm.

Let me move on to governance issues.

As regards the “removal of Director Litvack from the Control and Risk Committee”, here too the question has already been asked and we have already responded in writing pursuant to Article 127-ter of Legislative Decree 58/1998. Mr. La Verde asks “whether it is possible to transform ordinary shares into instruments without voting rights but with a guaranteed coupon?”

I can answer that from a regulatory standpoint it is possible to transform

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ordinary shares into non-voting shares with special financial features but this would require an amendment of the By-laws and the decision must be taken by the Extraordinary Shareholders' Meeting. The creation and issue of this type of shares is not currently being studied by the Company.

Mr. La Verde also asks about the composition of the shareholder base, and in particular asks “if you know of any associations of small shareholders”, stressing that “there are no indications of the composition of the shareholder base in yesterday's reporting”.

Information on the composition of share capital is included in the 2016 Annual Report and in the Corporate Governance and Shareholder Structure Report, with specific reference to the breakdown of the shareholder base by type of shareholder, size of holdings and geographical origin. Of total Eni share capital, 30.1% is held by the Ministry of the Economy and Finance and Cassa Depositi e Prestiti, while – to the best of the Company's knowledge - 56.26% is held by institutional investors, 12.72% is held by retail investors and 0.91% is held as treasury shares.

Eni has never been formally contacted by any small shareholder associations. This, at the moment, is the situation.

As regards the question: “How many proxies were sent to the designated representative?”, the answer is 11. This was already said, but I will repeat it.

Mr. Bava has asked for “the list of the top 20 shareholders in the room, journalists and pension funds.” To avoid a reading that could last half an



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hour, the list is available at the Bureau for anyone interested.

\* \* \* \* \*

... This list is attached to these minutes as Annex "G".

\* \* \* \* \*

Finally, two questions were asked about “compensation and benefits”.

The first regarded “remuneration and the use of equity instruments” and was asked by Mr. Chiurazzi and Mr. Iadicic.

It has already been noted by shareholders here that all major domestic and international companies use equity-based incentive plans and I must say that we have decided to return to this kind of incentive because investors have been asking for it and because, I repeat, this approach absolutely represents an international “best practice”. This is also the best way to align the interests of managers with the interests of investors. It also seems to me that it reinforces the interest of investors.

Eni's remuneration policy provides for comprehensive remuneration that is consistent with the median level in the applicable market for positions of similar level, responsibility and complexity within the panel of companies comparable to Eni. In addition, the remuneration of executives that have the greatest impact on company performance has a significant variable incentive component, particularly in the long term, using vesting periods for incentives with a three-year horizon and tying the award to performance achieved on the basis of measurable predetermined objectives balanced with the interests of the various stakeholders.

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Finally, Mr. Meggiolaro had a question on the “long-term plan based on two parameters”. Once again, the plan is an improvement on the previous one. First of all, the peer group has been changed to take account of the fact that the company is more focused on the upstream. The peer group was expanded to ten companies in order to make it even more appropriate to the business and size of Eni.

The performance threshold has been placed at a median level that is more challenging than the previous plan, namely sixth place out of eleven, including Eni, compared with fifth place out of seven before. The criterion is in line with that used by many of our peers, who often set the incentive threshold for their plans below the median. We, however, have set the bar higher.

As to the performance parameters, the TSR, which, as you know, has a 50% weighting, is not only is one of the most widely used parameters in the long-term equity plans of major international companies, including Eni's peer group, but it is also the indicator that best aligns the interests of shareholders with the interests of management. In our case, the time frame is three years, which enables us to align management action more closely with the medium/long-term interests of shareholders. Moreover, it is entirely in line with market developments. There have also been various recommendations from institutional investors asking companies to go beyond three years, to lengthen vesting periods to five years. Here the issue is the long-term focus, making sure that managers are not encouraged to

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work for the short term only.

Today, we have heard excellent remarks about the need to look to the long term, to put match the interests of stakeholders and shareholders. To make an investment in sustainability within the normal operations of the Company. All this requires a medium-term perspective and is exactly what we have done by modifying our medium-term incentive plan. I'll stop here and give the floor the Chief Executive Officer.

\* \* \* \* \*

The Chairman then invited the Chief Executive Officer to provide answers to other questions raised by Shareholders on the Meeting's agenda.

**CHIEF EXECUTIVE OFFICER**

Let me answer the questions of Mr. Bessi and Mr. Libri regarding the upstream segment in Italy. One concerns gas operations in the Adriatic and the other the Val d'Agri.

Regarding the Adriatic, the question is: "Regarding the Eni model and the investment plan, how much will Eni invest and how can it further safeguard and develop assets in the Adriatic and how many people work in the Adriatic district?"

The Eni investment plan in the Adriatic is a variable and modular plan for potentially investing €2 billion in the next 4 years: €500 million regard investment in areas beyond the 12-mile limit, while another €460 million regard the optimisation of well production. To reach €2 billion, of course, we have to do more. The situation is frozen at the moment, although

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discussions are under way with regard to entirely new activity within the 12-mile limit.

Other activities that could be resumed because they regard existing operations. These need to be verified and depend on regulatory developments. We cannot be sure of these investments, but we have put them in our budget as potential outlays. Then if they can be done, all the better, and if they cannot, we won't proceed.

There are about 700 direct employees in the district, with thousands of people involved in linked industries.

As far as the platforms are concerned, allow me to address the part of renewable technologies that we did not touch upon this morning for time reasons, and to compare previous efforts with our peers in the different strategies.

In the Adriatic area we have abandoned numerous platforms but there are still many active platforms, some of which remain to transport gas. On others we are implementing pilot plants to create laboratories for wind and photovoltaic technologies and other new technologies we are developing.

To those who said "you buy and not develop" I can reply that we are developing new technologies with both MIT and the Italian universities of Turin and Milan.

We are conducting development activities both in the concentrating solar segment and the marine currents segment, where work is focusing on generating electricity from marine currents or the use of salinity gradients.

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These technologies are being developed on these platforms in the Adriatic initially as pilot projects and then, if successful, to create a new source of energy. The platforms are already connected to land for power distribution.

I wanted to include this information because no one discussed it this morning: no one asked questions and I did not mention it.

During these last three years in the energy industry, 440,000 people have lost their jobs around in the world, between contractors and companies. In the upstream sector, Eni was the only company – bringing together contractors and companies - who did not fire a single person.

We made this effort, which was a positive move, because the people we have held onto have enabled us to achieve our cost reduction and optimisation goals. We reduced costs while increasing production and we created know-how and a loyalty.

I seem to recall that a shareholder spoke about loyalty.

Efforts to strengthen loyalty must first be directed at customers, but our first customers are our colleagues, they are the ones who can sell the company's image, and only Eni made this effort.

I wanted to bring this up because it was absolutely virtuous. I do not want to take the credit, because the credit goes to all the people who are sitting here in the first row and made this happen. If we had cut jobs, as others did, by 10-15%, we would have made tens of thousands of people unemployed, because when we cut jobs, employment in linked industries also suffers.

Let's talk move on to Val d'Agri.

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Here the questions were: “how much can it be developed, how much business is created in linked businesses, how much more can be invested, how can new jobs be created and why have relations deteriorated with Val d'Agri?”

The Val d'Agri is not happy with Eni.

You have to be honest. The Val d'Agri is not happy with Eni and the relationship has cooled. There have been environmental problems, problems of disappointment too: but what about? The fact that we invest so much but we create few jobs is a feature of what is a very capital intensive sector, so there has been a lot of money spent but little work created.

So when someone says “look at how much money they earn, they pay hundreds of millions in royalties, pay taxes, invest heavily during the development phase, and when production begins in Val d'Agri, only 400 people are employed. In total, there are 2,500 people employed directly and indirectly and this seems very little set against an output of 80,000 barrels a day.

The truth is that this is a typical consequence of upstream activities, which is why Eni always develops sustainability plans, doing more things, training people and hiring locally.

For example, the Gela refinery is a champion in this: not only has it maintained the workforce but has become an important training and technology centre. Our Italian personnel employed abroad mainly come from Sicily. More than 600 people have undergone a professional

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transformation and have travelled around the world to work, achieving considerable success because they have relevant skills.

We must recoup ground in Val d'Agri, something I said recently at the OMC in Ravenna. We must absolutely recover, because when we cannot do something we have to be accountable. We are the ones who are investing, we are creating opportunities for development and we must be good enough to do more, which means diversification.

We have invested a lot in training, but training is useful if it then produces employment. So we must be able to create new jobs. We have one of the projects that I presented to you.

We were asked for a list of these projects, and you will have it. In Val D'Agri we have presented bio-petrochemical projects to produce plastics from biomass. It is a closed cycle, in the sense that an agricultural product is used to produce bioplastics and the waste products of the agricultural product are incorporated as a biomass process for energy generation. So the cycle closes. We are ready to go on this project. It has been discussed but should be discussed further in order to compensate for an activity that cannot produce an explosion in employment.

To the question "how much can still be invested in Val d'Agri and are you still willing to invest?" I say that the Company is definitely willing to invest because Val d'Agri is a place we have to take care of and develop, where for 20 years we have considered ourselves at home even if - as I said - we may not be considered friends.

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In Val d'Agri we entered an agreement in 1998 to produce up to 104,000 barrels - now we produce 80,000 barrels. More work is required to reach these 104,000 barrels, for a total investment of more than €3 billion.

This is what we need to invest to achieve the target set in the previous agreement. Such an investment would enable the involvement of 300 to 400 more people in operations, considering employment in linked sectors. From a technical point of view, this must be accomplished with zero environmental impact. This means that if you have to drill a well, you drill it in areas that are already impacted by operations, without occupying new land.

So what do we have to do? We need to be more involved, more present, including with government institutions (especially with the regional government and the municipalities affected) to explain who we are and what we do more accurately and more clearly.

We have created made a newsletter, which the people read. But you cannot have direct contact with people through a piece of paper; you cannot ask questions or get answers. The commitment we make is to be much more involved in assessing and understanding whether we can overcome misunderstandings, because we are accountable. If we can make ourselves understood in a positive and accurate way, and make people understand what our business is, which is not just “oil & gas” but something more, including renewables, then I think we can increase our investment and development in Val d'Agri.



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I apologise for going on at such length, but I think it's worth it because the issue is extremely important. Mr. Chiurazzi asked "What discount rates were used to determine provisions for employee benefits in the 2016 financial statements?" The discount rate used to discount employee benefit provisions is determined on the basis of rates on bonds issued by leading firms, those with a rating of AA for a maturity equal to or greater than 10 years, consistent with the duration of the plans being evaluated. Mr. La Verde stated that "it is a problem if we just sell oil and gas production at a profitable price rather than making new discoveries and developing them."

I absolutely agree. It is clear that the most difficult thing to do is to make new discoveries, as underscored by the fact that the industry only replaces 30% of what it produces. But I can assure you that the development and sales stages are not so trivial either.

From the commercial point of view, oil is sold on the spot market. If the oil is good - if it Brent or WTI, it has its value, and when you find it and sell it at that value, you do not have to be a good salesman.

The gas market is a little more complicated, of course, because gas is not a spot product. You have to enter into long-term contracts to justify, for example, a large investment in LNG. It is a purely commercial issue to have a good structure for marketing to buyers. This is precisely what Gas & Power has started to do in Mozambique, and will do so in the future with "Zohr" in Egypt and then in Indonesia, i.e. in all the countries where we have gas fields. Competition will be fierce, especially in the next 4-5 years,

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then as from 2022, a decrease in supply and a rise in demand is expected.

What Gas & Power is doing is to fill in these future holes, because our gas will be coming to market around that date.

However, I agree that the commercial part is absolutely important. Mr. Bessi asks “It is possible to implement tax policies to have Italian gas at zero cost in the gas bills of Italians? How can we foster gas consumption in Italy?” Italy uses about 70 billion cubic metres of gas a year. Italy itself produces 7 billion cubic metres, so 10% of the gas consumed in Italy. The price is that set on the Italian hub, so it is a defined reference price. Talk about zero-price gas is political talk, which means giving a full subsidy to a fossil, non-renewable resource. It must be a political choice and the cost is extremely high, but I can’t add more on this because we produce gas and we have costs: we want this gas to be paid for.

Mr. Raffaelli and Mr. Touadi asked for information on the relationship between Europe and Africa rather than between Italy and Africa, and explained why the relationship between Africa and Europe is important. They asked what Eni is doing in this field, what our strategy is and how much we invest in African people.

You know that Eni is Africa’s leader in terms of reserves and production? We started later than others, in the 1960s, and the big American and British companies were already there. After sixty years, we are number one.

How and why did we get here? The model is the one I described to you this morning: we became first because we offered something different.

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Obviously, Eni's initial weakness was that we were the smallest and we never had a great power behind us, cooperating, investing and promoting. But we turned this weakness into a strength because we started to offer something extra.

Yes, but what did we offer? Starting in Nigeria but then spreading to the other countries, we offered free energy. Since all of our gas and oil production units use energy and this energy is produced to drive compressors, drill wells and drive oil production, we have always given our surplus energy free to the local populations. This has given us resilience in the countries in which we operate and has promoted our image.

We have changed the content of contracts and negotiated new agreements to give more to the countries in which we work, not just paying taxes and royalties, but sharing production.

We have also implemented health projects, as you saw this morning. We implemented agricultural and water projects and we invested considerably in individual power plants. We decided to sell hydrocarbons in the countries that host us. All this has been aimed at achieving shared growth starting from structural weakness, because when you give you receive, since in making your partner stronger, you to also become stronger.

This is our policy: do not be afraid to make your partner stronger, because if he gets stronger, you get stronger as well.

Somebody said that I have indulged in political grandstanding on the relationship between Europe and Africa. No, I have not talked like a

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politician, but I do talk like person who has spent 20 years in Africa and has seen what happens when you apply the western model of “go, discover, take and export, pay taxes, all done”.

After 60 years of use, this approach has produced a weaker Europe, the world's leading market but one forced to import 70-80% of its gas and 90% of its oil. Indeed, since 2010 we have increased the use of coal in thermal generation by 10%, despite the 6% increase in renewable energy generation, completely undermining efforts to reduce CO<sub>2</sub> emissions.

This is how we have not helped the development of Africa, which has an surplus of energy but it does not use it, so it has an energy problem.

Does Europe also have an energy problem? Yes, because it needs energy, it consumes so much but it does not enough of its own. Europe represents 7% of world production and 11% of consumption, just the opposite of what is happening in Africa.

Europe certainly needs Africa, and needs an advanced and strong Africa.

When I say strengthen you partner, I mean that we need a strong Africa.

Africa, which now has a population of 1.1 billion people, will have a population of 2.1 billion in 25 years.

It must be strong and have its own resources and be developed. The only way is to fill the gap between the 6% of energy use and 16% of the world's population. This gap must be bridged, otherwise we cannot complain about immigration, because emigrants do not have jobs. We have taken oil and gas from them, and therefore they are forced to come to us.

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This is what we need to do for Africa, because if they are strong, we too are strong, because now we are weak and we do not have enough energy.

Let me turn to photovoltaic power and other renewable energy.

One shareholder compared us with Total, Shell and other peers in the renewable energy industry.

We want to invest in the renewable energy sector, in part to reduce CO<sub>2</sub> emissions. We think that it is possible to invest in Africa because we have land holdings and know-how. We are present in African countries with sun, wind and great opportunities. Africa is much richer in solar power than in oil and gas.

Our strategy is to implement projects immediately. We also conduct scientific research and development and are investing hundreds of millions to develop renewable energy technologies. The problem is not to carry out corporate acquisition and invest in the battery industry, 85% of which is involved in classic battery production. The problem is transforming your business immediately and instead of consuming gas, you consume renewable energy.

We have lots of land in Africa to install renewable energy plants. In Italy alone we have 4 thousand hectares of land on which we can install renewable energy facilities. The strategy is to transform sites that are being decommissioned because they are the offspring of the waning oil and gas industry into something that can live again and immediately reduce CO<sub>2</sub> emissions.

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The projects we have carried out will reduce CO<sub>2</sub> emission by 1 million tonnes. We could not have achieved such a reduction if we had invested in batteries. At the moment, we are working with MIT on the development of new technologies in the battery industry. The problem with batteries is that they are still the most expensive and least efficient part of the entire renewable energy chain.

So transformation means investing. We invest in the transformation of our sites, so we spend less than others. At the moment we have invested about €60 million. If we had to buy new land, install grids, the investment in these projects would have been €2 billion, even €2.5 billion.

If I want to pursue a project from the ground up, buying land and structures, the internal return on the project (and we are talking about photovoltaics, not even concentrating solar) ranges from 4% to 5%.

What about our projects? They are generating an internal rate of return of between 8% and 12%. I am talk with our investors and the fact is that we are investing, reducing CO<sub>2</sub> emissions, entering a new industry and not disposing of the installations we have, not producing waste but rather transforming them to lend them new life with solutions in renewable energy. I think this is the best thing in the world.

Will the investments increase? Yes, but the important thing is to see how much is being produced, how much CO<sub>2</sub> is being reduced, how much gas is being freed up to give Africa access to energy. This is the idea.

Are they different strategies? Yes, they are different strategies and I am

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delighted to have chosen this strategy. I love my job, and I sweat blood to develop the strategies that come from nights, days and years of work. And now there are new, extremely virtuous, projects emerging. I'm talking like this because that's the way I am.

Mr. La Verde asked about the strategies in the four-year plan, saying "We are in the midst of an extremely volatile environment. Are you continuing to reduce costs?"

Again, the issue of cost reduction is what we presented a few years ago. For us, reducing costs does not mean reducing projects. We have lowered costs and investments by 37%, but we have increased the production of oil and gas by 250,000 barrels. You've seen that other companies in the industry have lost 3%, 5% or 8% of production, while others have gained ground because they acquired other companies or bought output, but in general the industry has experienced drastic cuts that have reduced production. The fact that we have managed to reduce investment and increase production is a concept that comes from our approach to exploration.

We have conducted conventional, low-emission exploration, near areas that already had facilities. So no new facilities were created. Investment was reduced and then we conducted conventional shallow-water exploration, or land or deep-water exploration with a very simple upstream segment. In other words, rapidly drilled wells with high output.

This has enabled us to reduce costs, because we engage in less expensive activities.

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So we have reduced our investment in extremely drawn-out projects. We have divided them into phases, such as in the case of the project in the Orinoco basin in Venezuela. It is project involving heavy crude that is expensive to extract, and for the moment it has been suspended. This has enabled us to shift investment to other areas, such as Ghana, Angola, Congo, Egypt and Indonesia, and thus reduce costs while obtaining new production.

The 8% reduction in investment in the last four years is part of the efficiency gains we need to cut our budget. So we are not cutting operations. This is important. We are undertaking lower cost initiatives that also have a much smaller environmental impact because they use existing infrastructure.

Take the example of Jangkrik in Indonesia, which is a very important field where we have found between 4 and 7 trillion cubic feet of gas and we also have very interesting exploration facilities.

The gas there could have been expensive if we had to build an LNG facility. Instead, we can use the Bontang LNG plant in Indonesia, whose capacity is only half used. So we really do not need to build an LNG facility, which has a big impact not only financial terms but also in terms of the investment and time required for the project.

All these solutions allow us to be virtuous in our investments while maintaining production and operations. This is one of the reasons why we did not fire even one person. The Mr. Fo asked "You made some major



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reductions in general and administrative costs, how do you plan to use this?" We were spending about €2.2 billion and we reduced that to less than €1.3 billion.

This reduction is attributable to a variety of factors: first, we have moved from a divisional organisation to an integrated company where business units report directly to the CEO. The divisions were the legacy of Eni's holding company past. So there was a duplication of functions: personnel, control, contracts, all duplicated. Now it's all centralised, and so the functions we call business support cut across the organisation. This has greatly reduced G & A expenses within the Company. This reorganisation has freed up many people, who have been moved to line functions or have gone to work abroad. We have reduced the costs, we have sent Italian employees abroad and this was only a part of the total.

We also made cuts in the entire communications and sponsorship sector and we implemented a major reduction in the IT sector: not because we use less IT, but because we pursue much more targeted projects.

Obviously, the money we save is invested in operations. Investments in upstream activities, with an internal return ranging from 15% to 23%, generate huge revenue.

Mr. La Verde suggests that "Eni has to be a national oil company and help reduce the national energy bill instead of paying dividends".

I say that Eni's mission is to produce energy but also pay dividends.

We are no longer a state-owned company. It is true that the state holds a

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total of 30% of the Company, but it is an investor. I wouldn't say it's an investor like any other, but it is an investor and therefore we clearly produce gas and sell it. So what we have to do is to produce gas at low cost to get it into the national hub, where it is then priced on the basis of average cost.

Several questions have been asked about Saipem.

It was asked whether Saipem has been deconsolidated because we sold 12.5% and we still have 30.5% in order to get our money back.

Said like that it sounds tough, but in fact we had a blocked receivable with Saipem. We only maintained existing guarantees, we have not granted any new ones, and those that have already been issued will terminate in two or three years and are counter-guaranteed by Saipem. Following the deconsolidation, Saipem is fully responsible for obtaining its own guarantees, asking for bank guarantees or corporate guarantees.

It has been claimed that the Saipem operation was positive for Eni but not for Saipem.

I can tell you that Saipem initially lost and then recovered, then lost again, with the loss in line with the average for specialist contractors in this industry, the offshore market. It was absolutely average in the market. If the company had stayed with us, it would have lost all the same, because we could not do anything because we cannot contract directly with Saipem.

Now we have the segregation of operations, but it existed before and I'll explain why and how it works.

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Saipem with Eni inside or with Eni outside would have lost exactly the same because all the companies in the industry lost an average of 40% to 90%. This is the truth because the market has tanked, it is completely frozen. Bear in mind that this market has blocked \$650 billion in investments over two and a half years, as well as another €100 to 150 billion, so it has swallowed an enormous amount of money. All the most important projects have been frozen, so Saipem would have lost all the same.

But Saipem has gained something from Eni's deconsolidation?

Yes, it gained something because even when things were fine it faced major problems - because it was controlled by Eni – in winning contracts. The real anomaly was a contractor owned by a company with competitors, and this contractor had to work for these competitors.

In Mozambique, Kazakhstan, in other areas of Africa or the Far East there were competitors who did not want to use Saipem because they thought it was our company. When you pursue a technologically advanced project, a "deep offshore" project, say, there are situations, proprietary technologies, geological secrets, that you do not want to share, and our Company could be an impediment to that.

I can tell you that Saipem is winning contracts, mainly in the Middle East, and as soon as oil prices rise, Saipem will recover because it is technologically very strong. It has no problems and is a company of professionals.

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In the past we were asked “why don’t you put Saipem to work?” We are not alone on any project in the world, and even if we were we would still have to go through tenders because we are a European company. When we are abroad, we are either in a consortium or participate in a mixed company.

We even participate in tenders to use Saipem, with whom we cannot even talk, and as a result of the new rules, from being Saipem's leading customer (20-25 years ago) we are now just its sixth-largest customer.

All of these factors in addition to the fact that Eni creates no added value for Saipem prompted us to carry out the operation.

Someone asked what we were going to do with the shares. “Were we going to hold on to them?” Yes, we are going to keep them because I believe in Saipem.

We lost our coordination and control function. We are like any other shareholder. We do not have any more information than the market, we receive financial statement data just like the other shareholders. So thanks to segregation we cannot influence any strategy.

It is very important for us to work with Saipem, of course, an Italian company. We know each other, we come from the same family, but we have to participate in tenders just like the others.

The Saipem directors were originally appointed by Eni, but now we do so jointly with CDP Equity. At the moment there are no Eni people on the board.

Mr. Fiorentini asked: “Will you revive the buy-back? Should we expect to

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be called upon to authorise a purchase of treasury shares from the next financial year? How will the financial statements report the number of treasury shares that are granted annually but will be awarded after a three-year period vesting period in what is a long-term plan?

The buy-back was halted after the reduction in the dividend. It was originally implemented to indirectly give Eni shareholders a gain. We implemented a buy-back plan because it increased the value of the remaining shares on the market. This plan has been suspended for the time being, and we do not think we will change our position but we do not rule it out for the future.

As far as our treasury shares are concerned, we have about 33 million and the incentive plan involves about 11 million shares. So we will not be buying other shares for that plan.

**CHAIRMAN.**

Let me clarify that the figure of 11 million shares is based on the assumption of the maximum payment of bonuses at the lowest possible price, so it is the maximum number that would be involved.

**CHIEF EXECUTIVE OFFICER.**

Someone asked the value of Eni's holding in Saipem at the end of the year. It is €1.497 billion. The Saipem share today is worth about €0.41 per share. As regards the “dividend scrip”, some of the companies I have cited offer a choice: about 50% in cash and about 50% in shares.

Mr. Govoni asked about derivatives.

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Eni primarily uses derivatives to hedge risks, notably exchange rate risk, not for speculative purposes.

There is a detailed description in the annual report, which you can find in the printed company we distributed.

Mr. Fo asked about loyalty marketing.

We seek to increase brand loyalty in three areas.

The first is within the Company itself. Brand loyalty is a market issue, but it's all connected. First and foremost, we must be able to strengthen the loyalty of the people we work with, be credible and enable them to do their best. Only through this we can really boost loyalty outside the Company.

For the loyalty marketing issue, I was prepared a typical response on the retail gas sector, because we have customers in this field, and thus stakeholders.

But even Val d'Agri is a matter of increasing loyalty, to be recognized, to be credible. And there we have not done accomplished it yet as we have elsewhere. But it is clear that we are working our hardest there.

With regard to retail gas, the prepared answer gave the services we provide: we do not just supply electricity and gas but also offer the energy audit for a type of family, we provide assistance through services. We offer a complete service with assistance covering appliances, boilers, etc., but loyalty marketing is in my opinion something much deeper, and begins with the brand loyalty of your company's employees, who can then become apostles of loyalty marketing in the outside world and sell the brand with force and

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credibility.

Mr. Pacifico said “Look, Total has shown you last in TSR, what’s going on?” Among our 12 peer companies, depending on whether we use local currency or dollars, we become fourth, Fifth or in the middle. The reference period used by Total was 2013-2016, the reference period we used was the 2014-2016 term of the Board.

As regards the question on Kashagan, the field produces about 250 thousand barrels per day of oil and gas, of which 190 thousand barrels of oil.

And about the Dow Jones Sustainability Index, Eni decided to not participate in compiling the questionnaire in 2016 since we have adopted a different approach, preferring active participation in indices that most reflect the reality of the oil & gas industry, such as FTSE4GOOD and CDP. A natural consequence of failing to complete the DJSI questionnaire was a reduction in the score and exclusion.

\* \* \* \* \*

Following the completion of the answers, the Chairman asks her Bureau if there are requests from Shareholders to provide explanations of their vote.

She notes that, pursuant to the Rules of Shareholders’ Meeting, only explanations of voting, with any motivations and the option of declaring whether they are satisfied with the responses, are permitted, while no new questions are allowed.

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She also notes that explanations of voting for all items on the agenda are limited to 2 (two) minutes for all items on the agenda.

The following Shareholders take the floor:

**RICCARDO PACIFICO** (10 shares).

Mr. Descalzi, I'm sure you understand that my remarks were intended to be provocative, but provocative for a good cause.

A part of my point that you do not appear to have grasped is the fact that I said "be careful because part of the Company is performing very well, the minerals part is going very well, but there is much to do for everything else".

On the commercial and financial sides, there is so much to do, including Saipem, on which I must admit I do not share your excessive confidence and optimism.

Saipem is too monocultural. Saipem is a major engineering company and therefore has a great organisational ability, so why not diversify?

For the rest, we must place our confidence in the CEO and all that follows, even if I would have personally preferred a Chairman not so involved in her industry, but that is another matter.

It's not a criticism, I would have just preferred it. For all the rest, we are in God's hands. Thank you.

**LANFRANCO PEDERSOLI** (1,500 shares).

I vote to approve the financial statements taken as a whole, otherwise I



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would have to split my vote in a hundred parts.

As for Saipem, the legality of that transactions seems dubious, so I will retain all my reservations. There are people in this hall who had 10 thousand Saipem shares and who, by not participating in the capital increase, lost over 92% of their capital. It was a confused transaction in its substance and in its results.

Maintaining by reservations, I vote to approve the financial statements because it seems impossible to vote no.

**ROBERTO UZZAU** representing the Cassa Nazionale di Previdenza e Assistenza Forense (15,309,000 shares).

Thank you, Madam Chairman, and if you will allow me I would also like to thank the President of Cassa Forense, who gave me the opportunity to be here to represent him because I have been able to experience an almost mystical moment, in the sense that this is truly an example of pure democracy. One share allows you to participate and say anything, even completely off topic, but that's fine.

I believe that despite the fact that there are two opposing or seemingly opposed slates, the cohesion of the outgoing Board of Directors is clear and more than welcome. If it were possible - I do not know because I have not studied the By-laws properly - to pool the two slates, that of the MEF and that of the other shareholders, in a single slate, that would have been the best solution. So, as well as pointing out that Cassa Forense's investment policy tends to combine profitability with prudence - and this principle also

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guided us in investing in Eni - I think we made a good decision because the figures we have seen appear to be truly indicative of a rewarding result. This prompts us to make a statement of vote that Cassa Forense will vote to approve the agenda and all its items.

As regards the determination of the number of members of the Board of Directors, the term of office, the appointment of Directors and the Chairman of the Board of Directors, as well as the remuneration and appointment of the Statutory Auditors, we welcome and support the position of the majority shareholder. Thank you.

**STEFANO BASILE**, representing ENPAM (18,386,003 shares).

Good afternoon Madam Chairman, good afternoon everyone. I am Stefano Basile and I speak on behalf of the Fondazione ENPAM, delegated for that purpose by the President of the Foundation itself. Only a few weeks ago we have become shareholders of Eni with a stake of 0.5%.

As the pension and welfare fund for Italian physicians and dentists, our investment decisions must necessarily have a long-term horizon and focus on sound institutions and companies with strong management capable of implementing a sustainable strategy. We feel that we can only express satisfaction over Eni's performance.

Although the oil & gas industry has seen prices collapse in the last few years, our assessment is that the Company has been able to maintain a long-term strategy and has been further strengthened financially.

We have noted that Eni has been able to get through the industry crisis in

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these complicated years by putting in place strategic actions carried out swiftly and effectively, from reducing the debt/equity ratio to structurally lowering costs, which as we saw today was around 30%, thus saving a business that was losing money and is now growing with an output that has reached a record level as well as fortunately confirming its world leadership in exploration.

We therefore hope that in the next few years the business model will be strengthened even more and that the Company will be able to finance investments and dividends, which we see today are still at 5%, despite an oil price of less than \$60 a barrel.

Satisfaction with operational and financial performance is accompanied by appreciation for the attention paid to managing corporate risks, an issue which is particularly dear to us. We will therefore pay close attention to the commitment that management demonstrates on this front, especially through proactive and transparent governance on the key issues of climate risk and environmental/operational risk.

In the light of the foregoing, I affirm that ENPAM, to ensure the Company's operational and strategic continuity, will vote in favour of all resolutions, supporting the slate submitted by the Ministry of the Economy and Finance.

Thank you all.

**LUIGI CHIURAZZI** (3,000 shares).

Well, I have to thank the Chief Executive Officer, who finally explained

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quite a few things even if he did use many English terms that I hope he can clarify the next time. I greatly appreciated the enthusiasm of his presentation and I therefore thank him.

I wanted to ask the Chairman who suggested the stock grants.

**CHAIRMAN.**

It was requested by the main investment funds.

**LUIGI CHIURAZZI** (3,000 shares).

Thank you Madam Chairman. My vote is as follows:

- Item 1: yes;
- Item 2: yes;
- Item 3: yes;
- Item 4: yes;
- Item 6: yes;
- Item 7: yes;
- Item 9: yes;
- Item 10: yes;
- Items 11 and 12: no
- Items 5 and 8 I'll vote the slate, or perhaps abstain.

Thank you.

\* \* \* \* \*

No one else takes the floor.

\* \* \* \* \*

The Chairman, as the statements of vote have ended, declares discussion

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closed and puts the individual items on the agenda to the vote using the remote voting device.

The Chairman reminds the participants that if a shareholder does not intend to participate in a vote, and therefore not form part of the quorum, he may leave the hall, returning the remote control device to the Bureau, or he should refrain from pressing any button on the remote control. If a shareholder wants to officially abstain, he must press "abstain" on the remote control.

\* \* \* \* \*

The Chairman calls for a vote on the proposal of the Board of Directors under **item 1** of the agenda, as follows:

The Ordinary Shareholders' Meeting

resolves

to approve the financial statements at December 31, 2016 of Eni S.p.A. which report a net profit of €4,521,093,313.31 (four billion five hundred twenty-one million ninety-three thousand three hundred thirteen point thirty-one)."

\* \* \* \* \*

There are 3,130 (three thousand one hundred thirty) shareholders present, attending in person or by proxy, holding a total of 2,305,369,489 (two billion three hundred five million three hundred sixty-nine thousand four hundred eighty-nine) shares with voting rights, equal to 63.44% (sixty-three point forty-four per cent) of the share capital.

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Once the voting has taken place, the result is announced (as registered by the structure used to ascertain the outcome of the use of remote voting devices) for the vote on item 1 of the agenda.

Voting in favour were

3,078 (three thousand seventy-eight) holders of 2,283,697,241 (two billion two hundred eighty-three million six hundred ninety-seven thousand two hundred forty-one) shares.

Voting against were

8 (eight) holders of 3,183,443 (three million one hundred eighty-three thousand four hundred forty-three) shares.

Abstaining were

17 (seventeen) holders of 3,183,797 (three million one hundred eighty-three thousand seven hundred ninety-seven) shares.

Not voting were

29 (twenty-nine) holders of 15,305,008 (fifteen million three hundred five thousand eight) shares

\* \* \* \* \*

I, the notary, announce that the proposal is approved by a majority.

**The list setting out the results of the vote** is attached to these minutes as Annex "**H**".

It is specified that the number of shareholders voting for, against and abstaining and not voting is 2 (two) higher than the number of voters as one shareholder split his vote.

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\* \* \* \* \*

The Chairman calls for a vote on the proposal of the Board of Directors under **item 2** of the agenda, as follows:

The Ordinary Shareholders' Meeting,

resolves

- to allocate the net profit for the period of €4,521,093,313.31 (four billion five hundred twenty-one million ninety-three thousand three hundred thirteen point thirty-one), of which €3,080,637,260.11 (three billion eighty million six hundred thirty-seven thousand two hundred sixty point eleven) remain following the distribution of the 2016 interim dividend of €0.4 (zero point four) per share, resolved by the Board of Directors on September 15, 2016, as follows:

1. the amount of €19,233,515.44 (nineteen million two hundred thirty-three thousand five hundred fifteen point forty-four) to the reserve required by Article 6, paragraph 2, of Legislative Decree no. 38 of February 28, 2005,
2. to shareholders in the form of a dividend of €0.4 (zero point four) per share owned and outstanding at the ex-dividend date, excluding treasury shares on that date, thus completing payment of the total dividend following the interim dividend for the financial year 2016 of 0.4 (zero point four) per share. The total dividend per share for financial year 2016 therefore amounts to €0.8 (zero point eight) per share;
3. the payment of the balance of the 2016 dividend in the amount of €0.4 (zero point four) payable starting from April 26, 2017, with an ex-dividend

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date of April 24, 2017 and record date of April 25, 2017."

\* \* \* \* \*

There are no changes in the number of participants.

\* \* \* \* \*

Once the voting has taken place, I, the notary, announce the result (as registered by the structure used to ascertain the outcome of the use of remote voting devices) for the vote on item 2 of the agenda.

Voting in favour were

3,056 (three thousand fifty-six) holders of 2,278,100,191 (two billion two hundred seventy-eight million one hundred thousand one hundred ninety-one) shares.

Voting against were

31 (thirty-one) holders of 8,891,234 (eight million eight hundred ninety-one thousand two hundred thirty-four) shares.

Abstaining were

15 (fifteen) holders of 3,072,956 (three million seventy-two thousand nine hundred fifty six) shares.

Not voting were

30 (thirty) holders of 15,305,108 (fifteen million three hundred five thousand one hundred eight) shares.

\* \* \* \* \*

I, the notary, announce that the proposal is approved by a majority.

**The list setting out the results of the vote** is attached to these minutes



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as Annex "I".

It is specified that the number of shareholders voting for, against, and not voting is 2 (two) higher than the number of voters as one shareholder split his vote.

\* \* \* \* \*

The Chairman calls for a vote on the proposal of the Board of Directors under **item 11** on the agenda, as follows:

" The Ordinary Shareholders' Meeting, pursuant to and for the purposes of Article 114-*bis* of the T.U.F and Article 2357-*ter* of the Civil Code:

resolves

- to approve the Long-Term Incentive Plan 2017-2019, under the terms and conditions set forth in the Informative Document made available along with this Explanatory Report, granting the Board of Directors all the powers needed to implement the Plan, including through persons delegated for this purpose, resolving: i) the annual award of Eni Shares to the Chief Executive Officer; ii) the approval of the Regulation for each annual award; iii) the identification of the Beneficiaries on the basis of the defined criteria; iv) and any other terms and conditions for implementation provided they do not conflict with this resolutions;
- to authorize the Board to dispose of up to 11 (eleven) million treasury shares to serve the implementation of the Plan."

\* \* \* \* \*

There are no changes in the number of participants.

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\* \* \* \* \*

Once the voting has taken place, I, the notary, announce the result (as registered by the structure used to ascertain the outcome of the use of remote voting devices) for the vote on item 11 of the agenda.

Voting in favour were

1,609 (one thousand six hundred nine) holders of 1,790,095,758 (one billion seven hundred ninety million ninety-five thousand seven hundred fifty-eight) shares.

Voting against were

1,469 (one thousand four hundred sixty-nine) holders of 482,153,455 (four hundred eighty-two million one hundred fifty-three thousand four hundred fifty-five) shares.

Abstaining were

19 (nineteen) holders of 14,399,155 (fourteen million three hundred ninety-nine thousand one hundred fifteen) shares.

Not voting were

35 (thirty-five) holders of 18,721,121 (eighteen million seven hundred twenty-one thousand one hundred twenty-one) shares.

\* \* \* \* \*

I, the notary, announce that the proposal is approved by a majority.

**The list setting out the results of the vote** is attached to these minutes as **Annex "L"**.

It is specified that the number of shareholders voting for, against,

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abstaining and not voting is 2 (two) higher than the number of voters as one shareholder split his vote.

\* \* \* \* \*

The Chairman calls for a vote on the proposal under **item 12** of the agenda, as follows:

"The Ordinary Shareholders' Meeting,

resolves

in favour of the first section of the Remuneration Report regarding the Company's policy on the remuneration of Board Directors and other managers with strategic responsibilities and the procedures used to adopt and implement this policy."

\* \* \* \* \*

There are no changes in the number of participants.

\* \* \* \* \*

Once the voting has taken place, I, the notary, announce the result (as registered by the structure used to ascertain the outcome of the use of remote voting devices) for the vote on item 12 of the agenda.

Voting in favour were

2,885 (two thousand eight hundred eighty-five) holders of 2,205,976,097 (two billion two hundred five million nine hundred seventy-six thousand ninety-seven) shares.

Voting against were

149 (one hundred forty-nine) holders of 69,759,323 (sixty-nine million

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seven hundred fifty-nine thousand three hundred twenty-three) shares.

Abstaining were

67 (sixty-seven) holders of 14,323,961 (fourteen million three hundred twenty-three thousand nine hundred sixty-one) shares.

Not voting were

31 (thirty-one) holders of 15,310,108 (fifteen million three hundred ten thousand one hundred eight) shares.

\* \* \* \* \*

I, the notary, announce that the proposal is approved by a majority.

**The list setting out the results of the vote** is attached to these minutes as **Annex "M"**.

It is specified that the number of shareholders voting for, against, abstaining and not voting is 2 (two) higher than the number of voters as one shareholder split his vote.

\* \* \* \* \*

The Chairman calls for a vote on the proposal of the Board of Directors under **item 3** of the agenda, as follows:

""The Ordinary Shareholders' Meeting,

resolves

to set the number of Directors to be appointed by the Shareholders' Meeting at nine."

\* \* \* \* \*

There are no changes in the number of participants.

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\* \* \* \* \*

Once the voting has taken place, I, the notary, announce the result (as registered by the structure used to ascertain the outcome of the use of remote voting devices) for the vote on item 3 of the agenda.

Voting in favour were

3,089 (three thousand eighty-nine) holders of 2,291,479,132 (two billion two hundred ninety-one million four hundred seventy-nine thousand one hundred thirty-two) shares.

Voting against were

4 (four) holders of 101.461 (one hundred one thousand four hundred sixty-one) shares.

Abstaining were

20 (twenty) holders of 3,084,788 (three million eighty-four thousand seven hundred eighty-eight) shares.

Not voting were

19 (nineteen) holders of 10,704,108 (ten million seven hundred four thousand one hundred eight) shares.

\* \* \* \* \*

I, the notary, announce that the proposal is approved by a majority.

**The list setting out the results of the vote** is attached to these minutes as **Annex "N"**.

It is specified that the number of shareholders voting for, against, abstaining and not voting is 2 (two) higher than the number of voters as one

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shareholder split his vote.

\* \* \* \* \*

The Chairman calls for a vote on the proposal of the Board of Directors under **item 4** of the agenda, as follows:

"The Ordinary Shareholders' Meeting,

resolves

to set the term of the office of the Directors to be appointed to three financial years, this term expiring on the date of the Shareholders' Meeting called to approve Eni's financial statements for the year ended December 31, 2019."

\* \* \* \* \*

There are no changes in the number of participants.

\* \* \* \* \*

Once the voting has taken place, I, the notary, announce the result (as registered by the structure used to ascertain the outcome of the use of remote voting devices) for the vote on item 4 of the agenda.

Voting in favour were

3,078 (three thousand seventy-eight) holders of 2,289,480,869 (two billion two hundred eighty-nine million four hundred eighty thousand eight hundred sixty-nine) shares.

Voting against were

17 (seventeen) holders of 2,105,692 (two million one hundred five thousand six hundred ninety-two) shares.

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Abstaining were

16 (sixteen) holders of 3,078,540 (three million seventy-eight thousand five hundred forty) shares.

Not voting were

21 (twenty-one) holders of 10,704,388 (ten million seven hundred four thousand three hundred eighty-eight) shares.

\* \* \* \* \*

I, the notary, announce that the proposal is approved by a majority.

**The list setting out the results of the vote** is attached to these minutes as **Annex "O"**.

It is specified that the number of shareholders voting for, against, abstaining and not voting is 2 (two) higher than the number of voters as one shareholder split his vote.

\* \* \* \* \*

The Chairman calls for a vote on the proposal of the Board of Directors under **item 5** of the agenda concerning the appointment of the Directors and puts slate no. 1 (submitted by the Ministry of the Economy and Finance) and slate no. 2 (submitted by a group of shareholders including asset management companies and other investors) to the vote.

The Chairman explains that button no. 1 should be pressed to vote for the slate submitted by the Ministry of the Economy and Finance and button no. 2 should be pressed to vote for the slate submitted by a group of shareholders including asset management companies and other investors.

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Pressing the button marked “AGAINST” means voting against all of the slates.

Shareholders may also press the button marked “ABSTAIN”.

She also reminds shareholders that if no button is pressed they will be considered as “not voting” and therefore absent.

\* \* \* \* \*

There are no changes in the number of participants.

\* \* \* \* \*

Once the voting has taken place, I, the notary, announce the result (as registered by the structure used to ascertain the outcome of the use of remote voting devices) for the vote on item 5 of the agenda

Voting in favour of slate no. 1 were

326 (three hundred twenty-six) holders of 1,297,468,788 (one billion two hundred ninety-seven million four hundred sixty-eight thousand seven hundred eighty-eight) shares.

Voting in favour of slate no. 2 were

2,715 (two thousand seven hundred fifteen) holders of 987,228,423 (nine hundred eighty-seven million two hundred twenty-eight thousand four hundred twenty-three) shares.

Voting against both slates were

67 (sixty-seven) holders of 11,926,487 (eleven million nine hundred twenty-six thousand four hundred eighty-seven) shares.

Abstaining were



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14 (fourteen) holders of 2,747,807 (two million seven hundred forty-seven thousand eight hundred seven) shares.

Not voting were

10 (ten) holders of 5,997,984 (five million nine hundred ninety-seven thousand nine hundred eighty-four) shares.

\* \* \* \* \*

**The list setting out the results of the vote** is attached to these minutes as **Annex "P"**.

It is specified that the number of shareholders voting for, against, abstaining and not voting is 2 (two) higher than the number of voters as one shareholder split his vote.

\* \* \* \* \*

As a result of the vote above, the following persons shall serve as members of the Board of Directors until the Shareholders' Meeting called to approve the 2019 financial statements:

- Emma Marcegaglia;
- Claudio Descalzi;
- Fabrizio Pagani;
- Diva Moriani;
- Andrea Gemma;
- Domenico Trombone;

from the slate (slate no. 1) submitted by the **Ministry of the Economy and Finance**, which received the majority of the votes, and:

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- Alessandro Lorenzi;
- Karina Audrey Litvack;
- Pietro Guindani.

from the slate (slate no. 2) submitted by **a group of shareholders including asset management companies and other investors.**

\* \* \* \* \*

With regard to **item 6** on the agenda, the Chairman calls for a vote on the proposal of the Ministry of the Economy and Finance to appoint Emma Marcegaglia as Chairman of the Board of Directors.

\* \* \* \* \*

There are no changes in the number of participants.

\* \* \* \* \*

Once the voting has taken place, I, the notary, announce the result (as registered by the structure used to ascertain the outcome of the use of remote voting devices) for the vote on item 6 of the agenda.

Voting in favour were

2,972 (two thousand nine hundred seventy-two) holders of 2,269,880,187 (two billion two hundred sixty-nine million eight hundred eighty thousand one hundred eighty-seven) shares.

Voting against were

107 (one hundred seven) holders of 12,881,797 (twelve million eight hundred eighty-one thousand seven hundred ninety-seven) shares.

Abstaining were

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21 (twenty-one) holders of 7,293,397 (seven million two hundred ninety-three thousand three hundred ninety-seven) shares.

Not voting were

32 (thirty-two) holders of 15,314,108 (fifteen million three hundred fourteen thousand one hundred eight) shares.

\* \* \* \* \*

I, the notary, announce that the proposal is approved by a majority.

Accordingly, **Emma Marcegaglia**, the first candidate listed on slate no. 1, which received the highest number of votes, is appointed Chairman of the Board of Directors.

**The list setting out the results of the** vote is attached to these minutes as **Annex "Q"**.

It is specified that the number of shareholders voting for, against, abstaining and not voting is 2 (two) higher than the number of voters as one shareholder split his vote.

\* \* \* \* \*

As a result of the votes on items 5 and 6 of the agenda of this Shareholders' Meeting, the Board of Directors that will serve a term of three financial years until the Shareholders' Meeting called to approve the 2019 financial statements is therefore composed of the following members:

- EMMA MARCEGAGLIA, born in Mantua on December 24, 1965, taxpayer ID no. MRC MME 65T64 E897Q, Italian citizen - Chairman;
- CLAUDIO DESCALZI, born in Milan on February 27, 1955, taxpayer ID

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no. DSC CLD 55B27 F205V, Italian citizen;

- FABRIZIO PAGANI, born in Pisa on January 4, 1967, taxpayer ID no.

PGN FRZ 67A04 G702X, Italian citizen;

- DIVA MORIANI, born in Arezzo on October 18, 1968, taxpayer ID no.

MRN DVI 68R58 A390S, Italian citizen;

- ANDREA GEMMA, born in Rome on May 10, 1973, taxpayer ID no.

GMM NDR 73E10 H501D, Italian citizen;

- DOMENICO LIVIO TROMBONE, born in Potenza on August 31, 1960,

taxpayer ID no. TRM DNC 60M31 G942Q, Italian citizen;

- ALESSANDRO LORENZI, born in Turin on October 22, 1948, taxpayer

ID no. LRN LSN 48R22 L219R, Italian citizen;

- KARINA AUDREY LITVACK, born in Montreal (Canada) on December

7, 1962, Canadian and French citizen;

- PIETRO ANGELO MARIO ANTONIO GUINDANI, born in Milan on

January 11, 1958, taxpayer ID no. GND PRN 58A11 F205N, Italian citizen;

all domiciled for the purposes of their position in Rome, Piazzale Enrico Mattei no. 1.

\* \* \* \*

The Chairman calls for a vote on the proposal to determine the remuneration of the Chairman and the members of the Board of Directors, under item 7 on the agenda, as proposed by the representative of the Ministry of the Economy and Finance.

\* \* \* \* \*

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There are no changes in the number of participants.

\* \* \* \* \*

Once the voting has taken place, I, the notary, announce the result (as registered by the structure used to ascertain the outcome of the use of remote voting devices) for the vote on item 7 of the agenda.

Voting in favour were

2,876 (two thousand eight hundred seventy-six) holders of 2,215,140,862 (two billion two hundred fifteen million one hundred forty thousand eight hundred sixty-two) shares.

Voting against were

194 (one hundred ninety-four) holders of 69,059,524 (sixty-nine million fifty-nine thousand five hundred twenty-four) shares.

Abstaining were

31 (thirty-one) holders of 5,859,090 (five million eight hundred fifty-nine thousand ninety) shares.

Not voting were

31 (thirty-one) holders of 15,310,013 (fifteen million three hundred ten thousand thirteen) shares.

\* \* \* \* \*

I, the notary, announce that the proposal is approved by a majority.

**The list setting out the results of the vote** is attached to these minutes as **Annex "R"**.

It is specified that the number of shareholders voting for, against,

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abstaining and not voting is 2 (two) higher than the number of voters as one shareholder split his vote.

\* \* \* \* \*

Therefore the remuneration of the Chairman of the Board of Directors and of the Directors is as follows:

\* gross annual compensation of €90,000.00 (ninety thousand point zero zero) for the Chairman of the Board of Directors, plus expenses;

\* gross annual compensation of €80,000.00 (eighty thousand point zero zero) for each Director, plus expenses.

\* \* \* \* \*

The Chairman calls for a vote on the proposal of the Board of Directors under **item 8** of the agenda with regard to the appointment of the members of the Board of Statutory Auditors and therefore puts slate no. 1 (submitted by the Ministry of the Economy and Finance) and slate no. 2 (submitted by a group of shareholders including asset management companies and other investors) to the vote.

The Chairman explains that button no. 1 should be pressed to vote for the slate submitted by the Ministry of the Economy and Finance and button no. 2 should be pressed to vote for the slate submitted by a group of shareholders including asset management companies and other investors.

Pressing the button marked “AGAINST” means voting against all of the slates.

Shareholders may also press the button marked “ABSTAIN”.

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She also reminds shareholders that if no button is pressed they will be considered as “not voting” and therefore absent.

\* \* \* \* \*

There are no changes in the number of participants.

\* \* \* \* \*

Once the voting has taken place, I, the notary, announce the result (as registered by the structure used to ascertain the outcome of the use of remote voting devices) for the vote on item 8 of the agenda.

Voting in favour of slate no. 1 were

2,108 (two thousand one hundred eight) holders of 1,958,287,743 (one billion nine hundred fifty-eight million two hundred eighty-seven thousand seven hundred forty-three) shares.

Voting in favour of slate no. 2 were

916 (nine hundred sixteen) holders of 325,856,285 (three hundred twenty-five million eight hundred fifty-six thousand two hundred eighty-five) shares.

Voting against both slates were

36 (thirty-six) holders of 918,466 (nine hundred eighteen thousand four hundred sixty-six) shares.

Abstaining were

15 (fifteen) holders of 1,446,480 (one million four hundred forty-six thousand four hundred eighty) shares.

Not voting were

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57 (fifty-seven) holders of 18,860,515 (eighteen million eight hundred sixty thousand five hundred fifteen) shares.

\* \* \* \* \*

**The list setting out the results of the** vote is attached to these minutes as **Annex "S"**.

It is specified that the number of shareholders voting for, against, abstaining and not voting is 2 (two) higher than the number of voters as one shareholder split his vote.

\* \* \* \* \*

As a results of the vote above, the following persons shall serve as members of the Board of Statutory Auditors until the Shareholders' Meeting called to approve the 2019 financial statements:

- Paola Camangi – Standing auditor;
- Andrea Parolini - Standing auditor;
- Marco Seracini - Standing auditor;
- Stefania Bettoni – Alternate auditor;

from the slate (slate no. 1) submitted by the **Ministry of the Economy and Finance**, which received the majority of the votes, and:

- Rosalba Casiraghi - Standing auditor;
- Enrico Maria Bignami - Standing auditor;
- Claudia Mezzabotta - Alternate auditor;

from the slate (slate no. 2) submitted by a group of shareholders including asset management companies and other investors.



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\* \* \* \* \*

The Chairman calls for a vote on the proposal of the Board of Directors under **item 9** of the agenda, as follows::

"Dear Shareholders,

You are invited to appoint as Chairman of the Board of Statutory Auditors one of the standing Auditors from the slate submitted by a group of shareholders including asset management companies and other investors, which received a minority of the votes."

Angelo Cardarelli, representing the funds that submitted slate no. 2, proposes to appoint Rosalba Casiraghi as Chairman of the Board of Statutory Auditors.

\* \* \* \* \*

There are no changes in the number of participants.

\* \* \* \* \*

Once the voting has taken place, the result is announced (as registered by the structure used to ascertain the outcome of the use of remote voting devices) for the vote on item 9 of the agenda.

Voting in favour were

3,065 (three thousand sixty-five) holders of 1,189,954,494 (one billion one hundred eighty-nine million nine hundred fifty-four thousand four hundred ninety-four) shares.

Voting against were

7 (seven) holders of 223.114 (two hundred twenty-three thousand one

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hundred fourteen) shares.

Abstaining were

20 (twenty) holders of 6,139,948 (six million one hundred thirty-nine thousand nine hundred forty-eight) shares.

Not voting were

40 (forty) holders of 1,109,051,933 (one billion one hundred nine million fifty-one thousand nine hundred thirty-three) shares.

\* \* \* \* \*

I, the notary, announce that the proposal is approved by a majority.

**The list setting out the results of the** vote is attached to these minutes as **Annex "T"**.

It is specified that the number of shareholders voting for, against, abstaining and not voting is 2 (two) higher than the number of voters as one shareholder split his vote.

\* \* \* \* \*

As a consequence of the vote, **Rosalba Casiraghi** is appointed Chairman of the Board of Statutory Auditors.

\* \* \* \* \*

As a result of the votes on items 8 and 9 of the agenda for this Meeting, the Board of Statutory Auditors, which will serve a term of office of three financial years ending with the Shareholders' Meeting called to approve the 2019 financial statements, is composed as follows:

**STANDING AUDITORS:**

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- ROSALBA CASIRAGHI, born in Milan on June 17, 1950, domiciled in Fino Mornasco (CO), Via Garibaldi no. 2, taxpayer ID no. CSR RLB 50H57 F205Y, Italian citizen, Register of Auditors no. 11897 - Ministerial Decree of April 12, 1995 - *Gazzetta Ufficiale* no. 31-bis of April 21, 1995;

- ENRICO MARIA BIGNAMI, born in Milan on May 7, 1957, domiciled in Milan, Via Sant'Eufemia no. 17, taxpayer ID no. BGN NCM 57E07 F205V, Italian citizen, Register of Auditors no. 6086 - Ministerial Decree of April 12, 1995 - *Gazzetta Ufficiale* no. 31-bis of April 21, 1995;

- PAOLA CAMAGNI, born in Milan on December 22, 1970, domiciled in Milan, Via Meravigli no. 16, taxpayer ID no. CMG PLA 70T62 F205M, Italian citizen, Register of Auditors no. 91220 - Ministerial Decree of October 15, 1999 - *Gazzetta Ufficiale* no. 87 of November 2, 1999;

- ANDREA PAROLINI, born in Lecco on December 29, 1967, domiciled in Milan, Piazzetta Bossi Maurilio no. 1, taxpayer ID no. PRL NDR 67T29 E507Y, Register of Auditors no. 93107 - Ministerial Decree of October 15, 1999 - *Gazzetta Ufficiale* no. 87 of November 2, 1999;

- MARCO SERACINI, born in Florence on September 2, 1957, domiciled in Florence, Via Zara no. 3, taxpayer ID no. SRC MRC 57P02 D612E, Italian citizen, Register of Auditors no. 54362 - Ministerial Decree of April 12, 1995 - *Gazzetta Ufficiale* no. 31-bis of April 21, 1995.

**ALTERNATE AUDITORS:**

- CLAUDIA MEZZABOTTA, born in Fano (PU) on February 3, 1970, domiciled in Milan, Via Carlo Pisacane no. 24, taxpayer ID no. MZZ CLD

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70B43 D488M, Italian citizen, Register of Auditors no. 72022 - Ministerial Decree of May 26, 1999 - *Gazzetta Ufficiale* no. 45 of June 8, 1999;  
- STEFANIA BETTONI, born in Brescia on February 3, 1969, domiciled in Milan, Via Pietro Mascagni no. 14, taxpayer ID no. BTT SFN 69B43 B157F, Italian citizen, Register of Auditors no. 71332 - Ministerial Decree of May 26, 1999 - *Gazzetta Ufficiale* no. 45 of June 8, 1999.

\* \* \* \* \*

The Chairman calls for a vote on the proposal of determination of the remuneration of the Chairman of the Board of Statutory Auditors at the standing auditors under **item 10** on the agenda, as submitted by the representative of the Ministry of the Economy and Finance.

\* \* \* \* \*

There are no changes in the number of participants.

\* \* \* \* \*

Once the voting has taken place, I, the notary, announce the result (as registered by the structure used to ascertain the outcome of the use of remote voting devices) for the vote on item 10 of the agenda.

Voting in favour were

2,979 (two thousand nine hundred seventy-nine) holders of 2,274,837,460 (two billion two hundred seventy-four million eight hundred thirty-seven thousand four hundred sixty) shares.

Voting against were

92 (ninety-two) holders of 9,429,609 (nine million four hundred

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twenty-nine six hundred nine) shares.

Abstaining were

30 (thirty) holders of 5,900,397 (five million nine hundred thousand three hundred ninety-seven) shares.

Not voting were

31 (thirty-one) holders of 15,202,023 (fifteen million two hundred two thousand twenty-three) shares.

\* \* \* \* \*

I, the notary, announce that the proposal is approved by a majority.

**The list setting out the results of the vote** is attached to these minutes as **Annex "U"**.

It is specified that the number of shareholders voting for, against, abstaining and not voting is 2 (two) higher than the number of voters as one shareholder split his vote.

\* \* \* \* \*

Therefore the remuneration of the Chairman of the Board of Statutory Auditors and of the standing auditors is as follows:

- gross annual compensation of ~~€~~80,000.00 (eighty thousand point zero zero) for the Chairman of the Board of Statutory Auditors, plus expenses;
- gross annual compensation of €70,000.00 (seventy thousand point zero zero) for each standing auditor, plus expenses.

\* \* \* \* \*

The Chairman – after first thanking all the participants of the

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Shareholders' Meeting, the Directors and in particular the Chief Executive Officer, the auditors and the Eni staff - as nothing is left to be discussed, declares that the agenda has been completed and adjourns the Meeting.

The time is 5:32 p.m.

All of the above is hereby documented in these minutes."

\* \* \* \* \*

I, notary, am exempted from reading the attachments.

\* \* \* \* \*

As further requested, I have completed and received this document and read it to the party here before me, who, when asked, approves it, declaring that it represents her intentions, and signs it at 8:15 p.m. in the 42 sheets of which it consists, written in part by a person known to me and in part by me, notary public, covering one hundred sixty-six full pages and twenty-two lines of this page.

Signed: MARCEGAGLIA EMMA

Signed: Paolo Castellini - Notary