

Debt Issuance Programme Base Prospectus dated 2 October 2020



**Eni S.p.A.**

*(incorporated with limited liability in the Republic of Italy)  
as Issuer and as Guarantor of the Notes issued by*

**Eni Finance International SA**

*(incorporated with limited liability in the Kingdom of Belgium)  
as Issuer*

**Euro 20,000,000,000**

**EURO MEDIUM TERM NOTE PROGRAMME FOR THE ISSUANCE OF NOTES WITH A MATURITY OF MORE THAN 12 MONTHS FROM THE DATE OF ORIGINAL ISSUE**

Under the Euro Medium Term Note Programme (the “**Programme**”) described in this Debt Issuance Programme Base Prospectus (the “**Base Prospectus**”), each of Eni S.p.A. (“**Eni**” and the “**Company**”) and Eni Finance International SA (“**EFI**”) and, in its capacity as an issuer of Notes (as defined below), together with Eni in such capacity, the “**Issuers**” and each of EFI and Eni, in such capacity, individually, an “**Issuer**”), in accordance with the Distribution Agreement (as defined on page 153) and the Agency Agreement (as defined on page 61) and subject to compliance with all relevant laws, regulations and directives, may from time to time issue Euro Medium Term Notes (the “**Notes**”). Notes issued by Eni (“**Eni Notes**”) will constitute *obbligazioni* pursuant to Article 2410 et seq. of the Italian Civil Code. Notes issued by EFI (“**EFI Notes**”) will be unconditionally and irrevocably guaranteed as to payments of principal, premium (if any) and interest (if any) by Eni (in such capacity, the “**Guarantor**”). The aggregate nominal amount of Notes outstanding will not at any time exceed euro 20,000,000,000 (or the equivalent in other currencies).

Application has been made to the Luxembourg Commission de Surveillance du Secteur Financier (the “**CSSF**”), in its capacity as competent authority under the Luxembourg Act dated 16 July 2019 (the “**Luxembourg Prospectus Act**”) relating to prospectuses for securities, for the approval of this Base Prospectus as a base prospectus for the purpose of Article 8 of Regulation (EU) 1129/2017, as amended or superseded (the “**Prospectus Regulation**”). Pursuant to article 6(4) of the Luxembourg Prospectus Act, by approving this prospectus, the CSSF gives no undertaking as to the economic and financial soundness of the Notes to be issued hereunder or the quality or solvency of the Issuers.

Application has also been made to the Luxembourg Stock Exchange for the Notes described in this Base Prospectus to be admitted to the official list of the Luxembourg Stock Exchange (the “**Official List**”) and to be admitted to trading on the regulated market of the Luxembourg Stock Exchange during the period of 12 months after the date hereof. The Luxembourg Stock Exchange’s regulated market is a regulated market for the purpose of Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments (“**MIFID II**”). The Programme also permits Notes to be issued on the basis that they will not be admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system or to be admitted to listing, trading and/or quotation by such other or further listing authorities, stock exchanges and/or quotation systems. The relevant Final Terms (as defined herein) in respect of the issue of any Notes will specify whether or not such Notes will be listed on the Official List and admitted to trading on the regulated market of the Luxembourg Stock Exchange and/or such other listing authority, stock exchange and/or quotation system, as the case may be, on or before the date of issue of the Notes of each Tranche (as defined on page 9).

This Base Prospectus has been approved by the CSSF, as competent authority under the Prospectus Regulation. The CSSF only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuers or the quality of the Notes that are the subject of this Base Prospectus and investors should make their own assessment as to the suitability of investing in the Notes.

This Base Prospectus shall be valid for admission to trading of Notes on a regulated market for the purposes of MiFID II for 12 months after the approval by the CSSF and shall expire on 2 October 2021, provided that it is completed by any supplement, pursuant to Article 23 of the Prospectus Regulation, following the occurrence of a significant new factor, a material mistake or a material inaccuracy relating to the information included (including incorporated by reference) in this Base Prospectus which may affect the assessment of the Notes. After such date, the Base Prospectus will expire and the obligation to supplement this Base Prospectus in the event of significant new factors, material mistakes or material inaccuracies will no longer apply.

The minimum denomination of all Notes issued under the Programme shall be euro 100,000 and integral multiples of euro 1,000 in excess thereof (or its equivalent in any other currency as at the date of issue of the Notes).

Each Series (as defined on page 9) of Eni Notes in bearer form will be represented on issue by a temporary global note in bearer form (each, a “**temporary Global Note**”) or a permanent global note in bearer form (each, a “**permanent Global Note**”) and, together with the temporary Global Note, the “**Global Notes**”). EFI Notes will be in bearer form only and each Series will be represented on issue by a permanent global note in bearer form (each, a “**permanent Global Note**”). Bearer Notes cannot be physically delivered in Belgium (except to a clearing system for immobilisation). Upon exchange into Definitive Notes (as defined herein), EFI will arrange for the bearer form Notes to be delivered outside Belgium. Eni Notes in registered form will be represented by registered certificates (each, a “**Certificate**”), one Certificate being issued in respect of each Noteholder’s (as defined herein) entire holding of Registered Notes of one Series. Registered Notes issued in global form will be represented by registered global certificates (“**Global Certificates**”). If a Global Certificate is held under the New Safekeeping Structure (the “**NSS**”), the Global Certificate will be delivered on or prior to the original issue date of the relevant Tranche to a Common Safekeeper for Euroclear and Clearstream, Luxembourg. In the case of Eni Notes, if the Global Notes are stated in the applicable Final Terms to be issued in new global note (“**NGN**”) form, the Global Notes will be delivered on or prior to the original issue date of the relevant Tranche to a common safekeeper (the “**Common Safekeeper**”) for Euroclear Bank SA/NV (“**Euroclear**”) and Clearstream Banking S.A. (“**Clearstream, Luxembourg**”) (the “**Common Depository**”).

Global Notes which are not issued in NGN form (“**CGNs**”) and Global Certificates which are not held under the NSS may (or in the case of Notes listed on the Luxembourg Stock Exchange, will) be deposited on the issue date of the relevant Tranche with a common depository on behalf of Euroclear and Clearstream, Luxembourg. EFI Notes will be deposited with the operator of the NBB Securities Settlement System (as defined herein), currently being the National Bank of Belgium or any successor thereto (the “**NBB**”). Accordingly, EFI Notes will be subject to the applicable settlement regulations, including the Belgian law of 6 August 1993 on transactions in certain securities, its implementing Belgian Royal Decrees of 26 May 1994 and 14 June 1994 and the rules of the NBB Securities Settlement System and its annexes, as issued or modified by the NBB from time to time (together the “**NBB Securities Settlement System Regulations**”). Upon deposit, the Global Notes will be immobilised. An amount equal to their respective portion of the principal amount of the EFI Notes will be credited to holders having a book-entry interest in the EFI Notes, to the securities accounts they hold with participants in the NBB Securities Settlement System. Global Notes issued by EFI can only be exchanged in Definitive Notes in certain limited circumstances. The provisions governing the exchange of interests in Global Notes for other Global Notes and Definitive Notes (as defined on page 99) are described in “Overview of Provisions Relating to the Notes while in Global Form”.

The Programme has been rated “A-” by S&P Global Ratings Europe Limited (“**Standard & Poor’s**”), “Baa1” by Moody’s Deutschland GmbH (“**Moody’s**”) and “A-” by Fitch Ratings Ireland Limited (“**Fitch**”). Standard & Poor’s, Moody’s and Fitch are established in the European Union and registered under Regulation (EC) No 1060/2009 (as amended) on credit rating agencies (the “**CRA Regulation**”), as set out in the list of credit rating agencies registered in accordance with the CRA Regulation published on the website of the European Securities and Markets Authority (“**ESMA**”) at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>, pursuant to the CRA Regulation. Tranches of Notes issued under the Programme may be rated or unrated. Where a Tranche of Notes is to be rated, such ratings may not necessarily be the same as the ratings assigned to the Programme and shall be specified in the relevant Final Terms. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. Whether or not each credit rating applied for in relation to any Tranche of Notes will be treated as having been issued by a credit rating agency established in the European Union or the United Kingdom (“**UK**”) and registered under the CRA Regulation will be disclosed in the relevant Final Terms.

The amount of interest payable under Floating Rate Notes will be calculated by reference to the London Interbank Offered Rate (“**LIBOR**”) or the Euro Interbank Offered Rate (“**EURIBOR**”), as specified in the relevant Final Terms. As at the date of this Base Prospectus, the ICE Benchmark Administration (as administrator of LIBOR) and the European Money Markets Institute (as administrator of EURIBOR) are included in register of administrators maintained by ESMA under Article 36 of the Regulation (EU) No. 2016/1011 (the “**Benchmarks Regulation**”).

Notes issued under the Programme will not be offered or sold to “consumers” within the meaning of the Belgian Code of Economic Law (*Wetboek van economisch recht/Code de droit économique*).

**Prospective investors should have regard to the factors described under the section headed “Risk Factors” in this Base Prospectus. The Base Prospectus does not describe all of the risks of an investment in the Notes.**

The issue price and the amount of the relevant Notes will be determined at the time of the offering of each Tranche based on then prevailing market conditions.

*Arranger for the Programme*  
**Goldman Sachs International**

<http://www.oblible.com>

*Dealers*

BNP PARIBAS  
Deutsche Bank  
IMI – Intesa Sanpaolo  
J.P. Morgan  
NatWest Markets

Barclays  
Credit Suisse  
Goldman Sachs International  
HSBC  
Morgan Stanley  
UBS Investment Bank

UniCredit Bank

**This Base Prospectus comprises two base prospectuses in respect of each of Eni and EFI for the purposes of Article 8 of the Prospectus Regulation.**

**Each Issuer (with respect to itself) and the Guarantor (with respect to itself and jointly and severally with EFI) (the addresses of the registered office of the Issuers and the Guarantor appear on page 176 of this Base Prospectus) accepts responsibility for the information contained in this Base Prospectus. To the best of the knowledge of each Issuer (with respect to itself) and the Guarantor (with respect to itself and jointly and severally with EFI), the information contained in this Base Prospectus is in accordance with the facts in all material respects and does not omit anything likely to affect the import of such information in any material respect, in each case in the context of the issue of Notes under the Programme.**

**This Base Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see “Documents Incorporated by Reference”).**

**No person has been authorised to give any information or to make any representation other than those contained in this Base Prospectus in connection with the Programme or with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuers, the Guarantor or any of the Dealers or the Arranger (as defined in “General Description of the Programme”). Neither the delivery of this Base Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuers or the Guarantor since the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial position of either of the Issuers or the Guarantor since the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.**

**The Notes issued under the Programme are not intended for sale or distribution to, or to be held by, persons in any jurisdiction other than “professional”, “qualified” or “sophisticated” investors (within the meaning of any applicable laws), including persons whose ordinary activities involve them acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in any country or jurisdiction in which action for that purpose is required. The distribution of this Base Prospectus and the offering or sale of the Notes in certain jurisdictions may be restricted by any applicable laws. Persons into whose possession this Base Prospectus comes are required by the Issuers, the Guarantor, the Dealers and the Arranger to inform themselves about and to observe any such restriction. The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the “Securities Act”), and include Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons.**

**PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the “EEA”) or in the United Kingdom (“UK”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “MiFID II”); (ii) a customer within the meaning of Directive (EU) 2016/97 (the “Insurance Distribution Directive”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation.**

Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the “PRIIPs Regulation”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.

MiFID II product governance / target market – The applicable Final Terms in respect of any Notes will include a legend entitled “MiFID II product governance” which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a distributor) should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the Product Governance rules under EU Delegated Directive 2017/593 (the “MiFID Product Governance Rules”), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

Notes issued under the Programme will not be offered or sold to “consumers” within the meaning of the Belgian Code of Economic Law (*Wetboek van economisch recht/Code de droit économique*).

For a description of certain restrictions on offers and sales of Notes and on distribution of this Base Prospectus, see “Plan of Distribution” below.

This Base Prospectus does not constitute nor shall it be construed as an offer of, or an invitation by or on behalf of the Issuers, the Guarantor or the Dealers to subscribe for, or purchase, any Notes.

To the fullest extent permitted by law, none of the Dealers or the Arranger accepts any responsibility for the contents of this Base Prospectus or for any acts or omissions of the Issuers, the Guarantor or any other person in connection with this Base Prospectus or the issue and offering of Notes under the Programme. The Arranger and each Dealer accordingly disclaim all and any liability whether arising in tort or contract which it might otherwise have in respect of the contents of this Base Prospectus or for any acts or omissions of the Issuers, the Guarantor or any other person in connection with this Base Prospectus or the issue and offering of Notes under the Programme. None of this Base Prospectus nor any other financial statements nor any document incorporated by reference herein is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by either of the Issuers, the Guarantor, the Arranger or the Dealers that any recipient of this Base Prospectus or any other financial statements should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Base Prospectus and its purchase of Notes should be based upon such investigation as it deems necessary.

None of the Dealers or the Arranger undertakes to review the financial condition or affairs of the Issuers or the Guarantor during the life of the arrangements contemplated by this Base Prospectus nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers or the Arranger.

**NOTES MAY NOT BE A SUITABLE INVESTMENT FOR ALL INVESTORS – Each potential investor in any Notes must determine the suitability of that investment in the light of its own circumstances. In particular, each potential investor should:**

- **have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement;**
- **have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact such investment will have on its overall investment portfolio;**
- **have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor’s currency;**
- **understand thoroughly the terms of the relevant Notes and be familiar with the behaviour of any relevant financial markets; and**
- **be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.**

Some Notes are complex financial instruments and such instruments may be purchased as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential investor’s overall investment portfolio.

In connection with the issue of any Tranche (as defined in “General Description of the Programme — Method of Issue”), the Dealer or Dealers (if any) named as the stabilising manager(s) (the “Stabilising Manager(s)”) in the applicable Final Terms (or any person acting on behalf of any Stabilising Manager(s)) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche and 60 days after the date of the allotment of the relevant Tranche. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or any person acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

In this Base Prospectus, unless otherwise specified or the context otherwise requires, all references to “£” or “Sterling” are to the currency of the United Kingdom, all references to “U.S. dollars” are to the currency of the United States of America and all references to “€”, “euro” and “Euro” are to the lawful currency introduced at the start of the third stage of the European Economic and Monetary Union pursuant to the Treaty on the Functioning of the European Union, as amended from time to time.

**The language of this Base Prospectus is English. Any foreign language text that is included with or within this document, or in any document incorporated by reference in this Base Prospectus, has been included for convenience purposes only and does not form part of this Base Prospectus.**

**In compliance with the requirements of the Luxembourg Stock Exchange, this Base Prospectus is and, in the case of Notes listed on the Official List and admitted to trading on the regulated market of the Luxembourg Stock Exchange, the relevant Final Terms will be, available on the website of the Luxembourg Stock Exchange (*www.bourse.lu*).**

**For the avoidance of doubt, the contents of any websites referred to herein do not form part of this Base Prospectus unless specifically incorporated by reference.**

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## GENERAL DESCRIPTION OF THE PROGRAMME

*The following general description is qualified in its entirety by the remainder of this Base Prospectus.*

The following constitutes a general description of the Programme for the purposes of Article 25 of Commission Delegated Regulation (EU) No. 2019/980.

<b>Issuers</b>	Eni S.p.A. (“ <b>Eni</b> ”) Eni Finance International SA (“ <b>EFI</b> ”)
<b>Issuer Legal Entity Identifier (LEI)</b>	The Legal Entity Identifier (LEI) of Eni is BUCRF72VH5RBN7X3VL35 and the Legal Entity Identifier (LEI) of EFI is 5493001XW6MSHRMFLU28.
<b>Website of Eni</b>	<a href="https://www.eni.com/en_IT/">https://www.eni.com/en_IT/</a>
<b>Website of EFI</b>	<a href="https://www.enifinanceinternational.com">https://www.enifinanceinternational.com</a>
<b>Guarantor</b>	Eni S.p.A. (in such capacity, the “ <b>Guarantor</b> ”) will unconditionally and irrevocably guarantee the due payment of all sums expressed to be payable under the Notes and Coupons issued by EFI in accordance with the Amended and Restated Distribution Agreement and the Amended and Restated Agency Agreement.
<b>Guarantor Legal Entity Identifier (LEI)</b>	BUCRF72VH5RBN7X3VL35
<b>Description</b>	Euro Medium Term Note Programme
<b>Size</b>	Euro 20,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate nominal amount of Notes outstanding at any one time.
<b>Arranger</b>	Goldman Sachs International
<b>Dealers</b>	Barclays Bank Ireland PLC BNP PARIBAS Credit Suisse Securities (Europe) Limited Deutsche Bank Aktiengesellschaft Goldman Sachs International HSBC Bank plc Intesa Sanpaolo S.p.A. J.P. Morgan Securities plc Morgan Stanley & Co. International plc NatWest Markets N.V. UBS AG London Branch UniCredit Bank AG

The Issuers may from time to time terminate the appointment of any dealer under the Programme or appoint additional dealers either in respect of one or more Tranches or in respect of the whole Programme. References in this Base Prospectus to “**Permanent Dealers**” are to the persons listed above as Dealers and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not



been terminated) and references to “**Dealers**” are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches. Any of the Issuers may be appointed as Dealers under the Programme, except that EFI shall not act as Dealer for Notes other than EFI Notes.

**Fiscal Agent**

The Bank of New York Mellon, London Branch

**Method of Issue**

The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each a “**Series**”) having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each, a “**Tranche**”) on the same or different issue dates. The specific terms of each Tranche (which will be completed, where necessary, with the relevant terms and conditions and, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be completed in the final terms document (the “**Final Terms**”) or in a separate prospectus specific to such Tranche (the “**Drawdown Prospectus**”). Eni Notes will be issued outside the Republic of Italy.

**Issue Price**

Notes may be issued at their nominal amount or at a discount or premium to their nominal amount. The Issue Price will be defined in the relevant Final Terms.

**Form of Notes**

Eni Notes may be in bearer form only (“**Bearer Notes**”), in bearer form exchangeable for registered notes (“**Exchangeable Bearer Notes**”) or in registered form only (“**Registered Notes**”). Each Tranche of Bearer Notes and Exchangeable Bearer Notes issued by Eni will be represented on issue by a temporary Global Note if (i) Definitive Notes (as defined in “Overview of Provisions Relating to the Notes while in Global Form — Delivery of Notes” below) are to be made available to Noteholders (as defined herein) following the expiry of 40 days after their issue date; or (ii) such Notes are being issued in compliance with TEFRA D (as defined in “TEFRA Exemptions” below), otherwise such Tranche will be represented by a permanent Global Note. Registered Notes will be represented by Certificates, one Certificate being issued in respect of each Noteholder’s entire holding of Registered Notes of one Series. Registered Notes issued in global form will be represented by registered global certificates (“**Global Certificates**”).

EFI Notes will be issued in bearer form and will be represented on issue, by a permanent Global Note in bearer form. The permanent Global Note will be deposited with, immobilised by and held with the operator of the NBB Securities Settlement System, currently the National Bank of Belgium or any successor thereof (the “**NBB**”). Accordingly, EFI Notes will be subject to

the applicable settlement regulations, including the Belgian law of 6 August 1993 on transactions in certain securities, its implementing Belgian Royal Decrees of 26 May 1994 and 14 June 1994 and the rules of the NBB Securities Settlement System and its annexes, as issued or modified by the NBB from time to time (together the “**NBB Securities Settlement System Regulations**”).

EFI Notes will be issued in compliance with TEFRA C (as defined in “TEFRA Exemptions” below).

### **Clearing and settlement**

The Eni Notes will be cleared through Clearstream, Luxembourg and Euroclear.

EFI Notes will be settled through the NBB Securities Settlement System, and its direct participants Euroclear and Clearstream Banking AG, Frankfurt. The Belgian Paying Agent (as defined below) will act as domiciliary agent vis-à-vis the NBB Securities Settlement System in respect of EFI Notes, pursuant to a clearing services agreement dated 3 April 2018 between the NBB, EFI as Issuer and Banque Eni SA as paying agent (the “**Belgian Paying Agent**”) (the “**Clearing Services Agreement**”). Transfers of book-entry interests in the EFI Notes will be effected between participants of the NBB Securities Settlement System (which include Euroclear and Clearstream Banking AG, Frankfurt) in accordance with the NBB Securities Settlement System Regulations and the rules and operating procedures of its participants. Transfers will in principle be settled in same day funds for value date the issue date. The EFI Notes will be traded on a fungible basis in accordance with the Belgian Coordinated Royal Decree No. 62 of 10 November 1967, governing the custody of transferable financial instruments and the settlement of transactions on these instruments.

In relation to any Tranche, the relevant Issuer, the Fiscal Agent and the relevant Dealer may agree upon another clearing system.

### **Initial Delivery of Notes**

In respect of Eni Notes, if the relevant Global Note is a NGN, or the relevant Global Certificate is held under the NSS, the Global Note or Global Certificate will be delivered to the Common Safekeeper for Euroclear and Clearstream, Luxembourg on or before the issue date for each Tranche. In respect of Eni Notes, if the relevant Global Note is a CGN, or the relevant Global Certificate is not held under the NSS, the relevant Global Note representing Bearer Notes or Exchangeable Bearer Notes or the Global Certificate representing Registered Notes may (or, in the case of Notes listed on the Official List, shall) be deposited with the Common Depositary for Euroclear and Clearstream, Luxembourg on or before the issue date for each Tranche.

Upon issue, EFI Notes will be represented by Global Notes in bearer form. The Global Note issued by EFI will be deposited with, immobilised by and held with the operator of the NBB

Securities Settlement System. An amount equal to their respective portion of the principal amount of the Global Notes will be credited to each holder of book-entry interests in the EFI Notes to the securities accounts they hold with participants in the NBB Securities Settlement System. Holders of book-entry interests will have a co-ownership right in the EFI Notes. Book-entry interests in the EFI Notes will only be exchanged for Definitive Notes in certain limited circumstances. Bearer Notes cannot be physically delivered in Belgium (except to a clearing system for immobilisation). Likewise, Definitive Notes can also not be settled through the NBB Securities Settlement System. Upon exchange, the Issuer will arrange for the bearer form Notes to be delivered outside Belgium.

Global Notes or Global Certificates may also be deposited with any other clearing system or may be delivered outside any clearing system provided that the method of such delivery has been agreed in advance by the relevant Issuer, the Fiscal Agent and the relevant Dealer. Registered Notes that are to be credited to one or more clearing systems on issue will be registered in the name of nominees or a common nominee for such clearing systems.

**Currencies**

Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in any currency agreed between the relevant Issuer, the Guarantor (in the case of EFI Notes) and the relevant Dealers.

Issues of Eni Notes will constitute *obbligazioni* pursuant to Article 2410 et seq. of the Italian Civil Code and will comply with the regulatory requirements or guidelines of the Bank of Italy, including any relevant reporting requirements of the Bank of Italy relating to the issue of debt obligations including, without limitation, the reporting requirements of Article 129 of Legislative Decree No. 385 of 1 September 1993, as amended.

**Maturities**

Subject to compliance with all relevant laws, regulations, directives and the by-laws of the relevant Issuer and the Guarantor, any maturity greater than 12 months.

**Specified Denomination**

Notes will be in such denominations as may be specified in the relevant Final Terms, provided that each Note shall be in an amount not less than euro 100,000 (or its equivalent in any other currency as at the date of issue of the relevant Notes).

**Fixed Rate Notes**

Fixed interest will be payable in arrear on the date or dates in each year specified in the relevant Final Terms.

**Floating Rate Notes**

Floating Rate Notes will bear interest determined separately for each Series as follows:

- (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006

	<p>ISDA Definitions published by the International Swaps and Derivatives Association, Inc.; or</p> <p>(ii) by reference to LIBOR or EURIBOR (or such other benchmark as may be specified in the relevant Final Terms) as adjusted for any applicable margin.</p> <p>Interest periods will be specified in the relevant Final Terms.</p>
<b>Zero Coupon Notes</b>	Zero Coupon Notes may be issued at their nominal amount or at a discount to it and will not bear interest.
<b>Interest Periods and Interest Rates</b>	The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the Notes to bear interest at different rates in the same interest period. All such information will be set out in the relevant Final Terms.
<b>Redemption</b>	The Final Terms will specify the basis for calculating the redemption amounts payable.
<b>Other Notes</b>	Terms applicable to high interest Notes, low interest Notes, step up Notes and step-down Notes that the relevant Issuer and any Dealer or Dealers may agree to issue under the Programme will be set out in the relevant Final Terms or Supplement to the Base Prospectus or the Drawdown Prospectus, as the case may be.
<b>Optional Redemption</b>	The Final Terms issued in respect of each issue of Notes will state whether such Notes may be redeemed prior to their stated maturity at the option of the relevant Issuer (either in whole or in part) and/or the holders and, if so, the terms applicable to such redemption.
<b>Status of Notes</b>	The Notes will constitute unsubordinated and (in the case of Eni Notes, unless the Notes are required to be secured pursuant to Article 2412 of the Italian Civil Code) unsecured obligations of the Issuer, all as described in “Terms and Conditions of the Notes — Status”.
<b>Status of Guarantee</b>	The guarantee in respect of EFI Notes will constitute unsubordinated and unsecured obligations of the Guarantor, all as described in “Terms and Conditions of the Notes — Status”.
<b>Negative Pledge</b>	See “Terms and Conditions of the Notes — Negative Pledge”.
<b>Cross-Default</b>	See “Terms and Conditions of the Notes — Events of Default”.
<b>Rating</b>	The Programme has been rated "A-" by Standard & Poor's, "Baa1" by Moody's and "A-" by Fitch. Standard & Poor's, Moody's and Fitch are established in the European Union and registered under the CRA Regulation. Tranches of Notes issued under the Programme will be rated or unrated. Where a Tranche of Notes is to be rated, such rating will not necessarily be the same as the ratings assigned to the Programme and will be specified in the relevant Final Terms. A security rating is not a

recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. Whether or not each credit rating applied for in relation to any Tranche of Notes will be treated as having been issued by a credit rating agency established in the European Union and registered under the CRA Regulation will be disclosed in the relevant Final Terms.

**Early Redemption**

Except as provided in “— Optional Redemption” above, Notes will be redeemable at the option of the relevant Issuer prior to maturity only for tax reasons. See “Terms and Conditions of the Notes — Redemption, Purchase and Options”.

**Withholding Tax**

All payments of principal and interest in respect of the Notes will be made free and clear of withholding taxes of the Kingdom of Belgium in the case of EFI Notes provided they are held in an exempt X-Account in the NBB Securities Settlement System and the Republic of Italy subject to certain exceptions, all as described in “Terms and Conditions of the Notes — Taxation”. See also “Belgian Taxation” and “Italian Taxation”.

**Governing Law**

The Notes and any non-contractual obligations arising out of or in connection with the Notes shall be governed by, and shall be construed in accordance with, English law. Condition 10 (*Meetings of Noteholders and Notifications*) is subject to compliance with Italian law (in the case of Eni Notes) and Conditions 10 (*Meetings of Noteholders and Notifications*) and 11 (*Replacement of Notes, [Certificates], Coupons and Talons*) are subject to compliance with Belgian law (in the case of EFI Notes).

**Listing and Admission to Trading**

Each Series may be listed on the official list of the Luxembourg Stock Exchange. Each Series may be admitted to trading on the regulated market of the Luxembourg Stock Exchange and/or such other listing authority, stock exchange and/or quotation system as specified in the relevant Final Terms or may be issued on the basis that the Notes will not be admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system.

**Selling Restrictions**

The distribution of this Base Prospectus and the offering or sale of the Notes in certain jurisdictions may be restricted by laws, regulations and directives. Specifically, selling restrictions in respect of the United States, the United Kingdom, the Republic of Italy, Belgium, the Netherlands and Japan are set out in this Base Prospectus. See “Plan of Distribution”.

**TEFRA**

Eni Notes in bearer form will be issued in compliance with U.S. Treasury Regulations §1.163-5(c)(2)(i)(D) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the U.S. Internal Revenue Code of 1986, as amended (the “Code”)) (“TEFRA D”) unless (i) the

relevant Final Terms state that Notes are issued in compliance with U.S. Treasury Regulations §1.163-5(c)(2)(i)(C) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the Code) (“**TEFRA C**”) or (ii) the Notes are issued other than in compliance with TEFRA D or TEFRA C but in circumstances in which the Notes will not constitute “registration required obligations” under the United States Tax Equity and Fiscal Responsibility Act of 1982 (“**TEFRA**”), which circumstances will be referred to in the relevant Final Terms as a transaction to which TEFRA is not applicable.

EFI Notes will be issued in compliance with TEFRA C unless the Notes are issued other than in compliance with TEFRA C but in circumstances in which the Notes will not constitute “registration required obligations” under TEFRA, which circumstances will be referred to in the relevant Final Terms as a transaction to which TEFRA is not applicable.

### **Qualifying Investor**

In respect of EFI Notes, any investor holding directly or indirectly EFI Notes that is not an individual (*personne physique/natuurlijke persoon*) regardless as to whether or not any such investor is an Eligible Investor (as defined in “Belgian Taxation”).

## RISK FACTORS

*The Issuers and the Guarantor believe that the following factors may affect their ability to fulfil their respective obligations under the Notes issued under the Programme and, in the case of the Guarantor, the Guarantee. All of these factors are contingencies which may or may not occur and the Issuers and the Guarantor are not in a position to express a view on the likelihood of any such contingency occurring.*

*Factors which the Issuers and the Guarantor believe may be material for the purpose of assessing the market risks associated with the Notes issued under the Programme and, in the case of the Guarantor, the Guarantee are also described below.*

*The Issuers and the Guarantor believe that the specific factors described below represent the principal risks inherent in investing in the Notes issued under the Programme. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus (including any documents incorporated by reference herein) and reach their own views prior to making any investment decision.*

### **Risk factors relating to the Issuers, the Guarantor and their activities**

#### **1 Risks related to the business activities and industries of Eni and its consolidated subsidiaries (together, the “Group”)**

##### ***Impact of COVID-19 pandemic***

The dramatic events caused by the COVID-19 pandemic in the first half of 2020 with the lockdown of entire economies and huge limitations on international commerce and travel triggered a collapse in hydrocarbon demand in a context of a structural oversupply of the oil market leading to an unprecedented reduction in hydrocarbon prices. In the first half 2020, the price of the Brent benchmark crude oil prices was on average 40% lower than the first half of 2019; natural gas prices declined on average by 50%. These developments had negative, material effects on Eni’s results of operations and cash flow. The Group incurred a net loss of euro 7.3 billion driven by reduced revenues and various extraordinary charges. These latter included impairment losses of tangible and intangible assets and right-of-use assets of euro 2.7 billion due to the impact of a revised long-term price outlook for hydrocarbons on the evaluation of the recoverability of the Group’s Property, Plant and Equipment (PP&E), an inventory evaluation allowance of euro 1.4 billion, euro 1.4 billion of losses from equity-accounted investments and euro 0.8 billion of write-offs of deferred tax assets. In the first half of 2020, net cash provided by operating activities was euro 2.4 billion, decreasing by euro 4,234 million compared to the first half 2019, of which euro 3.5 billion due to lower hydrocarbon prices and euro 0.6 billion to operational impacts associated with the COVID-19, leading to an increase in net borrowings of approximately euro 2.9 billion compared to December 31, 2019 (before IFRS 16).

At a 40 \$/barrel crude oil price assumption for the FY 2020, management is estimating a material contraction in the Company’s cash flow from operating activities, which will reflect expected lower prices of equity hydrocarbons and the operational effects related to the COVID-19 pandemic due to production decreases caused by the rescheduling and curtailments of capital expenditures, lower demand of fuels and chemical products, plant shutdowns, lower offtakes at LNG supply contracts and lower gas demand due to a reduction in industrial activity and, finally, higher allowances for doubtful accounts.

Confronted with a such a remarkable shortfall in the cash flows, management has taken a number of measures to preserve the liquidity of the Company, the ability to cover financial obligations that come due and to mitigate the impact of the crisis on the Group's net financial position, as follows:

- Rescheduled capex for 2020-2021 years, in particular in 2020 Eni expects to reduce capex by approximately euro 2.6 billion, approximately 35% lower than the initial capital budget; the new capex guidance for 2020 is now euro 5.2 billion. Anticipated reductions of euro 2.4 billion in 2021, i.e. 30% lower than original plans. The projects involved in this capex reduction are related mainly to upstream activities, particularly

production optimization and new projects developments scheduled to start in the short term. In both cases, the activity can be restarted quickly in normal conditions, determining a recovery of related production.

- Implemented widespread cost reduction initiatives in all the business to save approximately euro 1.4 billion in 2020; reductions of the same amount expected in 2021.
- In May, a euro 2 billion bond was issued, representing the first emission in Italy post COVID-19 crisis.
- Suspended the share repurchase program of euro 400 million in 2020. The program which will be reinstated once the Brent price reaches the hurdle of 60 \$/barrel on yearly average.
- Updated the dividend policy by establishing an annual dividend composed of a floor amount currently set at 0.36 euro/share under the assumption of a Brent scenario of at least 45 \$/barrel and a growing variable component based on a recovery in the crude oil scenario above 45 \$/barrel. The floor amount will increase depending on the Company delivering on its industrial targets. For 2020, the floor dividend will be distributed notwithstanding a forecast of an annual Brent price of 40 \$/barrel. One third of the floor dividend has been paid as interim dividend in September 2020.

As of June 30, 2020, the Company can count on a liquidity reserve of approximately euro 17.7 billion consisting of:

- cash and cash equivalents of euro 6.5 billion;
- euro 4.7 billion of undrawn committed borrowing facilities;
- euro 6 billion of readily disposable securities (mainly government bonds and corporate investment grade bond) and euro 0.5 billion of short-term financing receivables.

This reserve is considered adequate to cover the main financial obligations maturing in the next eighteen months relating to:

- short-term debt of euro 3.1 billion;
- maturing bonds of euro 1.35 billion and other maturing long-term debt of euro 1.1 billion;
- committed investments of euro 6.8 billion;
- instalments of leasing contracts coming due of euro 1.3 billion;
- the payment of a floor dividend for approximately euro 1.28 billion;
- take-or-pay obligations under long-term gas contracts and other similar obligations amount to an estimate euro 9.2 billion at our budget scenario.

These actions are intended to preserve the Company's current credit rating.

Management cannot exclude risks of a possible downgrade of Eni's creditworthiness, which might be driven by the oil scenarios adopted by rating agencies or by a possible sovereign credit downgrade. The evolution of Group's the financial situation in the second half 2020 and in 2021 will be greatly influenced by trends in oil prices that will be closely correlated to the evolution of the pandemic crisis.

The short-term recovery of the crude oil and gas prices will greatly depend on how the current COVID-19 crisis unfolds and on how long it lasts. Under the worst of the assumptions, the spread of the disease could extend the actual economic crisis which could materially hit demand for energy products and prices of energy commodities.

This scenario could be further complicated in case of a faltering OPEC+ policy at supporting prices and promoting production cuts. These trends could have a material and adverse effect on our results of operations, cash flow, liquidity and business prospects, including trends in Eni shares and shareholders' returns.

Considering the current oil&gas assets portfolio of Eni, the management has estimated, for the full year ending on 31 December 2020, that the Company's cash flow from operations will vary by approximately euro 170 million for each one-dollar change in the price of the Brent crude oil benchmark compared to the 40-\$/barrel scenario adopted by management and for proportional changes in gas prices. This sensitivity is applicable to a



range of variation of 5-10 \$/barrel with respect to the assumed scenario and does not consider corrective actions by management and the effects on the dividends from investments.

***The Company's performance is affected by volatile prices of crude oil and produced natural gas and by fluctuating margins on the marketing of natural gas and on the integrated production and marketing of refined products and chemical products***

The price of crude oil is the single, largest variable that affects the Company's performance. Because it is a commodity business, the price of crude oil has a history of volatility and is influenced by a number of macro-factors that are beyond management's control. Crude oil prices are mainly driven by the balance between global oil supplies and demand and hence the global levels of inventories and spare capacity. Worldwide demand for crude oil is highly correlated to the macroeconomic cycle. A downturn in economic activity normally triggers lower global demand for crude oil and possibly a supply build-up. Whenever global supplies of crude oil outstrip demand, crude oil prices weaken. Other factors which influence demand for crude oil are demographic growth and improving living standards, prices and availability of alternative sources of energy (e.g., nuclear and renewables), technological advances affecting energy efficiency, measures which have been adopted or planned by governments all around the world to fight global warming, including stricter regulations and control on production and consumption of crude oil, or a shift in consumer preferences. Civil society and governments worldwide are engaged in promoting the use of renewable energy sources and the substitution of internal combustion vehicles with electric vehicles, including the possible adoption of tougher regulations on the use of hydrocarbon such as the taxation of CO<sub>2</sub> emissions as a mitigation action of the climate change risk. The push to reduce worldwide greenhouse gas emissions and an ongoing energy transition towards a low carbon economy, which are widely considered to be irreversible trends, will represent in our view major trends in shaping global demand and supplies of crude oil over the long-term and may lead to lower crude oil demands and consumption; see the section dedicated to the discussion of climate-related risks below.

These trends have been exacerbated by the adverse developments recorded in February/March 2020 following the dramatic crisis due to COVID-19 emergency.

To make things worse, in March 2020 the OPEC+ agreement failed to reach a deal for additional production cuts claimed by some members to counteract the COVID-19 effects. These developments accelerated the collapse in crude oil prices. In late March and early April 2020, the price of the Brent crude benchmark fell to its lowest level in decades, below 15 \$/bbl. Subsequently, with the gradual easing of lockdown measures and the implementation from May 2020 of major OPEC+ production cuts, Brent price has recovered significantly, overcoming the 40 \$/barrel mark.

In the short-to-medium term, the sustainability of this price rebound will depend heavily on the effectiveness of actions to contain the spread of the pandemic and the extent of the global macroeconomic recovery, a key driver of energy consumption, as well as on OPEC's decisions and the financial discipline of international oil companies (see the "Impact of COVID-19 pandemic" paragraph). The scenario for the second half of 2020 and presumably for 2021 is therefore expected to be extremely volatile and complex. In the first half of 2020, Brent price averaged about 40 \$/bbl, a decrease of 40% compared to the first half of 2019.

COVID-19 crisis dramatically increased the already weak situation in the global natural gas market. Natural gas structural oversupplies were due to massive LNG flows fuelled by US associated gas production and the entry into operation in recent years of significant investments in LNG plants worldwide, resulting in increased volumes in all regional markets. As a result of the gas demand collapse recorded in the first half of 2020 due to the COVID-19 economic crisis, in the first half of 2020, gas prices fell to unprecedented lows in all the main geographies (USA Henry Hub down by 34%; price at the virtual exchange point was 51% lower; spot TTF in Europe down by 52%).

Lower hydrocarbon prices from one year to another negatively affect the Group's consolidated results of operations and cash flow. This is because lower prices translate into lower revenues recognised in the Company's Exploration & Production segment at the time of the price change, whereas expenses in this segment are either fixed or less sensitive to changes in crude oil prices than revenues. In the first half of 2020, management estimated that due to the contraction in realized hydrocarbon prices, the Group's adjusted operating profit took a hit of approximately euro 3.6 billion, while the adjusted cash flow was impacted by euro 3.5 billion, compared to the first half of 2019.

Lower oil and gas prices over prolonged periods of time or, in the worst of the scenarios, a structural decline in oil and gas prices may have material adverse effects on Eni's performance and business outlook, because such a scenario may limit the Group's funds available to finance expansion projects, further reducing the Company's ability to grow future production and revenues, and to discharge contractual obligations. The Company may also need to review investment decisions and the viability of development projects and capex plans and, as a result of this review, the Company could reschedule, postpone or curtail development projects. A structural decline in hydrocarbon prices could trigger a review of the carrying amounts of oil and gas properties and this could result in recording material asset impairments and also could result in the de-booking of proved reserves, if they become uneconomic in this type of environment. Finally, in response to weakened oil and gas industry conditions and resulting revisions made to rating agency commodity price assumptions, lower commodity prices may also reduce the Group's access to capital and lead to a downgrade or other negative rating action with respect to the Group's credit rating by rating agencies. These downgrades may negatively affect the Group's cost of capital, increase the Group's financial expenses, and may limit the Group's ability to access capital markets and execute aspects of the Group's business plans. All of these risks may adversely and materially impact the Group's results of operations, cash flow, liquidity, business prospects, financial condition, and shareholder returns, including dividends, the amount of funds available for stock repurchases and the price of Eni's share.

Eni estimates that approximately 50% of its current production is exposed to fluctuations in hydrocarbons prices. Exposure to this strategic risk is not subject to economic hedging, except for some specific market conditions or transactions. The remaining portion of Eni's current production is largely unaffected by crude oil price movements considering that the Company's property portfolio is characterized by a sizeable presence of production sharing contracts, whereby the Company is entitled to a portion of a field's reserves, the sale of which is intended to cover expenditures incurred by the Company to develop and operate the field. The higher the reference prices for Brent crude oil used to estimate Eni's proved reserves, the lower the number of barrels necessary to recover the same amount of expenditure and hence production, and vice versa. If oil prices differ significantly from Eni's own forecasts, the result of the above mentioned sensitivity of production to oil price changes may be significantly different.

As of the end of the first half of 2020, having considered the prospect of the pandemic having an enduring impact on the global economy and the energy scenario, Eni has revised its view of market fundamentals to factor in certain emerging trends. Management considered the risks that the lockdown measures in response to COVID-19 could have structural effects on industrial production, international trade and travel, resulting in a prolonged period of weaker energy demand than pre-pandemic trends, including the spread of new consumption models that could lead to demand destruction. Furthermore, the massive actions in support of the economy implemented by governments in particular in Europe have a strong environmental footprint and are supportive of a green economy leading to a potential acceleration in the pace of energy transition and replacement of hydrocarbons in the energy mix. Based on these considerations, the Company has revised its forecast for hydrocarbon prices, which are the main driver of capital allocations decisions and of the recoverability assessment of the book values of our non-current assets. The revised scenario adopted by Eni foresees a long-term price of the marker Brent of 60 \$/barrel in 2023 real terms compared to the previous assumption of 70 \$/barrel. For the years 2021 and 2022, Brent prices are expected respectively at 48 and 55 \$/barrel (compared

to the previous assumptions of 55 and 70 \$/barrel). The price of natural gas at the Italian spot market “PSV” is estimated at 5.5 \$/mmBTU in real terms 2023 compared to the previous assumption of 7.8 \$/mmBTU.

Furthermore, Eni has reviewed the industrial plans for the years 2020-2021 by cutting capex of euro 2.6 billion and euro 2.4 billion from the initial budget (down by approximately 35% and 30%, respectively), almost fully focused in the E&P segment, with the aim to preserve liquidity and the robustness of the balance sheet, being the trading environment characterized by commodity prices and cash flow falling significantly.

Following the revision of price scenario and the rescheduling of the capex plan in the short-medium term, management recorded impairment losses of tangible and intangible assets and right-of-use assets for euro 2.75 billion, mainly relating to oil&gas assets (euro 1.7 billion). For further details, see the notes to the condensed consolidated interim financial statements.

Margins on the production and sale of fuels and other refined products, chemical commodities, other energy commodities and in the wholesale marketing of natural gas are driven by economic growth, global and regional dynamics in supplies and demands and other competitive factors. Generally speaking, the prices of products mirror that of oil-based feedstock, but they can also move independently. Margins for refined and chemical products depend upon the speed at which products’ prices adjust to reflect movements in oil prices. Margins at our business of wholesale marketing of natural gas are driven by the spreads between spot prices at continental hubs to which our procurement costs are indexed and the spot prices at the Italian hub where a large part of our gas sales occur. These spreads can be very volatile.

In the first half of 2020, demand and margins for fuels and petrochemicals products were materially hit by the economic crisis triggered by the COVID-19 pandemic. The Refining & Marketing was adversely affected by a contraction in refining margins, the appreciation of sour crude oils towards medium/light qualities such as Brent with a significant reduction in the profitability of conversion plants, as well as a contraction in the demand for fuels in all segments (jet fuel, diesel and gasoline). The deteriorated outlook for refining margins and fuels consumption triggered a revision of the book value of the Company’s refining assets in the traditional cycle thus recording of €1 billion of impairment losses, compared to the first half of 2019. Versalis was affected by a significant reduction in demand in the segments most exposed to the COVID-19 crisis such as elastomers following to the contraction in the automotive sector, while the cracker margin and polyethylene were supported both by the reduction in the cost of the oil feedstock and by strong demand for single use plastics and packaging as consequence of higher demand for goods related to "stay-at-home economy".

***There is strong competition worldwide, both within the oil industry and with other industries, to supply energy and petroleum products to the industrial, commercial and residential energy markets***

Eni faces strong competition in each of its business segments.

The current competitive environment in which Eni operates is characterised by volatile prices and margins of energy commodities, limited product differentiation and complex relationships with state-owned companies and national agencies of the countries where hydrocarbons reserves are located to obtain mineral rights. As commodity prices are beyond the Company's control, Eni's ability to remain competitive and profitable in this environment requires continuous focus on technological innovation, the achievement of efficiencies in operating costs, effective management of capital resources and the ability to provide valuable services to energy buyers. It also depends on Eni's ability to gain access to new investment opportunities, both in Europe and worldwide.

In the Exploration & Production segment, Eni is facing competition from both international and state-owned oil companies for obtaining exploration and development rights, and developing and applying new technologies to maximise hydrocarbon recovery. Because of its smaller size relative to other international oil companies, Eni may face a competitive disadvantage when bidding for large scale or capital intensive projects and it may be

exposed to the risk of obtaining lower cost savings in a deflationary environment compared to its larger competitors given its potentially smaller market power with respect to suppliers. Due to those competitive pressures, Eni may fail to obtain new exploration and development acreage, to apply and develop new technologies and to control costs.

In the Gas & Power segment, Eni is facing strong competition in the European wholesale gas markets to sell gas to industrial customers, the thermoelectric sector and retailer companies from other gas wholesalers, upstream companies, traders and other players both in the Italian market and in markets across Europe. In recent years, competition has been fuelled by muted demand growth, oversupplies and the development of very liquid European spot markets where large volumes of gas are traded daily. Players are competing mainly in terms of pricing and, to a lesser extent, on the ability to offer additional services to the buyers of the commodity, like volume flexibilities, different pricing options, the possibility to change the delivery point and other optionality. Eni's Gas & Power segment also engages in the supply of gas and electricity to customers in the retail markets mainly in Italy, France and other countries in Europe. Customers include households, large residential accounts (hospitals, schools, public administration buildings, offices) and small and medium-sized businesses located in urban areas. The retail market is characterised by strong competition among local selling companies which mainly compete in term of pricing and the ability to bundle valuable services to the supply of the energy commodity. In this segment, competition has intensified in recent years due to the progressive liberalisation of the market and the option on part of residential customers to switch smoothly from one supplier to another. Management believes that competition in the European wholesale and retail gas markets will continue to negatively affect the performance of Eni's Gas & Power segment in future reporting periods.

Eni is facing strong competitive pressure in its business of gas-fired electricity generation which is largely sold in wholesale markets in Italy. Margins on the sale of electricity have declined in recent years due to oversupplies, weak economic growth and inter-fuel competition. Management believes that these factors will continue to negatively affect crack-spread margins on electricity at Italian wholesale markets and the profitability of this business unit in the foreseeable future.

In the Refining & Marketing segment, Eni is facing competition both in refining business and in the retail marketing activity. Refining business, in recent years has been negatively affected by a number of structural headwinds due to muted trends in the European demand for fuels and continued competitive pressure from players in the Middle East, the United States and Far East Asia. Those competitors can leverage on larger plant scale and cost economies, availability of cheaper feedstock and lower energy expenses. Eni believes that the competitive environment of the refining sector will remain challenging in the foreseeable future, also considering refining overcapacity in the European area and expectations of a new investment cycle driven by capacity expansion plans announced in Asia and the Middle East, potentially leading to a situation of global oversupplies of refinery products. Furthermore, Eni's refining margins are exposed to the volatility in the spreads between crudes with high sulphur content or sour crudes and the Brent crude benchmark, which is a low-content sulphur crude. Eni complex refineries are able to process sour crudes which typically trade at a discount over the Brent crude. Historically, this discount has supported the profitability of complex refineries, like our plant at Sannazzaro in Italy. However, in the course of 2020, a shortfall in supplies of sour crudes due to the production cuts implemented by OPEC in response to the COVID-19 crisis, drove an appreciation of the relative prices of sour crudes as compared to the Brent, which negatively affected the results of Eni's refining business by reducing the advantage of processing sour crudes. The business of marketing refined products to Eni's service stations network and to large account customers (aviation airlines, public administrations, transport and industrial customers, bulk buyers and resellers) is facing competition from other oil companies and newcomers such as low-scale and local operators, un-branded networks with light cost structure. All these operators compete with each other primarily in terms of pricing and, to a lesser extent, service quality.

In the Chemical business, Eni is facing strong competition from well-established international players and state-owned petrochemical companies, particularly in the most commoditised market segments such as the production of basic petrochemical products (like ethylene and polyethylene), whose demand is a function of macroeconomic growth. Many of these competitors based in the Far East and the Middle East are able to benefit from cost economies due to larger plant scale, wide geographic moat, availability of cheap feedstock and proximity to end-markets. Excess worldwide capacity of petrochemical commodities has also fuelled competition in this business. Furthermore, petrochemical producers based in the United States have regained market share, as their cost structure has become competitive due to the availability of cheap feedstock deriving from the production of domestic shale gas from which ethane is derived, which is a cheaper raw material for the production of ethylene than the oil-based feedstock utilised by Eni's petrochemical subsidiaries. Finally, rising public concern about the climate change and the preservation of the environment has begun to negatively affect the consumption of single-use plastics.

In the first half of 2020, the Chemical business even penalized by the evolution of the economic downturn, benefitted from certain robust increases in products demand following the stay at home economy such as the increasing demand of food packaging and consumer goods as well as sanitary emergency supplies such as single use plastics. These trends supported cracker and polyethylene margins, also reflecting some easing of competitive pressure; while elastomers reported sharply deterioration. Looking to the future, management believes that the competitive environment in these businesses will remain challenging due to uncertainties and risks relating to the economy recovery.

Management is implementing a strategic path for the repositioning of the Refining & Marketing and Chemical segment to reduce the weight in Eni's portfolio of certain commodity segments characterized by weak fundamentals, which are exposed to the volatility of hydrocarbon margins, thus leveraging on emerging biofuel businesses, sustainable mobility, chemistry from renewable sources and recycling characterized by greater stability and interesting growth prospects.

In case the Company is unable to effectively manage the above described risks deriving from the competition in its business segments, they may adversely impact the Group's results of operations, cash flow, liquidity, business prospects, financial condition, and shareholder returns, including dividends, the amount of funds available for stock repurchases and the price of Eni's share.

#### ***Safety, security, environmental and other operational risks***

The Group engages in the exploration and production of oil and natural gas, processing, transportation and refining of crude oil, transport of natural gas, storage and distribution of petroleum products and the production of base chemicals, plastics and elastomers. By their nature, the Group's operations expose Eni to a wide range of significant health, safety, security and environmental risks. Technical faults, malfunctioning of plants, equipment and facilities, control systems failure, human errors, acts of sabotage, attacks, loss of containment and adverse weather events can trigger damaging consequences such as explosions, blow-outs, fires, oil and gas spills from wells, pipeline and tankers, release of contaminants and pollutants in the air, the ground and in the water, toxic emissions and other negative events. The magnitude of these risks is influenced by the geographic range, operational diversity and technical complexity of Eni's activities. Eni's future results of operations and liquidity depend on its ability to identify and address the risks and hazards inherent to operating in those industries.

In the Exploration & Production segment, Eni faces natural hazards and other operational risks including those relating to the physical and geological characteristics of oil and natural gas fields. These include the risks of eruptions of crude oil or of natural gas, discovery of hydrocarbon pockets with abnormal pressure, crumbling of well openings, leaks that can harm the environment and the security of Eni's personnel and risks of blowout, fire or explosion.

Eni's activities in the Refining & Marketing and Chemical segment entail health, safety and environmental risks related to the handling, transformation and distribution of oil, oil products and certain petrochemical products. These risks can arise from the intrinsic characteristics and the overall life cycle of the products manufactured and the raw materials used in the manufacturing process, such as oil-based feedstock, catalysts, additives and monomer feedstock. These risks comprise flammability, toxicity, long-term environmental impact such as greenhouse gas emissions and risks of various forms of pollution and contamination of the soil and the groundwater, emissions and discharges resulting from their use and from recycling or disposing of materials and wastes at the end of their useful life.

All of Eni's segments of operations involve, to varying degrees, the transportation of hydrocarbons. Risks in transportation activities depend both on the hazardous nature of the products transported, and on the transportation methods used (mainly pipelines, shipping, river freight, rail, road and gas distribution networks), the volumes involved and the sensitivity of the regions through which the transport passes (quality of infrastructure, population density, environmental considerations). All modes of transportation of hydrocarbons are particularly susceptible to a loss of containment of hydrocarbons and other hazardous materials, and, given the high volumes involved, could present a significant risk to people, the environment and the property.

Eni has material offshore operations relating to the exploration and production of hydrocarbons. In 2019, approximately 60% of Eni's total oil and gas production for the year derived from offshore fields, mainly in Egypt, Libya, Angola, Norway, Congo, Indonesia, the United Arab Emirates, Italy, Ghana, Venezuela, the United Kingdom, Nigeria and the United States. Offshore operations in the oil and gas industry are inherently riskier than onshore activities. Offshore accidents and spills could cause damage of catastrophic proportions to the ecosystem and health and security of people due to objective difficulties in handling hydrocarbons containment, pollution, poisoning of water and organisms, length and complexity of cleaning operations and other factors. Furthermore, offshore operations are subject to marine risks, including storms and other adverse weather conditions and vessel collisions, as well as interruptions or termination by governmental authorities based on safety, environmental and other considerations.

The Company has invested and will continue to invest significant financial resources to continuously upgrade the methods and systems for safeguarding the reliability of its plants, production facilities, transport and storage infrastructures, the safety and the health of its employees, contractors, local communities and the environment; to prevent risks; to comply with applicable laws and policies and to respond to and learn from unforeseen incidents. Eni seeks to manage these operational risks by carefully designing and building facilities, including wells, industrial complexes, plants and equipment, pipelines, storage sites and other facilities, and managing its operations in a safe and reliable manner and in compliance with all applicable rules and regulations, as well as with best available techniques. However, these measures may not ultimately be completely successful in protecting against those risks. Failure to manage these risks could cause unforeseen incidents, including releases or oil spills, blowouts, fire, mechanical failures and other incidents, all of which could lead to loss of life, damage or destruction to properties, environmental damage, legal liabilities and/or damage claims and consequently a disruption in operations and potential economic losses that could have a material and adverse effect on the Group's results of operations, cash flow, liquidity, business prospects, financial condition, and shareholder returns, including dividends, the amount of funds available for stock repurchases and the price of Eni's share.

Eni's operations are often conducted in difficult and/or environmentally sensitive locations such as the Gulf of Mexico, the Caspian Sea and the Arctic. In such locations, the consequences of any incident could be greater than in other locations. Eni also faces risks once production is discontinued, because Eni's activities require the decommissioning of productive infrastructures and environmental sites remediation and clean-up. Furthermore, in certain situations where Eni is not the operator, the Company may have limited influence and control over third parties, which may limit its ability to manage and control such risks. Eni retains worldwide third-party

liability insurance coverage, which is designed to hedge part of the liabilities associated with damage to third parties, loss of value to the Group's assets related to unfavourable events and in connection with environmental clean-up and remediation. As of the date of this filing, maximum compensation allowed under such insurance coverage is equal to \$1.2 billion in case of offshore incident and \$1.4 billion in case of incident at onshore facilities (refineries). Additionally, the Company may also activate further insurance coverage in case of specific capital projects and other industrial initiatives. Management believes that its insurance coverage is in line with industry practice and is sufficient to cover normal risks in its operations. However, the Company is not insured against all potential risks. In the event of a major environmental disaster, such as the incident which occurred at the Macondo well in the Gulf of Mexico several years ago, for example, Eni's third-party liability insurance would not provide any material coverage and thus the Company's liability would far exceed the maximum coverage provided by its insurance. The loss Eni could suffer in the event of such a disaster would depend on all the facts and circumstances of the event and would be subject to a whole range of uncertainties, including legal uncertainty as to the scope of liability for consequential damages, which may include economic damage not directly connected to the disaster. The Company cannot guarantee that it will not suffer any uninsured loss and there can be no guarantee, particularly in the case of a major environmental disaster or industrial accident, that such a loss would not have a material adverse effect on the Company. The occurrence of the above mentioned risks could have a material and adverse impact on the Group's results of operations, cash flow, liquidity, business prospects, financial condition, and shareholder returns, including dividends, the amount of funds available for stock repurchases and the price of Eni's share and could also damage the Group's reputation.

***Risks deriving from Eni's exposure to weather conditions***

Significant changes in weather conditions in Italy and in the rest of Europe from year to year may affect demand for natural gas and some refined products. In colder years, demand for such products is higher. Accordingly, the results of operations of the Gas & Power segment and, to a lesser extent, the Refining & Marketing business, as well as the comparability of results over different periods may be affected by such changes in weather conditions. Over recent years, this pattern could have been possibly affected by the rising frequency of weather trends like milder winter or extreme weather events like heatwaves or unusually cold snaps, which are possible consequences of climate change.

***Risks associated with the exploration and production of oil and natural gas***

The exploration and production of oil and natural gas require high levels of capital expenditures and are subject to natural hazards and other uncertainties, including those relating to the physical characteristics of oil and gas fields. The exploration and production activities are subject to the mining risk and the risks of cost overruns and delayed start-up at the projects to develop and produce hydrocarbons reserves. Those risks could have an adverse, significant impact on Eni's future growth prospects, results of operations, cash flows, liquidity and shareholders' returns.

The production of oil and natural gas is highly regulated and is subject to conditions imposed by governments throughout the world in matters such as the award of exploration and production leases, the imposition of specific drilling and other work obligations, income taxes and taxes on production, environmental protection measures, control over the development and abandonment of fields and installations, and restrictions on production. A description of the main risks facing the Company's business in the exploration and production of oil and gas is provided below.

***Eni's oil and natural gas offshore operations are particularly exposed to health, safety, security and environmental risks***

Eni has material offshore operations relating to the exploration and production of hydrocarbons. In 2019, approximately 60% of Eni's total oil and gas production for the year derived from offshore fields, mainly in Egypt, Libya, Angola, Norway, Congo, Indonesia, the United Arab Emirates, Italy, Ghana, Venezuela, the

United Kingdom, Nigeria and the United States. Offshore operations in the oil and gas industry are inherently riskier than onshore activities. Offshore accidents and spills could cause damage of catastrophic proportions to the ecosystem and health and security of people due to objective difficulties in handling hydrocarbons containment, pollution, poisoning of water and organisms, length and complexity of cleaning operations and other factors. Furthermore, offshore operations are subject to marine risks, including storms and other adverse weather conditions and vessel collisions, as well as interruptions or termination by governmental authorities based on safety, environmental and other considerations. Failure to manage these risks could result in injury or loss of life, damage to property or environmental damage, and could result in regulatory action, legal liability, loss of revenues and damage to Eni's reputation and could have a material adverse effect on Eni's future growth prospects, results of operations, cash flows, liquidity, reputation and shareholders' returns.

***Exploratory drilling efforts may be unsuccessful***

Exploration drilling for oil and gas involves numerous risks including the risk of dry holes or failure to find commercial quantities of hydrocarbons. The costs of drilling and completing wells have margins of uncertainty, and drilling operations may be unsuccessful because of a large variety of factors, including geological failure, unexpected drilling conditions, pressure or heterogeneities in formations, equipment failures, well control (blowouts) and other forms of accidents. A large part of the Company exploratory drilling operations is located offshore, including in deep and ultra-deep waters, in remote areas and in environmentally-sensitive locations (such as the Barents Sea, the Gulf of Mexico and the Caspian Sea). In these locations, the Company generally experiences higher operational risks and more challenging conditions and incurs higher exploration costs than onshore. Furthermore, deep and ultra-deep water operations require significant time before commercial production of discovered reserves can commence, increasing both the operational and the financial risks associated with these activities. Because Eni plans to make significant investments in executing exploration projects, it is likely that the Company will incur significant amounts of dry hole expenses in future years. Unsuccessful exploration activities and failure to discover additional commercial reserves could reduce future production of oil and natural gas, which is highly dependent on the rate of success of exploration projects, and could have an adverse impact on Eni's future performance.

***Development projects bear significant operational risks which may adversely affect actual returns***

Eni is executing or is planning to execute several development projects to produce and market hydrocarbon reserves. Certain projects target the development of reserves in high-risk areas, particularly deep offshore and in remote and hostile environments or in environmentally-sensitive locations. Eni's future results of operations and business prospects depend heavily on its ability to implement, develop and operate major projects as planned. Key factors that may affect the economics of these projects include:

- the outcome of negotiations with joint venture partners, governments and state-owned companies, suppliers, customers or others to define project terms and conditions, including, for example, Eni's ability to negotiate favourable long-term contracts to market gas reserves;
- commercial arrangements for pipelines and related equipment to transport and market hydrocarbons;
- timely issuance of permits and licenses by government agencies;
- the ability to carry out the front-end engineering design in order to prevent the occurrence of technical inconvenience during the execution phase; timely manufacturing and delivery of critical equipment by contractors, shortages in the availability of such equipment or lack of shipping yards where complex offshore units such as FPSO and platforms are built; delays in achievement of critical phases and project milestones;



- risks associated with the use of new technologies and the inability to develop advanced technologies to maximise the recoverability rate of hydrocarbons or gain access to previously inaccessible reservoirs;
- performance in project execution on the part of contractors who are awarded project construction activities generally based on the EPC (Engineering, Procurement and Construction) contractual scheme;
- changes in operating conditions and cost overruns;
- the actual performance of the reservoir and natural field decline; and
- the ability and time necessary to build suitable transport infrastructures to export production to final markets.

The occurrence of any of such risks may negatively affect the time-to-market of the reserves and cause cost overruns and delayed pay-back period, therefore adversely affecting the economic returns of Eni's development projects and the achievement of production growth targets.

Development projects are typically long lead time due to the complexity of the activities and tasks that need to be performed before a project final investment decision is made and commercial production can be achieved. Those activities include the appraisal of a discovery to evaluate the technical and economic feasibility of the development project, obtaining the necessary authorizations from governments, state agencies or national oil companies, signing agreement with the first party regulating a project's contractual terms such as the production sharing, obtaining partners' approval, environmental permits and other conditions, signing long-term gas contracts, carrying out the concept design and the front-end engineering and building and commissioning the related plants and facilities. All these activities normally can take years to perform. As a consequence, rates of return for such projects are exposed to the volatility of oil and gas prices and costs which may be substantially different from those estimated when the investment decision was made, thereby leading to lower return rates. Moreover, projects executed with partners and joint venture partners reduce the ability of the Company to manage risks and costs, and Eni could have limited influence over and control of the operations and performance of its partners. Furthermore, Eni may not have full operational control of the joint ventures in which it participates and may have exposure to counterparty credit risk and disruption of operations and strategic objectives due to the nature of its relationships.

Finally, if the Company is unable to develop and operate major projects as planned, particularly if the Company fails to accomplish budgeted costs and time schedules, it could incur significant impairment losses of capitalised costs associated with reduced future cash flows of those projects.

***Inability to replace oil and natural gas reserves could adversely impact results of operations and financial condition***

Unless the Company is able to replace produced oil and natural gas, its reserves will decline. In addition to being a function of production, revisions and new discoveries, the Company's reserve replacement is also affected by the entitlement mechanism in its production sharing agreements ("PSAs"), whereby the Company is entitled to a portion of a field's reserves, the sale of which is intended to cover expenditures incurred by the Company to develop and operate the field. The higher the reference prices for Brent crude oil used to estimate Eni's proved reserves, the lower the number of barrels necessary to recover the same amount of expenditure, and vice versa. Based on the current portfolio of oil and gas assets, Eni's management estimates that production entitlements vary on average by approximately 530 barrels/d for each \$1 change in oil prices based on current Eni's assumptions for oil prices. In the first half of 2020, production benefitted of lower oil prices which translated into higher entitlements (approximately 22 kboe/d compared to the first half of 2019). In case oil

prices differ significantly from Eni's own forecasts, the result of the above mentioned sensitivity of production to oil price changes may be significantly different.

Future oil and gas production is dependent on the Company's ability to access new reserves through new discoveries, application of improved techniques, success in development activity, negotiations with national oil companies and other entities owners of known reserves and acquisitions.

An inability to replace produced reserves by discovering, acquiring and developing additional reserves could adversely impact future production levels and growth prospects. If Eni is unsuccessful in meeting its long-term targets of production growth and reserve replacement, Eni's future total proved reserves and production will decline.

#### ***Uncertainties in estimates of oil and natural gas reserves***

The accuracy of proved reserve estimates and of projections of future rates of production and timing of development expenditures depends on a number of factors, assumptions and variables, including:

- the quality of available geological, technical and economic data and their interpretation and judgement;
- projections regarding future rates of production and costs and timing of development expenditures;
- changes in the prevailing tax rules, other government regulations and contractual conditions;
- results of drilling, testing and the actual production performance of Eni's reservoirs after the date of the estimates which may drive substantial upward or downward revisions; and

changes in oil and natural gas prices which could affect the quantities of Eni's proved reserves since the estimates of reserves are based on prices and costs existing as of the date when these estimates are made. Lower oil prices or the projections of higher operating and development costs may impair the ability of the Company to economically produce reserves leading to downward reserve revisions.

Many of the factors, assumptions and variables involved in estimating proved reserves are subject to change over time and therefore affect the estimates of oil and natural gas reserves.

The prices used in calculating Eni's estimated proved reserves are, in accordance with the U.S. Securities and Exchange Commission (the "U.S. SEC") requirements, calculated by determining the unweighted arithmetic average of the first-day-of-the-month commodity prices for the preceding 12 months. For the 12-months ending at December 31, 2019, average prices were based on 63 \$/barrel for the Brent crude oil; it was 71 \$/barrel in 2018. Also the reference price of natural gas was lower than in 2018. Those reductions resulted in Eni having to remove volumes of proved reserves because they have become uneconomical at the prices of 2019. Furthermore, compared to the 2019 reference price, Brent prices have declined materially in the first half of 2020. If such prices do not increase significantly in the coming months, Eni's future calculations of estimated proved reserves will be based on lower commodity prices which would likely result in the Company having to remove non-economic reserves from its proved reserves in future periods.

Accordingly, the estimated reserves reported as of the end of 2019 could be significantly different from the quantities of oil and natural gas that will be ultimately recovered. Any downward revision in Eni's estimated quantities of proved reserves would indicate lower future production volumes, which could adversely impact Eni's business prospects, results of operations, cash flows and liquidity.

***The development of the Group's proved undeveloped reserves may take longer and may require higher levels of capital expenditures than it currently anticipates or the Group's proved undeveloped reserves may not ultimately be developed or produced***

At December 31, 2019, approximately 29% of the Group's total estimated proved reserves (by volume) were undeveloped and may not be ultimately developed or produced. Recovery of undeveloped reserves requires significant capital expenditures and successful drilling operations. The Group's reserve estimates assume it can and will make these expenditures and conduct these operations successfully. These assumptions may not prove to be accurate. The Group's reserve report at December 31, 2019 includes estimates of total future development and decommissioning costs associated with the Group's proved total reserves of approximately €35.7 billion (undiscounted, including consolidated subsidiaries and equity-accounted entities). It cannot be certain that estimated costs of the development of these reserves will prove correct, development will occur as scheduled, or the results of such development will be as estimated. In case of change in the Company's plans to develop those reserves, or if it is not otherwise able to successfully develop these reserves as a result of the Group's inability to fund necessary capital expenditures or otherwise, it will be required to remove the associated volumes from the Group's reported proved reserves.

***Oil and gas activity may be subject to increasingly high levels of income taxes and royalties***

Oil and gas operations are subject to the payment of royalties and income taxes, which tend to be higher than those payable in many other commercial activities. Furthermore, in recent years, Eni has experienced adverse changes in the tax regimes applicable to oil and gas operations in a number of countries where the Company conducts its upstream operations. As a result of these trends, management estimates that the tax rate applicable to the Company's oil and gas operations is materially higher than the Italian statutory tax rate for corporate profit, which currently stands at 24%. Management believes that the marginal tax rate in the oil and gas industry tends to increase in correlation with higher oil prices, which could make it more difficult for Eni to translate higher oil prices into increased net profit. However, the Company does not expect that the marginal tax rate will decrease in response to falling oil prices. Adverse changes in the tax rate applicable to the Group's profit before income taxes in its oil and gas operations would have a negative impact on Eni's future results of operations and cash flows.

In the current uncertain financial and economic environment, governments are facing greater pressure on public finances, which may induce them to intervene in the fiscal framework for the oil and gas industry, including the risk of increased taxation, windfall taxes, and even nationalisations and expropriations.

***The present value of future net revenues from Eni's proved reserves will not necessarily be the same as the current market value of Eni's estimated crude oil and natural gas reserves***

The present value of future net revenues from Eni's proved reserves may differ from the current market value of Eni's estimated crude oil and natural gas reserves. In accordance with the SEC rules, Eni bases the estimated discounted future net revenues from proved reserves on the 12-month un-weighted arithmetic average of the first-day-of-the-month commodity prices for the preceding twelve months. Actual future prices may be materially higher or lower than the SEC pricing used in the calculations. Actual future net revenues from crude oil and natural gas properties will be affected by factors such as:

- the actual prices Eni receives for sales of crude oil and natural gas;
- the actual cost and timing of development and production expenditures;
- the timing and amount of actual production; and
- changes in governmental regulations or taxation.

The timing of both Eni's production and its incurrence of expenses in connection with the development and production of crude oil and natural gas properties will affect the timing and amount of actual future net revenues from proved reserves, and thus their actual present value. Additionally, the 10% discount factor Eni uses when calculating discounted future net revenues may not be the most appropriate discount factor based on interest

rates in effect from time to time and risks associated with Eni's reserves or the crude oil and natural gas industry in general. At December 31, 2019, the net present value of Eni's proved reserves totalled approximately €51 billion. The average prices used to estimate Eni's proved reserves and the net present value at December 31, 2019, as calculated in accordance with the SEC rules, were 63 \$/barrel for the Brent crude oil. Actual future prices may materially differ from those used in our year-end estimates. Commodity prices have decreased materially in the first quarter of 2020 compared to the price used in the reserve calculations at 2019 year-end. Holding all other factors constant, if commodity prices used in Eni's year-end reserve estimates at end of 2020 were in line with the pricing environment existing at the end of the first half of 2020, Eni's PV-10 at December 31, 2020 would likely decrease significantly.

***Oil and gas activity may be subject to increasingly high levels of regulations throughout the world, which may impact our extraction activities and the recoverability of reserves***

The production of oil and natural gas is highly regulated and is subject to conditions imposed by governments throughout the world in matters such as the award of exploration and production leases, the imposition of specific drilling and other work obligations, environmental protection measures, control over the development and abandonment of fields and installations, and restrictions on production. These risks can limit the Group access to hydrocarbons reserves or may have the Group to redesign, curtail or cease its oil&gas operation with significant effects on the Group business prospects, results of operations and cash flow.

In Italy, the activities of hydrocarbon development and production are performed by oil companies in accordance to concessions granted by the Ministry of Economic Development in agreement with the relevant Region territorially involved in the case of onshore concessions. Concessions are granted for an initial twenty-year term; the concessionaire is entitled to a ten-year extension and then to one or more five-year extensions to fully recover a field's reserves on condition that he has fulfilled all obligations related to the work program agreed in the initial concession award. In case of delay in the award of an extension, the original concession remains fully effective until the administrative procedure to grant an extension is finalized. These general rules are to be coordinated with a new law that was enacted in February, 2019. This law requires certain Italian administrative bodies to adopt within twenty-four months (i.e. by February 2021) a plan intended to identify areas that are suitable for carrying out exploration, development and production of hydrocarbons in the national territory, including the territorial seawaters. Until approval of such a plan, it is established a moratorium on exploration activities, including the award of new exploration leases. Following the plan approval, exploration permits resume their efficacy in areas that have been identified as suitable and new exploration permits can be awarded; on the contrary, in unsuitable areas, exploration permits are repealed, applications for obtaining new exploration permits ongoing at the time of the law enactment are rejected and no new permit application can be filed. As far as development and production concessions are concerned, pending the national plan approval, ongoing concessions retain their efficacy and administrative procedures underway to grant extension to expired concession remain unaffected; instead no applications to obtain new concession can be filed. Once the above mentioned national plan is adopted, development and production concessions that fall in suitable areas can be granted further extensions and applications for new concessions can be filed; on the contrary development and production concessions current at the approval of the national plan that fall in unsuitable areas are repealed at their expiration and no further extensions can be granted, nor new concession applications can be filed or awarded. According to the statute, areas that are suitable to the activities of exploring and developing hydrocarbons must conform to a number of criteria including morphological characteristics and social, urbanistic and industrial constraints, with particular bias for the hydrogeological balance, current territorial planning and with regard to marine areas for externalities on the ecosystem, reviews of marine routes, fishing and any possible impacts on the coastline.

The Group's largest operated development concession in Italy is Val d'Agri, which has expired on October 26, 2019. Development activities at the concession have continued since then in accordance to the "prorogation

regime” described above, within the limits of the work plan approved when the concession was firstly granted. The Company filed an application to obtain a ten-year extension of the concession in accordance to the terms set by the law and before the enactment of the new law on the national plan for hydrocarbons activity. In this application the Company confirmed the same work program as in the original concession award. Other 41 Italian concessions for hydrocarbons development and production have expired, where the Company operations are underway in accordance to the ongoing prorogation regime. The Company has filed requests for extensions within the terms of the law also for those concessions.

As far as proven reserves estimates are concerned, management believes the criteria laid out in the new law to be high-level principles, which make it difficult identifying in a reliable and objective manner areas that might be suitable or unsuitable to hydrocarbons activities before the plan is adopted by Italian authorities. However, based on the review of all facts and circumstances and on the current knowledge of the matter, management does not expect any material impact on the Group future performance.

Eni’s future performance depends on its ability to identify and mitigate the above mentioned risks and hazards which are inherent to its oil&gas business. Failure to properly manage those risks, Company’s underperformance at exploration, development and reserve replacement activities or the occurrence of unforeseen regulatory risks may adversely and materially impact the Group’s results of operations, cash flow, liquidity, business prospects, financial condition, and shareholder returns, including dividends, the amount of funds available for stock repurchases and the price of Eni’s share.

#### ***Risks related to political considerations***

As of December 31, 2019, approximately 81% of Eni's proved hydrocarbon reserves were located in non-OECD countries, mainly in Africa, Central-East Asia and central-southern America, where the socio-political framework, the financial system and the macroeconomic outlook are less stable than in the OECD countries. In those non-OECD countries, Eni is exposed to a wide range of political risks and uncertainties, which may impair Eni's ability to continue operating in an economically viable way, either temporarily or permanently, and Eni's ability to access oil and gas reserves. Particularly, Eni faces risks in connection with the following, possible issues:

- socio-political instability leading to internal conflicts, revolutions, establishment of non-democratic regimes, protests, attacks, strikes and other forms of civil disorder and unrest, such as strikes, riots, sabotage, acts of violence and similar events. These risks could result in disruptions to economic activity, loss of output, plant closures and shutdowns, project delays, the loss of assets and threat to the security of personnel. They may disrupt financial and commercial markets, including the supply of and pricing for oil and natural gas, and generate greater political and economic instability in some of the geographical areas in which Eni operates. Additionally, any possible reprisals because of military or other action, such as acts of terrorism in Europe, the United States or elsewhere, could have a material adverse effect on the world economy and hence on the global demand for hydrocarbons;
- lack of well-established and reliable legal systems and uncertainties surrounding the enforcement of contractual rights;
- unfavourable enforcement of laws, regulations and contractual arrangements leading, for example, to expropriation, nationalisation or forced divestiture of assets and unilateral cancellation or modification of contractual terms;
- sovereign default or financial instability due to the fact that those countries rely heavily on petroleum revenues to sustain public finance and petroleum revenues have dramatically contracted in recent years. Financial difficulties at country level often translate into failure on part of state-owned

companies and agencies to fulfil their financial obligations towards Eni relating to funding capital commitments in projects operated by Eni or to timely paying supplies of equity oil and gas volumes;

- restrictions on exploration, production, imports and exports;
- tax or royalty increases (including retroactive claims);
- difficulties in finding qualified international or local suppliers in critical operating environments; and
- complex processes of granting authorisations or licences affecting time-to-market of certain development projects.

The financial outlook of a large part of non-OECD Countries, where Eni operates, was significantly affected by a deteriorated environment in the first half of 2020, due to lower oil revenues following the COVID-19 crisis, which also reduced the solvency of some State owned companies that are Eni's partners in the reserve development projects.

Areas where Eni operates and where the Company is particularly exposed to political risk include, but are not limited to Libya, Venezuela, Nigeria and Egypt.

In recent years, Eni's operations in Libya were materially affected by the revolution of 2011 and a change of regime, which caused a prolonged period of political and social instability, still ongoing. In 2011 Eni's operations in the country experienced an almost one-year long shutdown due to security issues amidst a civil war, causing a material impact on the Group results of operation and cash flow for the year. In subsequent years Eni has experienced frequent disruptions at its operations albeit of a smaller scale than in 2011 due to security threats to its installations and personnel. Since April 2019, a resurgence of socio-political instability and a lack of a well-established institutional framework have triggered the resumption of the civil war and armed clashes in the area of Tripoli. The situation has continued to escalate and international negotiations aimed at establishing a ceasefire has proven elusive. The Company repatriated its personnel and strengthened security measures at its plants and facilities. Going forward, management believes that Libya's geopolitical situation will continue to represent a source of risk and uncertainty to Eni's operations in the Country. At the beginning of 2020 oil export terminals in the Southern part of Libya were blocked, forcing the Company to shut down operations at one of its production facilities (the Elephant oilfield and Bu Attifel). The Company repatriated its personnel and strengthened security measures at its plants and facilities.

Despite the shutdown and the complexity of the operating context, the Company's activities in the first half of 2020 progressed smoothly at the Wafa and Bahr Essalam gas fields.

As of 30 June 2020, Libya represented approximately 9.5% of the Group's total production; this percentage is forecasted to decrease in the medium term in line with the expected implementation of the Group strategy intended to diversify the Group geographical presence to better balance the geopolitical risk of the portfolio. In the event of major adverse events, such as the escalation of the internal conflict into a full-blown civil war, attacks, sabotage, social unrest, clashes and other forms of civil disorder, Eni could be forced to reduce or to shut down completely its producing activities at its Libyan fields, which would significantly hit results of operations and cash flow.

Venezuela is currently experiencing a situation of financial stress, also due to COVID-19 effects, amidst an economic downturn due to lack of resources to support the development of the country's hydrocarbons reserves, which have negatively affected the Country production levels and hence petroleum revenues. The situation has been made worse by certain international sanctions targeting the country's financial system and its ability to export crude oil to the United States' market, which is the main outlet of Venezuelan production (see also "Sanctions targets" below).

Due to a deteriorated operating environment, the Group was forced to de-book its proved undeveloped reserves at its two major petroleum projects in the Country in recent years: the 50%-participated Cardón IV joint venture which is currently operating a natural gas project and is supplying the product to the national oil company, PDVSA, and the PetroJunín oilfield project in joint venture with PDVSA. This latter project was almost entirely written off in 2018. Also the Group has incurred credit losses due to the continued difficulties on part of PDVSA to pay the receivables for the gas supplies of Cardón IV, resulting in a significant amount of overdue receivables. The joint-venture is systematically accounting a loss provision on the revenues accrued. The credit expected loss was based on management's appreciation of the counterparty risk driven by the findings of a review of the past experience of sovereign defaults on which basis a deferral in the collection of the gas revenues has been estimated. As of 31 December 2019, Eni's invested capital in Venezuela was approximately \$1.24 billion. Despite the negative financial outlook of the Country, in the first half of 2020, continued the collection of credits, through compensation mechanism, coherently with the management's estimates of the expected credit losses.

Nigeria is also undergoing a situation of financial stress, which has translated into continuing delays in collecting overdue trade receivables and credits for the carry of the expenditures of the Nigerian joint operators at projects operated by Eni, resulting in the incurrence of credit losses. These difficulties are exacerbated by the overall deterioration in the economic environment, although the securization mechanisms support the recovery process for credit exposures. In particular, relating to the previous restructured credits, the re-entry plan agreed with NNPC and based on in-kind payments (profit oil) are in line with the management's expectations.

Management expects Eni's credit exposure to Egypt to continue increasing in the foreseeable future due to the planned production ramp-up at the Zohr offshore gas field and to development of existing gas reserves at other projects. Because the whole of the Group's gas production is sold to local state-owned companies, Eni expects a significant increase in the credit risk exposure to Egypt, where we experienced some issues at collecting overdue trade receivables during the oil downturn. Eni will continue to monitor the counterparty risk in future years considering the significant volumes of gas expected to be supplied to Egypt's national oil companies.

Eni is closely monitoring political, social and economic risks of the countries in which it has invested or intends to invest, in order to evaluate the economic and financial return of capital projects and to selectively evaluate projects. While the occurrence of these events is unpredictable, the occurrence of any such risks may adversely and materially impact the Group's results of operations, cash flow, liquidity, business prospects, financial condition, and shareholder returns, including dividends, the amount of funds available for stock repurchases and the price of Eni's share.

### ***Sanction targets***

In response to the Russia-Ukraine crisis, the European Union and the United States have enacted sanctions targeting, inter alia, the financial and energy sectors in Russia by restricting the supply of certain oil and gas items and services to Russia and certain forms of financing. Eni has adapted its activities to the applicable sanctions and will adapt its business to any further restrictive measures that could be adopted by the relevant authorities. In 2017, the United States' government tightened the sanction regime against Russia by enacting the "Countering America's Adversaries Through Sanctions Act". In response to these new measures, the Company could possibly refrain from pursuing business opportunities in Russia, while currently the Company is not engaged in any upstream projects in Russia. It is possible that wider sanctions targeting the Russian energy, banking and/or finance industries may be implemented. Further sanctions imposed on Russia, Russian citizens or Russian companies by the international community, such as restrictions on purchases of Russian gas by European companies or measures restricting dealings with Russian counterparties, could adversely impact Eni's business, results of operations and cash flow. Furthermore, an escalation of the international crisis, resulting in a tightening of sanctions, could entail a significant disruption of energy supply and trade flows globally, which could have a material adverse effect on the Group's business, financial conditions, results of

operations and prospects. In 2017, the United States administration enacted certain financing sanctions against Venezuela, which prohibit any United States persons to be involved in all transactions related to, provision of financing for, and other dealings in, among other things, any debt owed to the Government of Venezuela that is pledged as collateral after the effective date, including accounts receivable. More recently, the United States administration has resolved to impose an embargo on the import of crude oil from Venezuela state-owned oil company, PDVSA and has restricted the ability of United States dealers to trade bonds issued by the Government of Venezuela and its affiliates. Further increases of the prohibitions against the Government of Venezuela (and the entities owned or controlled by it) has been enacted during the course of 2019, with inclusion of our Venezuelan partner, PDVSA, in the “Specially Designated Nationals and Blocked Persons List” and the introduction of measures intended to freeze the assets of the Venezuelan governments and of its affiliated persons. Even if the current US sanctions are “primary” and therefore substantially dedicated to US persons only, retaliatory measures and other adverse consequences may interest also foreign entities which operate with Venezuelan listed entities and/or operate in the oil sector of the country. Eni is carefully evaluating on a case by case basis the adoption of measures adequate to minimize its exposure to any sanction risk which may affect its business operation. In any case, the US sanction are expected to add further stress to the already complex financial, political and operating outlook of the country, which could limit the ability of Eni to recover its investments.

## **2 Risks in the Company’s Gas & Power business**

### ***Risks associated with the trading environment and competition in the gas market***

Eni’s Gas & Power business comprises the results of the wholesale gas business which has a portfolio of long-term gas supply contracts and other related assets, the trading of LNG (“Liquefied Natural Gas”) on a global scale, the production and marketing of electricity and the marketing of gas and power in the retail sector.

The results of our wholesale gas business are subject to global and regional dynamics of gas demand and supplies and to trends in the spreads between the procurement costs of gas, which are linked to spot prices at European hubs or to the price of crude oil, and the selling prices of gas which are mainly indexed to spot prices at the Italian hub. Those spreads can be very volatile. The results of the LNG business are mainly influenced by the global balance between demand and supplies.

Worldwide gas prices have been on a downward path since the second half of 2018 and this trend has deteriorated further throughout the course of 2019. This was driven by a global economic slowdown, which hit severely Asian large gas-consuming countries, like China, South Korea and Japan, also due to a recovery in nuclear production, a build-up in gas supplies due to the entry into service of new Liquefied Natural Gas (“LNG”) projects and rising US production, competition from renewables, mild global temperatures and inventory levels above historic averages. The fall of gas prices at our main European outlet markets was broadly in line with other geographies due to above mentioned dynamics and the growing role of LNG supplies which have enhanced the interconnection among regional markets and markets liquidity. In fact, during the course of 2019 a reduction in LNG imports from Asian markets forced operators to re-direct LNG supplies to Europe, thus making for any slowdown in the Continent’s internal production and pressuring gas prices which have levelled across the various geographies. These trends negatively affected the results of our LNG business due to lower traded volumes and margins. The trading environment for LNG has deteriorated further in the first months of 2020 due on ongoing global deceleration in energy demand.

Management believes that gas prices in Europe will remain weak due to the forecast of sluggish economic growth, a muted demand outlook and global oversupplies of gas. Furthermore, several final investment decisions have been made in 2019 relating to large LNG projects with an estimated capacity of 60 million tonnes per year, which are due to come on stream within five-six years adding to already oversupplied markets.



Against the backdrop of a difficult competitive environment, Eni anticipates a number of risk factors to the profitability outlook of the Company's gas marketing business over the four-year planning period, considering the Company's operational constraints dictated by its long-term gas supply contracts with take-or-pay clauses, which expose Eni to a volume risk, as the Company is contractually required to purchase minimum annual amounts of gas or, in case of failure, to pay the corresponding price. Additionally, Eni has booked the transportation rights along the main gas backbones across Europe to deliver its contracted gas volumes to end-markets. Risks to the Gas & Power business include continuing oversupplies, pricing pressures, volatile margins and the risk of deteriorating spreads of Italian spot prices versus continental benchmarks. A reduction of the spreads between Italian and European spot prices for gas could negatively affect the profitability of our business by reducing the total addressable market and by reducing the margin to cover the business's sunk costs and other fixed expenses. Eni's management is planning to continue its strategy of renegotiating the Company's long-term gas supply contracts in order to constantly align pricing terms to current market conditions as they evolve and to obtain greater operational flexibility (volumes, delivery points among others), considering the risk factors described above. The revision clauses provided by these contracts state the right of each counterparty to renegotiate the economic terms and other contractual conditions periodically, in relation to ongoing changes in the gas scenario. Management believes that the outcome of those renegotiations is uncertain in respect of both the amount of the economic benefits that will be ultimately obtained and the timing of recognition of profit. Furthermore, in case Eni and the gas suppliers fail to agree on revised contractual terms, both parties can start an arbitration procedure to obtain revised contractual conditions. All these possible developments within the renegotiation process could increase the level of risks and uncertainties relating the outcome of those renegotiations.

Trends in the LNG business are expected to remain weak in 2020 due to a global excess of LNG.

***Current, negative trends in gas demands and supplies may impair the Company's ability to fulfil its minimum off-take obligations in connection with its take-or-pay, long-term gas supply contracts***

Eni long-term gas supply contracts with national operators of certain key producing countries, from where most of the European gas supplies are sourced (Russia, Algeria, Libya, the Netherlands and Norway), include take-or-pay clauses whereby the Company has an obligation to lift minimum, pre-set volumes of gas in each year of the contractual term or, in case of failure, to pay the whole price, or a fraction of that price, up to the minimum contractual quantity. Similar considerations apply to ship-or-pay contractual obligations. Long-term gas supply contracts with take-or pay clauses expose the Company to a volume risk, as the Company is obligated to purchase an annual minimum volume of gas, or in case of failure, to pay the underlying price. Management believes that the current level of market liquidity, the outlook of the European gas sector which is featuring muted demand growth, strong competitive pressures and large supplies, as well as any possible change in sector-specific regulation represent risk factors to the Company's ongoing ability to fulfil its minimum take obligations associated with its long-term supply contracts.

***Risks associated with the regulatory powers entrusted to the Italian Regulatory Authority for Energy, Networks and Environment in the matter of pricing to residential customers***

Eni's Gas & Power segment is subject to regulatory risks mainly in its domestic market in Italy. The Italian Regulatory Authority for Energy, Networks and Environment (the "Authority") is entrusted with certain powers in the matter of natural gas pricing. Specifically, the Authority retains a surveillance power on pricing in the natural gas market in Italy and the power to establish selling tariffs for the supply of natural gas to residential and commercial users until the market is fully opened. Developments in the regulatory framework intended to increase the level of market liquidity or of de-regulation, or intended to reduce operators' ability to transfer to customers cost increases in raw materials may negatively affect future sales margins of gas and electricity, operating results and cash flow.

### 3 *Risks related to environmental, health and safety regulations and legal risks*

*Eni has incurred in the past, and will continue incurring, material operating expenses and expenditures, and is exposed to business risk in relation to compliance with applicable environmental, health and safety regulations in future years, including compliance with any national or international regulation on GHG emissions*

Eni is subject to numerous European Union, international, national, regional and local laws and regulations regarding the impact of its operations on the environment and on health and safety of employees, contractors, communities and on the value of properties. Generally, these laws and regulations require acquisition of a permit before drilling for hydrocarbons may commence, restrict the types, quantities and concentration of various substances that can be released into the environment in connection with exploration, drilling and production activities, including refinery and petrochemical plant operations, limit or prohibit drilling activities in certain protected areas, require to remove and dismantle drilling platforms and other equipment and well plug-in once oil and gas operations have terminated, provide for measures to be taken to protect the safety of the workplace and the of plants and infrastructures, and health of employees, contractors and other Company's collaborators and of communities involved by the Company's activities, and impose criminal or civil liabilities for polluting the environment or harming employees' or communities' health and safety resulting from the Group's operations. These laws and regulations control the emission of scrap substances and pollutants, discipline the handling of hazardous materials and set limits to the discharge in the environment of soil, water or ground water contaminants, polluting air emissions and noxious gases resulting from the operation of oil and natural gas extraction and processing plants, petrochemical plants, refineries, service stations, vessels, oil carriers, pipeline systems and other facilities owned or operated by Eni. In addition, Eni's operations are subject to laws and regulations relating to the production, handling, transportation, storage, disposal and treatment of waste. Breaches of environmental, health and safety laws and regulations as in the case of negligent or willful release of pollutants and contaminants into the atmosphere, the soil, water or groundwater or the overcome of concentration threshold of contaminants set by the law expose the Company to the incurrance of liabilities associated with compensation for environmental, health or safety damage and expenses for environmental remediation and clean-up. Furthermore, in the case of violation of certain rules regarding the safeguard of the environment and the health of employees, contractors and other collaborators of the Company, and of communities, the Company may incur liabilities in connection with the negligent or willful violation of laws by its employees as per Italian Law Decree No. 231/2001.

Environmental, health and safety laws and regulations have a substantial impact on Eni's operations. Management expects that the Group will continue to incur significant amounts of operating expenses and expenditures in the foreseeable future to comply with laws and regulations and to safeguard the environment and the health and safety of employees, contractors and communities involved by the Company operations, including:

- costs to prevent, control, eliminate or reduce certain types of air and water emissions and handle waste and other hazardous materials, including the costs incurred in connection with government action to address climate change (see the specific section below on climate-related risks);
- remedial and clean-up measures related to environmental contamination or accidents at various sites, including those owned by third parties (see discussion below);
- damage compensation claimed by individuals and entities, including local, regional or state administrations, should Eni cause any kind of accident, oil spill, well blowouts, pollution, contamination, emission of GHG and other air pollutants above permitted levels or of any other hazardous gases, water, ground or air contaminants or pollutants, as a result of its operations or if the Company is found guilty of violating environmental laws and regulations; and

- costs in connection with the decommissioning and removal of drilling platforms and other facilities, and well plugging at the end of oil&gas field production.

As a further result of any new laws and regulations or other factors, like the actual or alleged occurrence of environmental damage at Eni's plants and facilities, the Company may be forced to curtail, modify or cease certain operations or implement temporary shutdowns of facilities. For example, in Italy Eni has experienced in recent years a number of plant shutdowns at our Val d'Agri profit centre due to environmental issues and oil spill overs, causing loss of output and of revenues. The Italian judicial authorities have started legal proceedings to verify alleged environmental crimes or crimes against the public safety and other criminal allegations as described in the notes to the Consolidated Financial Statements.

If any of the risks set out above materialise, they could adversely impact the Group's results of operations, cash flow, liquidity, business prospects, financial condition, and shareholder returns, including dividends, the amount of funds available for stock repurchases and the price of Eni's share.

***Rising public concern related to climate change has led and could continue to lead to the adoption of national and international laws and regulations which are expected to result in a decrease of demand for hydrocarbons and increased compliance costs for the Company. Eni is also exposed to risks of technological breakthrough in the energy field and risks of unpredictable extreme meteorological events linked to the climate change. All these developments may adversely affect the Group's profitability, businesses outlook and reputation***

Growing worldwide public concern over greenhouse gas (GHG) emissions and climate change, as well as increasingly stricter regulations in this area, could adversely affect the Group's business. Those risks may emerge in the short and medium-term, as well as over the long term. The scientific community has established a link between climate change, global warming and increasing GHG concentration in the atmosphere. International efforts to limit global warming have led, and Eni expects them to continue to lead, to new laws and regulations designed to reduce GHG emissions that are expected to bring about a gradual reduction in the use of fossil fuels over the medium to long-term, notably through the diversification of the energy mix. This trend could accelerate as a number of governments throughout the world have formally pledged to reach net-zero emissions by 2050 or earlier, like in the case of EU, which may lead to a tightening of various measure to constrain use of fossil fuels and this trend could increase both in breadth and severity if more governments follow suit.

Governmental institutions have responded to the issue of climate change on two fronts: on one side, governments can both impose taxes on GHG emissions and incentivise a progressive shift in the energy mix away from fossil fuels, for example, by subsidising the power generation from renewable sources; on the other side they can promote worldwide agreements to reduce the consumption of hydrocarbons.

Some governments have already introduced carbon pricing schemes, which can be an effective measure to reduce GHG emissions at the lowest overall cost to society. Today, about half of the direct GHG emissions coming from Eni operated assets are included in national or supranational Carbon Pricing Mechanisms, such as the European Emission Trading Scheme. Eni expects that more governments will adopt similar schemes and that a growing share of the Group's GHG emissions will be subject to carbon-pricing and other forms of climate regulation in the short to medium term.

Eni is already incurring operating costs related to its participation in the European Emission Trading Scheme, whereby Eni is required to purchase, on the open markets, emission allowances in case its GHG emissions exceed freely-assigned emission allowances. In 2019 to comply with this carbon emissions scheme, Eni purchased on the open market allowances corresponding to 11.6 million tonnes of CO<sub>2</sub> emissions for a cash cost of approximately €290 million. Due to the likelihood of new regulations in this area, Eni expects additional

compliance obligations with respect to the release, capture, and use of carbon dioxide that could result in increased investments and higher project costs for Eni. Eni also expects that governments will require companies to apply technical measures to reduce their GHG emissions.

Eni expects that the achievement of the Paris Agreement goal of holding the increase in global average temperature to less than 2° C above pre-industrial levels, or the more stringent goal advocated by the Intergovernmental Panel on Climate Change (IPCC) to limit global warming to 1.5° C, will strengthen the global response to the threat of climate change and spur governments to introduce further measures and policies targeting the reduction of GHG emissions, which will likely reduce local demand for fossil fuels in the long-term, thus negatively affecting global demand for oil and natural gas. Eni's business depends on the global demand for oil and natural gas. If existing or future laws, regulations, treaties, or international agreements related to GHG and climate change, including incentives to conserve energy or use alternative energy sources, technological breakthrough in the field of renewable energies or mass-adoption of electric vehicles trigger a structural decline in the worldwide demand for oil and natural gas, our results of operations and business prospects may be significantly and adversely affected.

The scientific community has concluded that increasing global average temperature produces significant physical effects, such as the increased frequency and severity of hurricanes, storms, droughts, floods or other extreme climatic events that could interfere with Eni's operations and damage Eni's facilities. Extreme and unpredictable weather phenomena can result in material disruption to Eni's operations, and consequent loss of or damage to properties and facilities, as well as a loss of output, loss of revenues, increasing maintenance and repair expenses and cash flow shortfall.

Finally, there is a reputational risk linked to the fact that oil companies are increasingly perceived by institutions and the general public as entities primarily responsible of the global warming due to GHG emissions across the hydrocarbons value-chain, particularly related with the use of energy products. This could possibly make Eni's shares less attractive to investment funds and individual investors who have been more and more assessing the risk profile of companies against their carbon footprint when making investment decisions. Furthermore, a growing number of financing institutions, including insurance companies, appear to be considering limiting their exposure to fossil fuel projects, as witnessed by a pledge from the World Bank to stop financing upstream oil and gas projects and a proposal from the EU finance minister to reduce the financing granted to oil&gas projects via the EIB. This trend could have a material adverse effect on the price of our securities and our ability to access equity or other capital markets.

Accordingly, our ability to use financing for future projects may be adversely impacted. Further, in some countries, governments and regulators have filed lawsuits seeking to hold fossil fuel companies, including Eni, liable for costs associated with climate change. Losing any of these lawsuits could have a material adverse effect on our business prospects.

As a result of these trends, climate-related risks could have a material an adverse effect the Group's results of operations, cash flow, liquidity, business prospects, financial condition, and shareholder returns, including dividends, the amount of funds available for stock repurchases and the price of Eni's share.

***Eni is exposed to the risk of material environmental liabilities in addition to the provisions already accrued in the consolidated financial statement.***

Eni has incurred in the past and may incur in the future material environmental liabilities in connection with the environmental impact of its past and present industrial activities. Eni is also exposed to claims under environmental requirements and, from time to time, such claims have been made against us. Furthermore, environmental regulations in Italy and elsewhere typically impose strict liability. Strict liability means that in some situations Eni could be exposed to liability for clean-up and remediation costs, environmental damage, and other damages as a result of Eni's conduct of operations that was lawful at the time it occurred or of the

conduct of prior operators or other third parties. In addition, plaintiffs may seek to obtain compensation for damage resulting from events of contamination and pollution or in case the Company is found liable of violations of any environmental laws or regulations. In Italy, Eni is exposed to the risk of expenses and environmental liabilities in connection with the impact of its past activities at certain industrial hubs where the Group's products were produced, processed, stored, distributed or sold, such as chemical plants, mineral-metallurgic plants, refineries and other facilities, which were subsequently disposed of, liquidated, closed or shut down. At these industrial hubs, Eni has undertaken a number of initiatives to remediate and to clean-up proprietary or concession areas that were allegedly contaminated and polluted by the Group's industrial activities. State or local public administrations have sued Eni for environmental and other damages and for clean-up and remediation measures in addition to those which were performed by the Company, or which the Company has committed to perform. In some cases, Eni has been sued for alleged breach of criminal laws (for example for alleged environmental crimes such as failure to perform soil or groundwater reclamation, environmental disaster and contamination, discharge of toxic materials, amongst others). Although Eni believes that it may not be held liable for having exceeded in the past pollution thresholds that are unlawful according to current regulations but were allowed by laws then effective, nor because the Group took over operations from third parties, it cannot be excluded that Eni could potentially incur such environmental liabilities. Eni's financial statements account for provisions relating to the costs to be incurred with respect to clean-ups and remediation of contaminated areas and groundwater for which a legal or constructive obligation exists and the associated costs can be reasonably estimated in a reliable manner, regardless of any previous liability attributable to other parties. The accrued amounts represent management's best estimates of the Company's existing liabilities. Management believes that it is possible that in the future Eni may incur significant or material environmental expenses and liabilities in addition to the amounts already accrued due to: (i) the likelihood of as yet unknown contamination; (ii) the results of ongoing surveys or surveys to be carried out on the environmental status of certain Eni's industrial sites as required by the applicable regulations on contaminated sites; (iii) unfavourable developments in ongoing litigation on the environmental status of certain of the Company's sites where a number of public administrations and the Italian Ministry of the Environment act as plaintiffs; (iv) the possibility that new litigation might arise; (v) the probability that new and stricter environmental laws might be implemented; and (vi) the circumstance that the extent and cost of environmental restoration and remediation programs are often inherently difficult to estimate leading to underestimation of the future costs of remediation and restoration, as well as unforeseen adverse developments both in the final remediation costs and with respect to the final liability allocation among the various parties involved at the sites. As a result of these risks, environmental liabilities could be substantial and could have a material adverse effect the Group's results of operations, cash flow, liquidity, business prospects, financial condition, and shareholder returns, including dividends, the amount of funds available for stock repurchases and the price of Eni's share.

#### ***Risks related to legal proceedings and compliance with anti-corruption legislation***

Eni is the defendant in a number of civil and criminal actions and administrative proceedings. In future years Eni may incur significant losses due to: (i) uncertainty regarding the final outcome of each proceeding; (ii) the occurrence of new developments that management could not take into consideration when evaluating the likely outcome of each proceeding in order to accrue the risk provisions as of the date of the latest financial statements or to judge a negative outcome only as possible or to conclude that a contingency loss could not be estimate reliably; (iii) the emergence of new evidence and information; and (iv) underestimation of probable future losses due to the circumstance that they are often inherently difficult to estimate. Certain legal proceedings and investigations in which Eni or its subsidiaries or its officers and employees are defendant involve the alleged breach of anti-bribery and anti-corruption laws and regulations and other ethical misconduct. Such proceedings are described in the notes to the condensed consolidated interim financial statements, under the heading "Legal Proceedings". Ethical misconduct and noncompliance with applicable laws and regulations, including noncompliance with anti-bribery and anti-corruption laws, by Eni, its officers and employees, its partners,

agents or others that act on the Group's behalf, could expose Eni and its employees to criminal and civil penalties and could be damaging to Eni's reputation and shareholder value.

#### **4 Internal control risks**

##### ***Risks from acquisitions***

Eni is constantly monitoring the oil and gas market in search of opportunities to acquire individual assets or companies with a view of achieving its growth targets or complementing its asset portfolio. Acquisitions entail an execution risk – the risk that the acquirer will not be able to effectively integrate the purchased assets so as to achieve expected synergies. In addition, acquisitions entail a financial risk – the risk of not being able to recover the purchase costs of acquired assets, in case a prolonged decline in the market prices of oil and natural gas occurs. Eni may also incur unanticipated costs or assume unexpected liabilities and losses in connection with companies or assets it acquires. If the integration and financial risks related to acquisitions materialise, expected synergies from acquisition may fall short of management's targets and Eni's financial performance and shareholders' returns may be adversely affected.

##### ***Eni's crisis management systems may be ineffective***

Eni has developed contingency plans to continue or recover operations following a disruption or incident. An inability to restore or replace critical capacity to an agreed level within an agreed period could prolong the impact of any disruption and could severely affect business, operations and financial results. Eni has crisis management plans and the capability to deal with emergencies at every level of its operations. If Eni does not respond or is not seen to respond in an appropriate manner to either an external or internal crisis, this could adversely impact the Group's results of operations, cash flow, liquidity, business prospects, financial condition, and shareholder returns, including dividends, the amount of funds available for stock repurchases and the price of Eni's share.

##### ***Disruption to or breaches of Eni's critical IT services or digital infrastructure and security systems could adversely affect the Group's business, increase costs and damage our reputation***

The Group's activities depend heavily on the reliability and security of its information technology (IT) systems and digital security. The Group's IT systems, some of which are managed by third parties, are susceptible to being compromised, damaged, disrupted or shutdown due to failures during the process of upgrading or replacing software, databases or components, power or network outages, hardware failures, cyber-attacks (viruses, computer intrusions), user errors or natural disasters. The cyber threat is constantly evolving. The oil and gas industry is subject to fast-evolving risks from cyber threat actors, including nation states, criminals, terrorists, hacktivists and insiders. Attacks are becoming more sophisticated with regularly renewed techniques while the digital transformation amplifies exposure to these cyber threats. The adoption of new technologies, such as the Internet of Things (IoT) or the migration to the cloud, as well as the evolution of architectures for increasingly interconnected systems, are all areas where cyber security is a very important issue. The Group and its service providers may not be able to prevent third parties from breaking into the Group's IT systems, disrupting business operations or communications infrastructure through denial-of-service attacks, or gaining access to confidential or sensitive information held in the system. The Group, like many companies, has been and expects to continue to be the target of attempted cybersecurity attacks. While the Group has not experienced any such attack that has had a material impact on its business, the Group cannot guarantee that its security measures will be sufficient to prevent a material disruption, breach or compromise in the future. As a result, the Group's activities and assets could sustain serious damage, services to clients could be interrupted, material intellectual property could be divulged and, in some cases, personal injury, property damage, environmental harm and regulatory violations could occur.

If any of the risks set out above materialise, they could adversely impact the Group's results of operations, cash flow, liquidity, business prospects, financial condition, and shareholder returns, including dividends, the amount of funds available for stock repurchases and the price of Eni's share.

***Violations of data protection laws carry fines and expose us and/or our employees to criminal sanctions and civil suits.***

Data protection laws and regulations apply to Eni and its joint ventures and associates in the vast majority of countries in which we do business. The EU General Data Protection Regulation (GDPR) came into effect in May 2018, which increased penalties up to a maximum of 4% of global annual turnover for breach of the regulation. The GDPR requires mandatory breach notification, the standard for which is also followed outside the EU (particularly in Asia). Non-compliance with data protection laws could expose us to regulatory investigations, which could result in fines and penalties as well as harm our reputation. In addition to imposing fines, regulators may also issue orders to stop processing personal data, which could disrupt operations. We could also be subject to litigation from persons or corporations allegedly affected by data protection violations. Violation of data protection laws is a criminal offence in some countries, and individuals can be imprisoned or fined.

If any of the risks set out above materialise, they could adversely impact the Group's results of operations, cash flow, liquidity, business prospects, financial condition, and shareholder returns, including dividends, the amount of funds available for stock repurchases and the price of Eni's share.

## **5 Risks related to financial matters**

***Exposure to financial risk – We are exposed to treasury and trading risks, including liquidity risk, interest rate risk, foreign exchange risk, commodity price risk and credit risk and we may incur substantial losses in connection with those risks.***

Our business is exposed to the risk that changes in interest rates, foreign exchange rates or the prices of crude oil, natural gas, LNG, refined products, chemical feedstocks, power and carbon emission rights will adversely affect the value of assets, liabilities or expected future cash flows.

Exposure to the commodity risk has been described in the paragraph above. The Group has established risk management procedures and enters into derivatives commodity contracts to hedge exposure to the commodity risk relating to commercial activities, which derives from different indexation formula between purchase and selling prices of commodities. However, hedging may not function as expected. In addition, we undertake commodity trading to optimize commercial margins or with a view of profiting from expected movements in market prices. Although Eni believes it has established sound risk management procedures to monitor and control commodity trading, this activity involves elements of forecasting and Eni is exposed to the risks of incurring significant losses if prices develop contrary to management expectations and of default of counterparties.

We are exposed to exchange risks because our consolidated financial statements are prepared in Euros, whereas our main subsidiaries in the Exploration & Production sector are utilizing the US dollar as functional currency. Furthermore, our subsidiaries hold assets and are exposed to liabilities in other currencies, mainly the US dollar. Therefore, movements in the USD versus the euro exchange rate affect year-on-year comparability of results of operations and cash flows. Furthermore, prices of oil, natural gas and refined products generally are denominated in, or linked to, USD, while a significant portion of Eni's expenses are incurred in euros. Accordingly, a depreciation of the USD against the euro generally has an adverse impact on Eni's results of operations and liquidity because it reduces booked revenues by an amount greater than the decrease in USD denominated expenses and may also result in significant translation adjustments that impact Eni's shareholders' equity.

Eni's credit ratings are potentially exposed to risk from possible reductions of sovereign credit rating of Italy. On the basis of the methodologies used by Standard & Poor's and Moody's, a potential downgrade of Italy's credit rating may have a potential knock-on effect on the credit rating of Italian issuers such as Eni and make it more likely that the credit rating of the debt instruments issued by the Company could be downgraded.

We are exposed to credit risk; our counterparties could fail or could be unable to pay the amounts owed to us and to meet their performance obligations under contractual arrangements. In the last few years, the Group has experienced a level of counterparty default higher than in previous years due to the severity of the economic and financial downturn that has negatively affected several Group counterparties, customers and partners and to the fact that Italy, which is still the largest market to Eni's gas wholesale and retail businesses, has underperformed other OECD countries in terms of GDP growth. Management believes that the Gas & Power segment is particularly exposed to credit risk due to its large and diversified customer base, which includes a large number of medium and small-sized businesses and retail customers who have been particularly hit by the financial and economic downturn. Going forward, we expect that an uncertain macroeconomic outlook in Europe and Italy will pose a risk to the Company's ability to collect revenues in its retail gas and power business. Eni's E&P business is significantly exposed to the credit risk because of the deteriorated financial outlook of many oil-producing countries due to continued weak oil prices, which has negatively impacted petroleum revenues of those Countries triggering financial instability. The financial difficulties of those countries have extended to state-owned oil companies and other national agencies who are partnering Eni in the execution of oil&gas projects or who are buying Eni's equity production in a number of oil&gas projects. These trends have limited Eni's ability to fully recover or to collect timely its trade or financing receivable or its investments towards those entities. Eni believes that the management of doubtful accounts represents an issue to the Company, which will require management focus and commitment going forward. Eni cannot exclude the recognition of significant provisions for doubtful accounts in the future. In particular, management is closely monitoring exposure to the counterpart risk in its Exploration & Production due to the magnitude of the exposure at risk and to the long-lasting effects of the oil price downturn on its industrial partners.

If any of the risks set out above materialise, they could adversely impact the Group's results of operations, cash flow, liquidity, business prospects, financial condition, and shareholder returns, including dividends, the amount of funds available for stock repurchases and the price of Eni's share.

### ***Liquidity risk***

Liquidity risk is the risk that suitable sources of funding for the Group may not be available, or the Group is unable to sell its assets on the marketplace in order to meet short-term financial requirements and to settle obligations. Such a situation would negatively affect the Group results of operations and cash flows as it would result in Eni incurring higher borrowing expenses to meet its obligations or, under the worst conditions, the inability of Eni to continue as a going concern. Global financial markets are volatile due to a number of macroeconomic risk factors, including the financial situation of certain hydrocarbons-exporting countries whose financial conditions have sharply deteriorated following the protracted downturn in crude oil prices. In the event of extended periods of constraints in the financial markets, or if Eni is unable to access the financial markets (including cases where this is due to Eni's financial position or market sentiment as to Eni's prospects) at a time when cash flows from Eni's business operations may be under pressure, Eni's ability to maintain Eni's long-term investment program may be impacted with a consequent effect on Eni's business prospects, results of operations and cash flows, and may impact shareholder returns, including dividends or share price. The oil and gas industry is capital intensive. Eni makes and expects to continue to make substantial capital expenditures in its business for the exploration, development and production of oil and natural gas reserves. Over the 2020-2023 period, the Company plans to invest in the business approximately euro 27 billion. In 2020, Eni expects to make capital expenditures of euro 5.2 billion. Historically, Eni's capital expenditures have been financed with cash generated by operations, proceeds from asset disposals, borrowings under its credit facilities and



proceeds from the issuance of debt and bonds. The actual amount and timing of future capital expenditures may differ materially from Eni's estimates as a result of, among other things, changes in commodity prices, available cash flows, lack of access to capital, actual drilling results, the availability of drilling rigs and other services and equipment, the availability of transportation capacity, and regulatory, technological and competitive developments. Eni's cash flows from operations and access to capital markets are subject to a number of variables, including but not limited to:

- the amount of Eni's proved reserves;
- the volume of crude oil and natural gas Eni is able to produce and sell from existing wells; • the prices at which crude oil and natural gas are sold;
- Eni's ability to acquire, find and produce new reserves; and
- the ability and willingness of Eni's lenders to extend credit or of participants in the capital markets to invest in Eni's bonds.

If revenues or Eni's ability to borrow decrease significantly due to factors such as a prolonged decline in crude oil and natural gas prices, Eni might have limited ability to obtain the capital necessary to sustain its planned capital expenditures. If cash generated by operations, cash from asset disposals, or cash available under Eni's liquidity reserves or its credit facilities is not sufficient to meet capital requirements, the failure to obtain additional financing could result in a curtailment of operations relating to development of Eni's reserves, which in turn could adversely affect its business, financial condition, results of operations, and cash flows and its ability to achieve its growth plans. These factors could also negatively affect shareholders' returns, including the amount of cash available for dividend distribution and share repurchases, as well as the share price. In addition, funding Eni's capital expenditures with additional debt will increase its leverage and the issuance of additional debt will require a portion of Eni's cash flows from operations to be used for the payment of interest and principal on its debt, thereby reducing its ability to use cash flows to fund capital expenditures and dividends.

## **6 Risk factors specific to EFI**

### ***Risks arising from changes to interest rates and exchange rates***

The activities of EFI are affected by fluctuations in interest rates and exchange rates. Should interest rates and exchange rates vary, they may adversely affect a range of variables, including: (i) the Group companies' ability to repay loans received; or (ii) EFI's ability to realise positive margins, as there may be a reduced differential between the interest or exchange rates at which they may lend and the interest or exchange rates at which they may be able to borrow. There can be no assurance that the activities of EFI will not suffer a material adverse effect as a result of risks arising from changes to interest rates and exchange rates.

### ***Risks associated with the legislative, accounting and regulatory context***

The activities of EFI are subject to risks associated with the legislative, accounting and regulatory context in which it operates. Its activities are subject to specific legislation and regulation. Any changes to the legislative and/or regulatory context in which EFI operates, including those relating to fiscal or accounting matters, could have a material adverse effect on EFI's activities.

### ***Risks connected with information technology***

The activities of EFI are subject to risks associated with information technology. These activities rely upon integrated technology systems. EFI relies on the correct functioning and reliability of such systems to protect its network infrastructure, information technology equipment and information about the Group from losses caused by technical failure, human error, natural disaster, sabotage, power failures and other losses of function.

The loss of information regarding the Group or other information central to EFI's activities, or material interruption in its service, could have a material adverse effect on its results of operations. In addition, upgrades to its information technology may require significant investments. There can be no assurance that the activities of EFI will not suffer a material adverse effect as a result of information technology risk.

#### ***Operational risk***

The activities of EFI are subject to operational risk. Operational risk has acquired its own distinct position in the finance sector. It is defined as "the risk of losses resulting from failure of internal processes, people or systems or from external events". Events of recent decades in modern international finance have shown on several occasions that ineffective control of operational risks can lead to substantial losses. There can be no assurance that the activities of EFI will not suffer a material adverse effect as a result of operational risk.

#### ***Country risk***

The activities of EFI are subject to country risk. With respect to country risk, a distinction can be made between transfer risk and collective debtor risk. Transfer risk relates to the possibility of foreign governments placing restrictions on funds transferred from debtors in that country to creditors abroad. Collective debtor risk relates instead to the situation where a large number of debtors cannot meet their commitments for the same reason (e.g. war, political and social unrest, natural disasters, and also government policy that does not succeed in creating macro-economic and financial stability). There can be no assurance that the activities of EFI will not suffer a material adverse effect as a result of country risk.

#### ***Funding and liquidity risk***

The activities of EFI are subject to funding and liquidity risk. The average maturity of its loans, as well as the degree of diversification of shorter-term and longer-term loans, liquidity limits, funding concentration ratios and exposures are regularly monitored. At present, considering the wide availability of funds and lines of credit, EFI believes it has access to sufficient funding to meet currently foreseeable borrowing requirements. However, there can be no assurance that the activities of EFI will not suffer a material adverse effect as a result of funding or liquidity risk.

#### ***Credit risk***

Credit risk can be described as EFI's exposure to losses incurred in the event of non-performance by a counterparty of its obligations. Due to EFI's role within the Group, its credit risk is influenced by the business and markets in which the Group operates. As for financial investments and the utilisation of financial instruments, including derivatives, EFI follows the guidelines set by Eni identifying the eligible (external) counterparties in financial transactions. EFI currently does not have any issues regarding non-performance of counterparties. However, there can be no assurance that the activities of EFI will not suffer a material adverse effect as a result of credit risk. Besides credit risk towards external counterparties, EFI could also be subject to credit risk regarding Eni S.p.A. and its subsidiaries, as a result of its function within the Group, in the event that Eni S.p.A. does not ensure the solvency of its subsidiaries through parent company guarantees or equity injections.

#### ***Market risk***

The activities of EFI may be subject to market risk. In this regard, EFI follows the guidelines set by Eni to monitor the relevant risk factors. Market risk may affect the value of any financial assets held which are subject to risks arising from price movements in the market. Price changes include prices of interest rate products, equities, currencies, certain commodities and derivatives. Adverse market movements relative to the following risk factors — interest rates, equity and market indices, foreign exchange rates, implicit volatilities and spreads

in credit default swaps — are monitored regularly where relevant. However, there can be no assurance that the activities of EFI will not suffer a material adverse effect as a result of market risk.

## **Risk factors relating to the Notes and the Guarantee**

### **7 *Risks related to the structure of a particular issue of Notes which may be issued under the Programme***

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of certain such features:

#### ***Notes subject to optional redemption by the relevant Issuer***

An optional redemption feature is likely to limit the market value of Notes. During any period when the relevant Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The relevant Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a lower rate. Potential investors should consider reinvestment risk in the light of other investments available at that time.

In addition, Notes issued by EFI may not be held by investors who are not Qualifying Investors, as defined herein. EFI Notes which are held by investors other than Qualifying Investors may be subject to early redemption in accordance with the Conditions.

#### ***Fixed/Floating Rate Notes***

Notes to which Condition 5(d) (*Interest and other Calculations - Change of Interest Basis*) applies may bear interest at a rate that the relevant Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The relevant Issuer's ability to convert the interest rate will affect the secondary market and the market value of such Notes since such Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the relevant Issuer converts from a fixed rate to a floating rate, the spread on such Notes may be less favourable than the prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the relevant Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than the prevailing rates on its Notes.

#### ***Notes issued at a substantial discount or premium***

The market values of securities issued at a substantial discount or premium to their nominal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

#### ***Reform of LIBOR and EURIBOR and other interest rate index and equity, commodity and foreign exchange rate index "benchmarks"***

LIBOR, EURIBOR and other indices which are deemed "benchmarks" ("**Benchmarks**") are the subject of recent national, international and other regulatory guidance and proposals for reform. Some of these reforms are already effective while others are still to be implemented. These reforms may cause such Benchmarks to perform differently than in the past, or to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes linked to a Benchmark.

Key international reforms of Benchmarks include the International Organization of Securities Commission proposed Principles for Financial Market Benchmarks (July 2013) and the EU's Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as Benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (the "**Benchmarks Regulation**").

The IOSCO Benchmark Principles aim to create an overarching framework of principles for Benchmarks to be used in financial markets, specifically covering governance and accountability, as well as the quality and transparency of Benchmark design and methodologies. A review published in February 2015 on the status of the voluntary market adoption of the IOSCO Benchmark Principles noted that, as the Benchmarks industry is in a state of change, further steps may need to be taken by IOSCO in the future, but that it is too early to determine what those steps should be. The review noted that there has been a significant market reaction to the publication of the IOSCO Benchmark Principles, and widespread efforts being made to implement the IOSCO Benchmark Principles by the majority of administrators surveyed.

On 17 May 2016, the Council of the European Union adopted the Benchmarks Regulation. The Benchmarks Regulation was published in the Official Journal on 29 June 2016 and entered into force on 30 June 2016. Subject to various transitional provisions, the Benchmarks Regulation has been applicable since 1 January 2018, except that the regime for "critical" Benchmarks has applied from 30 June 2016 and certain amendments to Regulation (EU) No 596/2014 (the "**Market Abuse Regulation**") have applied from 3 July 2016. The Benchmarks Regulation applies to "contributors", "administrators" and "users of" Benchmarks in the EU, and would, among other things, (i) requires Benchmark administrators to be authorised (or, if non-EU-based, to be subject to an equivalent regulatory regime) and to comply with extensive requirements in relation to the administration of "benchmarks" and (ii) bans the use of Benchmarks of unauthorised administrators. The scope of the Benchmarks Regulation is wide and, in addition to so-called "critical benchmark" indices such as LIBOR and EURIBOR, could also potentially apply to many other interest rate indices, as well as equity, commodity and foreign exchange rate indices and other indices (including "proprietary" indices or strategies) which are referenced in listed financial instruments (including listed Notes), financial contracts and investment funds. The transitional period under the Benchmarks Regulation has been extended for two years for critical benchmarks and third country benchmarks by Regulation (EU) 2019/2089 of 27 November 2019. Accordingly, providers of critical benchmarks (such as EURIBOR) have until 31 December 2021 to comply with the new Benchmark Regulation requirements.

The Benchmarks Regulation could also have a material impact on any listed Notes linked to a Benchmark index, including in any of the following circumstances:

- (i) an index which is a Benchmark could not be used as such if its administrator does not obtain appropriate EU authorisations or is based in a non-EU jurisdiction which (subject to any applicable transitional provisions) does not have equivalent regulation. In such event, depending on the particular Benchmark and the applicable terms of the Notes, the Notes could be delisted (if listed), adjusted, redeemed or otherwise impacted; or
- (ii) the methodology or other terms of the Benchmark related to a series of Notes could be changed in order to comply with the terms of the Benchmarks Regulation, and such changes could have the effect of reducing or increasing the rate or level of the Benchmark or of affecting the volatility of the published rate or level, and could lead to adjustments to the terms of the Notes.

In the case of LIBOR, on 27 July 2017, the Chief Executive of the United Kingdom Financial Conduct Authority ("**FCA**"), which regulates LIBOR, announced that it did not intend to continue to persuade, or use its powers to compel, panel banks to submit rates for the calculation of LIBOR to the administrator of LIBOR after 2021. The announcement indicates that the continuation of LIBOR on the current basis is not guaranteed after 2021.

In a further speech on 12 July 2018, the FCA emphasised that market participants should not rely on the continued publication of LIBOR after the end of 2021. Against this context, SONIA (the Sterling Overnight Index Average) is being developed as an alternative to Sterling LIBOR while the Federal Reserve's Alternative Reference Rates Committee has recommended SOFR (the Secured Overnight Financing Rate) as the US replacement benchmark for LIBOR. Separate workstreams are also underway in Europe to reform EURIBOR using a hybrid methodology and to provide fallback by reference to a euro risk-free rate (based on a euro overnight risk-free rate as adjusted by a methodology to create a term rate). On 13 September 2018, the working group on euro risk-free rates recommended Euro Short-term Rate ("€STR") as the new risk-free rate. €STR was published by the European Central Bank (the "ECB") on 2 October 2019. In addition, on 21 January 2019, the euro risk-free rate working group published a set of guiding principles for fallback provisions in new euro denominated cash products (including bonds). The guiding principles indicate, among other things, that continuing to reference EURIBOR in relevant contracts may increase the risk to the euro area financial system.

Any of the international, national or other reforms (or proposals for reform) or the general increased regulatory scrutiny of Benchmarks could increase the costs and risks of administering or otherwise participating in the setting of a Benchmark and complying with any such regulations or requirements. Such factors may have the effect of discouraging market participants from continuing to administer or participate in certain Benchmarks, trigger changes in the rules or methodologies used in certain Benchmarks or lead to the disappearance of certain Benchmarks.

The disappearance of a Benchmarks or changes in the manner of administration of a Benchmarks could result in adjustment to the terms and conditions, early redemption, discretionary valuation by the Calculation Agent, delisting (if listed) or other consequence in relation to Notes linked to such Benchmarks. Any such consequence could have a material adverse effect on the value of and return on any such Notes.

#### ***Floating Rate Notes***

Reference rates and indices, including interest rate Benchmarks, such as LIBOR or EURIBOR, which are used to determine the amounts payable under financial instruments or the value of such financial instruments, have, in recent years, been the subject of political and regulatory scrutiny as to how they are created and operated. This has resulted in regulatory reform and changes to existing Benchmarks, with further changes anticipated. These reforms and changes may cause a Benchmark to perform differently than it has done in the past or to be discontinued, or Benchmarks to be eliminated entirely, or other consequences which cannot be predicted. For example, on 27 July 2017, the UK Financial Conduct Authority (the "FCA") announced that it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark after 2021 (the "**FCA Announcement**"). The FCA Announcement indicates that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021. Subsequent announcements by the FCA have emphasised that market participants should not rely on the continued publication of LIBOR after the end of 2021. The potential elimination of the LIBOR benchmark or any other Benchmark, or changes in the manner of administration of any Benchmark, could require or result in an adjustment to the interest provisions of the Conditions, or result in other consequences, in respect of any Notes linked to such Benchmark (including but not limited to Floating Rate Notes whose interest rates are linked to LIBOR which may, depending on the manner in which the LIBOR benchmark is to be determined under the terms and conditions, result in the effective application of a fixed rate based on the rate which applied in the previous period when LIBOR was available). Amendments to the Conditions and/or relevant fall-back provisions may be required to reflect such discontinuance and there can be no assurance that any such amendments will fully or effectively mitigate all future relevant interest rate risks. Any change in the performance of a Benchmark or its discontinuation, could have a material adverse effect on any Notes referencing or linked to such Benchmark.

Where Screen Rate Determination is specified as the manner in which the Rate of Interest in respect of floating rate Notes is to be determined, the Conditions provide that the Rate of Interest shall be determined by reference

to the Relevant Screen Page (or its successor or replacement). In circumstances where such Original Reference Rate is discontinued, neither the Relevant Screen Page, nor any successor or replacement may be available.

Where the Relevant Screen Page is not available, and no successor or replacement for the Relevant Screen Page is available, the Conditions provide for the Rate of Interest to be determined by the Calculation Agent by reference to quotations from banks communicated to the Calculation Agent.

Where such quotations are not available (as may be the case if the relevant banks are not submitting rates for the determination of such Original Reference Rate), the Rate of Interest may ultimately revert to the Rate of Interest applicable as at the last preceding Interest Determination Date before the Original Reference Rate was discontinued. Uncertainty as to the continuation of the Original Reference Rate, the availability of quotes from reference banks, and the rate that would be applicable if the Original Reference Rate is discontinued may adversely affect the value of, and return on, the Floating Rate Notes.

If a Benchmark Event (as defined in Condition 5A) (which, amongst other events, includes the permanent discontinuation of an Original Reference Rate) occurs, the Issuer shall use its reasonable endeavours to appoint an Independent Adviser. The Independent Adviser shall endeavour to determine a Successor Rate or Alternative Rate to be used in place of the Original Reference Rate. The use of any such Successor Rate or Alternative Rate to determine the Rate of Interest will result in Notes linked to or referencing the Original Reference Rate performing differently (which may include payment of a lower Rate of Interest) than they would do if the Original Reference Rate were to continue to apply in its current form.

Furthermore, if a Successor Rate or Alternative Rate for the Original Reference Rate is determined by the Independent Adviser, the Conditions provide that the Issuers may vary the Conditions, as necessary, to ensure the proper operation of such Successor Rate or Alternative Rate, without any requirement for consent or approval of the Noteholders.

If a Successor Rate or Alternative Rate is determined by the Independent Adviser, the Conditions also provide that an Adjustment Spread may be determined by the Independent Adviser and applied to such Successor Rate or Alternative Rate in the manner set out in Condition 5A(c). However, it may not be possible to determine or apply an Adjustment Spread and if no Adjustment Spread can be determined, a Successor Rate or Alternative Rate may nonetheless be used to determine the Rate of Interest. The use of any Successor Rate or Alternative Rate (including with the application of an Adjustment Spread) will still result in Notes linked to or referencing the Original Reference Rate performing differently (which may include payment of a lower Rate of Interest) than they would if the Original Reference Rate were to continue to apply in its current form and any Successor Rate or Alternative Rate determined pursuant to Condition 5A may result in a lower return to investors than what they might have received on the basis of the Original Reference Rate.

***An Issuer may be unable to appoint an Independent Adviser or the Independent Adviser may not be able to determine a Successor Rate or Alternative Rate in accordance with the terms and conditions of the Notes.***

Where an Issuer is unable to appoint an Independent Adviser, or the Independent Adviser is unable, to determine a Successor Rate or Alternative Rate and/or (in either case) the applicable Adjustment Spread, prior to the relevant IA Determination Cut-off Date in accordance with this Condition, the Issuer (acting in good faith and in a commercially reasonable manner) may determine a Successor Rate, failing which an Alternative Rate and, in either case, an Adjustment Spread, by no later than five Business Days prior to the Determination Date relating to the next Determination Period for which the Rate of Interest (or any component part thereof) is to be determined by reference to the Original Reference Rate.

Where an Issuer has been unable to appoint an Independent Adviser or, the Independent Adviser has failed, to determine a Successor Rate or Alternative Rate in respect of any given Interest Period, it will continue to attempt to appoint an Independent Adviser in a timely manner before the next succeeding Interest Determination Date

and/or to determine a Successor Rate or Alternative Rate to apply the next succeeding and any subsequent Interest Periods, as necessary.

Applying the initial Rate of Interest, or the Rate of Interest applicable as at the last preceding Interest Determination Date before the occurrence of the Benchmark Event will result in Notes linked to or referencing the relevant benchmark performing differently (which may include payment of a lower Rate of Interest) than they would do if the relevant benchmark were to continue to apply, or if a Successor Rate or Alternative Rate could be determined.

If an Issuer is unable to appoint an Independent Adviser or, the Independent Adviser fails to determine a Successor Rate or Alternative Rate for the life of the relevant Notes, the initial Rate of Interest, or the Rate of Interest applicable as at the last preceding Interest Determination Date before the occurrence of the Benchmark Event, will continue to apply to maturity. This will result in the Floating Rate Notes, in effect, becoming fixed rate Notes.

Where ISDA Determination is specified as the manner in which the Rate of Interest in respect of Floating Rate Notes is to be determined, the Conditions provide that the Rate of Interest in respect of the Notes shall be determined by reference to the relevant Floating Rate Option in the 2006 ISDA Definitions. Where the Floating Rate Option specified is an “IBOR” Floating Rate Option, the Rate of Interest may be determined by reference to the relevant screen rate or the rate determined on the basis of quotations from certain banks. If the relevant IBOR is permanently discontinued and the relevant screen rate or quotations from banks (as applicable) are not available, the operation of these provisions may lead to uncertainty as to the Rate of Interest that would be applicable, and may, adversely affect the value of, and return on, the Floating Rate Notes.

#### ***Exchange rate risks and exchange controls***

The relevant Issuer and the Guarantor will pay principal and interest on the Notes and the Guarantee, as applicable, in the Specified Currency. This presents certain risks relating to currency conversions if an investor’s financial activities are denominated principally in a currency or currency unit (the “**Investor’s Currency**”) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor’s Currency) and the risk that authorities with jurisdiction over the Investor’s Currency and/or the Specified Currency may impose or modify exchange controls. An appreciation of the value of the Investor’s Currency relative to the Specified Currency would decrease (1) the Investor’s Currency-equivalent yield on the Notes; (2) the Investor’s Currency-equivalent value of the principal payable on the Notes; and (3) the Investor’s Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

#### ***Interest rate risks***

Investment in fixed rate Notes or in Notes to which Condition 5(d) (*Interest and other Calculations - Change of Interest Basis*) applies involves the risk that subsequent changes in market interest rates may adversely affect the value of such Notes.

### **8 Risks related to EFI Notes issued under the Programme**

***Reliance on the procedures of the NBB Securities Settlement System, Euroclear and Clearstream Banking AG, Frankfurt for transfer, payment and communication with the relevant Issuer.***

The EFI Notes will be represented by a Global Note in bearer form and will be deposited with and immobilised by the NBB. The Eni Notes will be issued in bearer or registered form and will be represented on issue by a global note or global certificate.

Access to the NBB Securities Settlement System, Euroclear and Clearstream Banking AG, Frankfurt is available through their respective participants whose membership extends to securities such as the Notes. NBB Securities Settlement System participants include certain credit institutions, stockbrokers (*beursvennootschappen/sociétés de bourse*), Euroclear, Clearstream Banking AG, Frankfurt, SIX SIS (CH) and Monte Titoli (IT).

Transfers of interests in the EFI Notes will be effected between the participants in the NBB Securities Settlement System, Euroclear or/and Clearstream Banking AG, Frankfurt in accordance with the rules and operating procedures of the relevant clearing systems including, in relation to the NBB Securities Settlement System, the NBB Securities Settlement System Regulations and any other financial intermediaries through which investors hold their Notes.

A Noteholder must also rely on the NBB Securities Settlement System Regulations and the rules and procedures of Euroclear and Clearstream Banking AG, Frankfurt to receive payments under the EFI Notes.

The relevant Issuer, the Paying Agent, the Fiscal Agent and the Dealer will have no responsibility or liability for the proper performance by or the records relating to or payments made in respect of the Notes within, the NBB Securities Settlement System, Euroclear and Clearstream Banking AG, Frankfurt or the relevant participants of their obligations under their respective rules and operating procedures.

***The Guarantee may be limited by applicable laws or subject to certain defences that may limit their validity and enforceability.***

The Guarantee given by the Guarantor provides Noteholders with a direct claim against the Guarantor in respect of EFI's obligations under the EFI Notes. Enforcement of the Guarantee would be subject to certain generally available defences, which may include those relating to corporate benefit, fraudulent conveyance or transfer, voidable preference, financial assistance, corporate purpose, capital maintenance or affecting the rights of creditors generally. If a court were to find the Guarantee given by the Guarantor void or unenforceable, then holders of the EFI Notes would cease to have any claim in respect of the Guarantor and would be creditors solely of EFI.

Enforcement of the Guarantee is subject to the provisions contained in the Deed of Guarantee which include certain limitations reflecting mandatory provisions of Italian laws, such as that the payment obligations of Eni under the Guarantee shall at no time exceed an aggregate nominal amount not exceeding Euro 20,000,000,000 (plus related charges and expenses (*oneri e spese accessori*)).

## **9 Risks related to all Notes issued under the Programme**

Set out below is a brief description of certain risks relating to the Notes generally:

### ***Modification***

The Terms and Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

### ***Change of law***



The Terms and Conditions of the Notes are governed by English law and, to a limited extent only, by Belgian and Italian law in effect as at the date of issue of the relevant Notes. In addition, the Guarantee is governed by English law. No assurance can be given as to the impact of any possible judicial decision or change to English, Belgian and Italian law or administrative practice after the date of issue of the relevant Notes.

***Bearer Notes where denominations involve integral multiples***

In relation to any issue of Notes in bearer form which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that the Notes may be traded in amounts that are not integral multiples of such minimum Specified Denomination (as defined in the Conditions). In such a case, a Noteholder who, as a result of trading such amounts, holds a principal amount of less than the minimum Specified Denomination in its account with the relevant clearing system at the relevant time will not receive a Definitive Note in respect of such holding (should Definitive Notes be printed) and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more Specified Denominations.

If Definitive Notes are issued, Noteholders should be aware that Definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

**10 *Risks related to the market***

Set out below is a brief description of certain market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

***The secondary market***

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be liquid. In addition, liquidity may be limited if the Issuer makes large allocations to a limited number of investors. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities, liquidity may have a severely adverse effect on the market value of Notes.

***Credit ratings may not reflect all risks***

One or more independent credit-rating agencies may assign credit ratings to an issue of Notes. The ratings may not reflect the potential impact of all risks related to structure, market, and the additional factors discussed above or factors that may affect the value of the Notes. The ratings do not address, *inter alia*, the following: (i) the likelihood that the principal will be redeemed on the Notes, as expected, on the scheduled redemption dates; (ii) possibility of the imposition of Italian or European withholding taxes; (iii) the marketability of the Notes, or any market price for the Notes; or (iv) whether an investment in the Notes is a suitable investment.

A credit rating is not a recommendation to buy, sell or hold securities and may be revised, placed on “creditwatch”, suspended or withdrawn by the assigning rating agency at any time. There is no assurance that any such ratings will continue for any period of time or that they will not be reviewed, revised, suspended or withdrawn entirely by any of the rating agencies as a result of changes in or unavailability of information or if, in the sole judgement of the rating agencies, the credit quality of the Notes has declined or is in question. A qualification, downgrade or withdrawal of any of the ratings mentioned above may impact upon the value of the Notes.

***Legal investment considerations may restrict certain investments***

The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it; (2) Notes can be used as collateral for various types of borrowing; and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

#### ***Risks associated with the coronavirus (COVID-19) pandemic***

The recent outbreak of a new coronavirus (named COVID-19) that was first detected in China in December 2019, was declared a pandemic by the World Health Organization (WHO) on 11 March 2020. This pandemic is now having, and may have for an unforeseeable period of time, significant health, social and economic consequences worldwide.

In addition to the worsening of the global macroeconomic scenario and the risk of deterioration of the credit profile of a considerable number of countries (including Italy), the above-mentioned pandemic has already led to significant slowdowns in many business activities due to the significant adverse impact on global supply chains, tourism revenues, commodity prices, capital flows and demand, and financial markets.

The ultimate severity and related consequences of COVID-19 is causing significant uncertainty in both domestic and global financial markets and could have an impact on the business environment as well as on the legal, tax and regulatory framework (particularly further to certain legislative measures adopted by national governments).

### **11 *Risks relating to Taxation and reporting information***

#### ***Common Reporting Standard – Exchange of information***

Since 1 January 2016, the exchange of information has, in a significant number of countries, already been governed by the Common Reporting Standard (“CRS”). On 29 October 2014, a large number of jurisdictions signed the multilateral competent authority agreement, which is a multilateral framework agreement to automatically exchange financial and personal information, with the subsequent bilateral exchanges coming into effect between those signatories that file the subsequent notifications.

Under CRS, financial institutions resident in a CRS country will be required to report, according to a due diligence standard, financial information with respect to reportable accounts, which includes interest, dividends, account balance or value, income from certain insurance products, sales proceeds from financial assets and other income generated with respect to assets held in the account or payments made with respect to the account. Reportable accounts include accounts held by individuals and entities (which includes trusts and foundations) with fiscal residence in another CRS country. The standard includes a requirement to look through passive entities to report on the relevant controlling persons.

Investors who are in any doubt as to their position should consult their professional advisers.

#### ***Risks relating to the proposed financial transaction tax (the “FTT”)***

In 2013, the European Commission has published a proposal for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia. In December 2015 Estonia withdrew from the group of states willing to introduce the FTT (the “**Participating Member States**”).

The proposed FTT had very broad scope, possibly applying to dealings in the Notes (including secondary market transactions) in certain circumstances.

However, the FTT proposal remains subject to negotiation between the (still) Participating Member States; the scope of any such tax and its adoption are uncertain. Additional EU member states may decide to participate.

Until recently, the FTT proposal was at a standstill at the level of the European Council. Following the meeting of the Council of the EU of 14 June 2019, the FTT currently being considered by the Participating Member States would be levied on the acquisition of shares or similar instruments of listed companies which have their head office in a member state of the EU (and market capitalisation in excess of €1 billion on 1 December of the preceding year), rather than on any type of financial instrument. In order to reach a final agreement among the Participating Member States, further work in the Council and its preparatory bodies will be required in order to ensure that the competences, rights and obligations of non-participating EU member states are respected.

If the proposed directive or any similar tax was adopted and depending on the final terms and scope of the FTT, transactions on the Notes could be subject to higher costs, and the liquidity of the market for the Notes may be diminished.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

## DOCUMENTS INCORPORATED BY REFERENCE

This Base Prospectus should be read and construed in conjunction with the following:

- (i) the annual audited consolidated financial statements of each of the Issuers as at and for the years ended 31 December 2018 and 31 December 2019 (the “**Annual Reports**”), as further described below:
  - (a) in relation to Eni, the 2018 Annual Report shall be the 2018 Annual Report on Form 20-F which includes the Independent Auditors’ Reports of EY S.p.A. dated 5 April 2019, the 2019 Annual Report shall be the 2019 Annual Report on Form 20-F which includes the Independent Auditors’ Report of PricewaterhouseCoopers SpA dated 2 April 2020.  
  
Eni’s 2018 Annual Report on Form 20-F is available at <https://www.eni.com/assets/documents/documents-en/Annual-Report-On-Form-20-F-2018.pdf> and Eni’s 2019 Annual Report on Form 20-F is available at <https://www.eni.com/assets/documents/eng/reports/2019/Annual-Report-On-Form-20-F-2019.pdf>; and
  - (b) in relation to EFI, the 2018 Annual Report shall be the non-consolidated English translation thereof which includes the Independent Auditors’ Reports of Ernst & Young Réviseurs d’Entreprises SCRL dated 7 March 2019, the 2019 Annual Report shall be the non-consolidated English translation thereof which includes the Independent Auditors’ Reports of PricewaterhouseCoopers Bedrijfsrevisoren BV dated 19 March 2020. EFI’s 2018 Annual Report is available at [https://www.enifinanceinternational.com/assets/pdf/en\\_EN/documentation/EFI-Annual\\_Report\\_2018-Rapport\\_et\\_Comptes\\_Annuels\\_2018.pdf](https://www.enifinanceinternational.com/assets/pdf/en_EN/documentation/EFI-Annual_Report_2018-Rapport_et_Comptes_Annuels_2018.pdf) and EFI’s 2019 Annual Report is available at [https://www.enifinanceinternational.com/assets/pdf/en\\_EN/documentation/EFI-Annual\\_Report\\_2019-Rapport\\_et\\_Comptes\\_Annuels\\_2019.pdf](https://www.enifinanceinternational.com/assets/pdf/en_EN/documentation/EFI-Annual_Report_2019-Rapport_et_Comptes_Annuels_2019.pdf)
- (ii) the unaudited condensed consolidated interim financial statements of each of the Issuers as at and for the six months ended 30 June 2019 and 30 June 2020, as published subsequently to the Annual Reports of each of the Issuers (the “**unaudited Interim Financial Statements**”), as further described below:
  - (a) in relation to Eni, the unaudited condensed consolidated Interim Financial Statements shall each be the English language version thereof, as contained in the interim reports for the six months ended 30 June 2019 and 30 June 2020. Eni’s 2019 Interim Financial Statements are available at [https://www.eni.com/docs/en\\_IT/enicom/publications-archive/publications/reports/reports-2019/Interim-consolidated-report-June-30-2019.pdf](https://www.eni.com/docs/en_IT/enicom/publications-archive/publications/reports/reports-2019/Interim-consolidated-report-June-30-2019.pdf) and Eni’s 2020 Interim Financial Statements are available at <https://www.eni.com/assets/documents/eng/reports/2020/1-half-2020/Interim-consolidated-report-June-30-2020.pdf>; and
  - (b) in relation to EFI, the unaudited condensed Interim Financial Statements (consisting of a balance sheet, income statement and appropriation account) shall each be the non-consolidated English version thereof for the six months ended 30 June 2019 and 30 June 2020. EFI’s 2019 Interim Financial Statements are available at [https://www.enifinanceinternational.com/assets/pdf/en\\_EN/documentation/Semi\\_annual\\_report.pdf](https://www.enifinanceinternational.com/assets/pdf/en_EN/documentation/Semi_annual_report.pdf) and EFI’s 2020 Interim Financial Statements are available at [https://www.enifinanceinternational.com/assets/pdf/en\\_EN/documentation/Semi\\_annual\\_report\\_2020.pdf](https://www.enifinanceinternational.com/assets/pdf/en_EN/documentation/Semi_annual_report_2020.pdf)
- (iii) the Terms and Conditions contained in the Debt Issuance Programme Base Prospectus dated 3 October 2019, pages 56-89 (inclusive), prepared by the Issuers and the Guarantor in connection with the

Programme, which is available at <https://www.eni.com/assets/documents/investitori/Eni-MTN-Base-Prospectus-2019.pdf>.

The documents listed at (i)-(iii) have been previously published, or are published simultaneously with, this Base Prospectus and have been filed with the CSSF.

Such documents shall be incorporated by reference in and form part of this Base Prospectus, save that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

Copies of documents incorporated by reference in this Base Prospectus may be obtained from the offices of the Paying and Transfer Agent in Luxembourg (as set out herein) and will also be available on the website of the Luxembourg Stock Exchange (<https://www.bourse.lu/programme-documents/Programme-ENI/12182>). In addition, Eni's Annual Reports and Interim Financial Statements will be available on the website of Eni ([https://www.eni.com/en\\_IT/investors/presentations-and-reports/reports.page](https://www.eni.com/en_IT/investors/presentations-and-reports/reports.page)).

Any information contained in any of the documents specified above which is not listed in the cross-reference lists set out in this section and which, therefore, is not incorporated by reference in this Base Prospectus, is either not relevant to investors or is covered elsewhere in this Base Prospectus (in line with Article 19 of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**")).

## EFI

For ease of reference, the tables below set out the relevant page references for the statutory financial statements, the notes to the statutory financial statements and the Independent Auditors' reports as of and for the years ended 31 December 2018 and 31 December 2019 as set out in the English versions of the audited financial statements of EFI. Any information not listed in the cross-reference table is not incorporated by reference and is either not relevant for investors or is covered elsewhere in this Base Prospectus.

### Financial Statements for the Fiscal Year ended 31 December 2018

1 Balance sheet.	pages 45-48
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2 Income statement.	pages 49-50
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3 Appropriation account.	page 51
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4 Notes to financial statements.	pages 52-82
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5 Report of Ernst & Young Réviseurs d'Entreprises SCRL, Independent Auditors	pages 34-38
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### Financial Statements for the Fiscal Year ended 31 December 2019

1 Balance sheet	pages 37-40
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2 Income statement.	pages 41-42
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3 Appropriation account.	page 43
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4 Notes to financial statements.	pages 44-68
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5 Report of PwC Reviseurs d'Entreprises SRL/PwC Bedrijfsrevisoren BV, Independent Auditors	pages 28-32
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For ease of reference, the tables below set out the relevant page references for the unaudited interim financial statements as set out in the English version of the unaudited interim condensed financial statements for the six months ended 30 June 2019 and 30 June 2020 of EFI. Any information not listed in the cross-reference table is

not incorporated by reference and is either not relevant for investors or is covered elsewhere in this Base Prospectus.

**Unaudited Interim Condensed Financial Statements as of and for the six months ended 30 June 2019**

Balance sheet.....	pages 26-29
Income Statement.....	pages 30-31
Appropriation account.....	page 32

**Unaudited Interim Condensed Financial Statements as of and for the six months ended 30 June 2020**

Balance sheet.....	pages 26-29
Income Statement.....	pages 30-31
Appropriation account.....	page 32

## Eni

For ease of reference, the tables below set out the relevant page references for the consolidated financial statements, the notes to the consolidated financial statements and the Independent Auditors' reports for the years ended 31 December 2018 and 31 December 2019 as set out in the 2018 Annual Report on Form 20-F and the 2019 Annual Report on Form 20-F of Eni. Any information not listed in the cross-reference table is not incorporated by reference and is either not relevant for investors or is covered elsewhere in this Base Prospectus.

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2	Recent developments	page 116
3	Consolidated financial statements	pages F3-F10
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	Consolidated Balance sheet	page F3
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	Consolidated Profit and loss account	page F4
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	Consolidated Statements of comprehensive income (loss)	page F5
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	Consolidated Statements of changes in shareholders' equity	pages F6-F8
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	Consolidated Statements of cash flows	pages F9-F10
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4	Report of Independent Registered Public Accounting Firm	pages F1-F2
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5	Notes on consolidated financial statements	pages F11-F141
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	Basis of preparation	page F11
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	Significant accounting, estimates and judgements	pages F11-F30
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	Financial Statements	pages F30-F31
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	Changes in accounting policies	pages F31-F33
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	IFRSs not yet adopted	pages F33-F37
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	Legal proceedings	pages F85-F98
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	Other information about investments	pages F113-F135



## Consolidated Financial Statements for the fiscal year ended 31 December 2019

1	Significant business and portfolio developments	pages 30-32
2	Recent developments	page 109-110
3	Consolidated financial statements	pages F5-F12
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	Consolidated Balance sheet	page F5
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	Consolidated Profit and loss account	page F6
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	Consolidated Comprehensive income	page F7
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	Consolidated Statements of Changes in Shareholders' equity	pages F8-F10
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	Consolidated Statement of Cash flows	pages F11-F12
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4	Report of independent registered public accounting firm (PwC SpA)	pages F1-F3
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5	Report of independent registered public accounting firm (EY SpA)	page F4
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6	Notes on consolidated financial statements	pages F13-F146
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	Significant accounting, estimates and judgements	pages F13-F35
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	Primary financial statements	pages F35-F36
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	IFRSs not yet adopted	pages F39-F40
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	Legal proceedings	Pages F90-F103
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	Other information about investments	pages F120-F142
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	Subsequent events	page F146

For ease of reference, the tables below set out the relevant page references for the English version of the consolidated financial statements, the notes to the consolidated financial statements and the Independent Auditors report, as set out in the English version of the Unaudited Condensed Consolidated Interim Financial

Statements of Eni for the six-month periods ended 30 June 2019 and 30 June 2020. Any information not listed in the cross-reference table is not incorporated by reference and is either not relevant for investors or is covered elsewhere in this Base Prospectus.

## **Unaudited Condensed Consolidated Interim Financial Statements for the six months ended 30 June 2019**

1	Alternative performance measures (Non-GAAP measures)	pages 29-32
2	Condensed consolidated interim financial statements.	pages 59-65
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	Balance Sheet	page 59
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	Profit and Loss Account	page 60
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	Statement of Comprehensive Income	page 61
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	Statement of Changes in Shareholders' Equity	pages 62-63
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	Statement of Cash Flows	pages 64-65
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3	Notes to the Condensed Consolidated Interim Financial Statements	pages 66-114
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	Basis of presentation	pages 66-67
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4	Review report on the condensed consolidated interim financial statements	pages 116-117
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5	List of companies owned by Eni S.p.A. as of 30 June 2019	pages 120-145
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**Unaudited Condensed Consolidated Interim Financial Statements for the six months ended 30 June 2020**

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2	Outlook	pages 60-61
3	Condensed consolidated interim financial statements.	pages 64-69
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	Consolidated Balance Sheet	page 64
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	Statement of Comprehensive Income	page 66
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	Statement of Changes in Shareholders' Equity	pages 67-68
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4	Notes to the Condensed Consolidated Interim Financial Statements	pages 70-118
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	Basis of presentation	pages 70
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	International Financial Reporting Standards not yet adopted	page 71-72
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	Legal proceedings	pages 97-105
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	Subsequent events	page 118
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5	Review report of PricewaterhouseCoopers SpA, independent auditors	pages 120
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6	List of companies owned by Eni S.p.A. as of 30 June 2020	pages 122-147
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## **PROSPECTUS SUPPLEMENT AND DRAWDOWN PROSPECTUS**

Each Issuer (with respect to itself) and the Guarantor (with respect to itself and jointly and severally with EFI) has given an undertaking to each Dealer and the Arranger that if at any time during the duration of the Programme there is a significant new factor, material mistake or material inaccuracy relating to information contained in this Base Prospectus whose inclusion in this Base Prospectus or removal is capable of affecting the assessment of the Notes, the Issuers and the Guarantor shall prepare a supplement to this Base Prospectus as envisaged by Article 23 of the Prospectus Regulation or publish a replacement Base Prospectus for use in connection with any subsequent offering of the Notes and shall supply to each Dealer and to the Luxembourg Stock Exchange such number of copies of such supplement hereto as (i) such Dealer may reasonably request; and (ii) the Luxembourg Stock Exchange shall require.

In case of a Tranche of Notes which is the subject of a Drawdown Prospectus, each reference in this Base Prospectus to information being specified or identified in the relevant Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus unless the context otherwise requires.

Each Drawdown Prospectus will be constituted either (1) by a single document containing the necessary information relating to the Issuers and the Guarantor and the relevant Notes or (2) by a registration document containing the necessary information relating to the Issuers and the Guarantor, a securities note containing the necessary information relating to the relevant Notes and, if necessary, a summary note.

## TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the terms and conditions that, as completed in accordance with the provisions of Part A of the relevant Final Terms, shall be applicable to the Notes in definitive form (if any) issued in exchange for the Global Note(s) representing each Series.*

*Square brackets and footnotes used within the terms and conditions are included only to provide guidance to investors in their reading hereof. Either (i) the full text of these terms and conditions together with the relevant provisions of Part A of the Final Terms or (ii) these terms and conditions as so completed (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Bearer Notes or on the Certificates relating to such Registered Notes.*

*The EFI Notes will initially be represented by Global Notes in bearer form and will be deposited with, immobilised by and held with, the operator of the securities settlement system of the National Bank of Belgium (the “**NBB Securities Settlement System**”), currently the National Bank of Belgium or any successor (the “**NBB**”). Accordingly, the terms and conditions of the EFI Notes while represented by Global Notes in bearer form, will be subject to the applicable settlement regulations, including the Belgian law of 6 August 1993 on transactions in certain securities, its implementing Belgian Royal Decrees of 26 May 1994 and 14 June 1994 and the rules of the NBB Securities Settlement System and its annexes, as issued or modified by the NBB from time to time (together the “**NBB Securities Settlement System Regulations**”). The book-entry interests in EFI Notes shall only be exchanged for Definitive Notes in certain limited circumstances. Bearer Notes cannot be physically delivered in Belgium. Upon conversion into Definitive Notes, the Issuer will arrange for the Bearer Notes to be delivered outside Belgium.*

*For as long as Notes are represented by Global Notes, the terms and conditions set out below must be read together with the section “Overview of provisions relating to the Notes while in global form” (the “**Global Notes Conditions**”). The Global Notes Conditions form an integral part of the terms and conditions of the Notes and shall be construed accordingly. The terms and conditions set out in this section Terms and Conditions of the Notes shall in such case be supplemented and/or superseded by the Global Notes Conditions which shall prevail over the conditions set out in this section “Terms and Conditions of the Notes”.*

*All capitalised terms that are not defined in these Conditions will have the meanings given to them in Part A of the relevant Final Terms. Those definitions will be endorsed on the definitive Notes or Certificates, as the case may be. References in the Conditions to “**Notes**” are to the Notes of one Series only, not to all Notes that may be issued under the Programme.*

Unless the context requires otherwise, references in these Conditions to any law, statutory provision or legislative enactment of mandatory effect are subject to amendment to the extent that such law, provision or legislative enactment is altered or re-enacted with retroactive effect.

The Notes[, which are deemed to be *obbligazioni* pursuant to Article 2410 et seq. of the Italian Civil Code,]<sup>[1]</sup> are issued pursuant to an Amended and Restated Agency Agreement dated 2 October 2020 (as amended and supplemented from time to time, the “**Agency Agreement**”) between Eni S.p.A. (“**Eni**”) and Eni Finance International SA (“**EFI**”) (each an “**Issuer**” and, together, the “**Issuers**” and also, in the case of Eni, as guarantor of EFI Notes, the “**Guarantor**”), The Bank of New York Mellon, London Branch as fiscal agent and the other agents named in the Agency Agreement and with the benefit of an Amended and Restated Deed of Covenant dated 2 October 2020 (as amended and supplemented from time to time, the “**Deed of Covenant**”) executed by the Issuers in relation to the Notes and an Amended and Restated Guarantee dated 2 October 2020 (as amended and supplemented from time to time, the “**Guarantee**”) executed by the Guarantor in relation to the guarantee

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<sup>1</sup> The words in square brackets will only apply to Notes issued by Eni.

of the EFI Notes. The fiscal agent, the paying agents, the registrar, the transfer agents and the calculation agent(s) for the time being (if any) are referred to below respectively as the “**Fiscal Agent**”, the “**Paying Agents**” (which expression shall include the Fiscal Agent), the “**Registrar**”, the “**Transfer Agents**” and the “**Calculation Agent(s)**”. The Noteholders (as defined herein), the holders of the interest coupons (the “**Coupons**”) relating to interest bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the “**Talons**”) (the “**Couponholders**”) are deemed to have notice of all of the provisions of the Agency Agreement, the Deed of Covenant and the Guarantee applicable to them.

Copies of the Agency Agreement, the Deed of Covenant and the Guarantee are available for inspection at the specified offices of each of the Paying Agents, the Registrar and the Transfer Agents.

## 1 Form, Denomination and Title

The Notes are issued in bearer form (“**Bearer Notes**”[, which expression includes Notes that are specified to be Exchangeable Bearer Notes])<sup>[2]</sup> [, in registered form (“**Registered Notes**”) or in bearer form exchangeable for Registered Notes (“**Exchangeable Bearer Notes**”) in each case]<sup>[3]</sup> in the Specified Denomination(s) shown hereon, save that the minimum Specified Denomination shall be euro 100,000 (or its equivalent in any other currency as at the date of issue of the relevant Notes).

This Note is a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, a combination of any of the foregoing or any other kind of Note, depending upon the Interest Basis shown hereon.

Bearer Notes are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Zero Coupon Notes in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable.

[Registered Notes are represented by registered certificates (“**Certificates**”) and, save as provided in Condition 2(c) (*Exchanges of Exchangeable Bearer Notes and Transfers of Registered Notes – Exercise of Options or Partial Redemption in Respect of Registered Notes*), each Certificate shall represent the entire holding of Registered Notes by the same holder.]<sup>[2]</sup>

Title to the Bearer Notes, Coupons and Talons shall pass by delivery. [Title to the Registered Notes shall pass by endorsement of the relevant Certificates and by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the “**Register**”). Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Note, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it (or on the Certificate representing it) or its theft or loss (or that of the related Certificate) and no person shall be liable for so treating the holder.]<sup>[2]</sup>

[In these Conditions, “**Noteholder**” means the bearer of any Bearer Note [or the person in whose name a Registered Note is registered (as the case may be)]<sup>[2]</sup>, “**holder**” (in relation to a Note, Coupon or Talon) means the bearer of any Bearer Note, Coupon or Talon [or the person in whose name a Registered Note is registered (as the case may be)]<sup>[3]</sup> and capitalised terms have the meanings given to them hereon, the absence of any such meaning indicating that such term is not applicable to the Notes.]<sup>[3]</sup>

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<sup>2</sup> The words in square brackets will only apply to Notes issued by Eni.

## 2 [Exchanges of Exchangeable Bearer Notes and Transfers of Registered Notes

### (a) Exchange of Exchangeable Bearer Notes

Subject as provided in Condition 2(f) (*Exchanges of Exchangeable Bearer Notes and Transfers of Registered Notes – Closed Periods*), Exchangeable Bearer Notes may be exchanged for the same nominal amount of Registered Notes at the request in writing of the relevant Noteholder and upon surrender of each Exchangeable Bearer Note to be exchanged, together with all unmatured Coupons and Talons relating to it, at the specified office of any Transfer Agent; provided, however, that where an Exchangeable Bearer Note is surrendered for exchange after the Record Date (as defined in Condition 7(b) (*Payments and Talons – Registered Notes*)) for any payment of interest, the Coupon in respect of that payment of interest need not be surrendered with it. Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Specified Denomination may not be exchanged for Bearer Notes of another Specified Denomination. Bearer Notes that are not Exchangeable Bearer Notes may not be exchanged for Registered Notes.

### (b) Transfer of Registered Notes

One or more Registered Notes may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor.

### (c) Exercise of Options or Partial Redemption in Respect of Registered Notes

In the case of an exercise of an Issuer's or Noteholders' option in respect of, or a partial redemption of, a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

### (d) Delivery of New Certificates

Each new Certificate to be issued pursuant to Condition 2(a) (*Exchanges of Exchangeable Bearer Notes and Transfers of Registered Notes – Exchange of Exchangeable Bearer Notes*), Condition 2(b) (*Exchanges of Exchangeable Bearer Notes and Transfers of Registered Notes – Transfer of Registered Notes*) or Condition 2(c) (*Exchanges of Exchangeable Bearer Notes and Transfers of Registered Notes – Exercise of Options or Partial Redemption in Respect of Registered Notes*) shall be available for delivery within three business days of receipt of the request for exchange, form of transfer or Exercise Notice (as defined in Condition 6(f) (*Redemption, Purchase and Options – Purchases*))) and/or surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to the relevant holder or, at the option of a holder and as specified in the relevant request for exchange, form of transfer, Exercise Notice or

otherwise in writing, be mailed by uninsured post at that holder's risk to such address as it may specify, unless such holder requests otherwise and pays in advance to the relevant Agent the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(d), "business day" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

**(e) Exchange**

Exchange and transfer of Notes and Certificates on registration, transfer, partial redemption or exercise of an option shall be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require), which tax or charge shall be borne by the relevant Noteholder.

**(f) Closed Periods**

No Noteholder may require the transfer of a Registered Note to be registered or an Exchangeable Bearer Note to be exchanged for one or more Registered Note(s) (i) during the period of 15 days ending on the due date for redemption of, that Note, (ii) during the period of 15 days before any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 6(e) (*Redemption, Purchase and Options – Redemption and the Option of Noteholders*), (iii) after any such Note has been called for redemption or (iv) during the period of seven days ending on (and including) any Record Date. An Exchangeable Bearer Note called for redemption may, however, be exchanged for one or more Registered Note(s) in respect of which the Certificate is simultaneously surrendered not later than the relevant Record Date.<sup>[3]</sup>

**(g) Delivery of Bearer Notes in Belgium**

Bearer Notes cannot be physically delivered in Belgium. To the extent an Issuer is prevented by applicable law from delivering, or procuring the delivery of, Bearer Notes in Belgium, it will deliver these Bearer Notes outside Belgium and will not be obliged to deliver these Bearer Notes in Belgium.

**3 Status of the Notes [and the Guarantee]<sup>[4]</sup>**

**[(a)]<sup>[4]</sup> Notes**

The Notes and Coupons relating to them constitute (subject to Condition 4 (*Negative Pledge*)) direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Notes and Coupons relating to them [and of the Guarantor under the Guarantee]<sup>[4]</sup> shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 4 (*Negative Pledge*), at all times rank at least equally with all other unsecured and unsubordinated indebtedness of the Issuer [and the Guarantor respectively],<sup>[4]</sup> present and future.

**[(b) Guarantee**

The Guarantor has unconditionally and irrevocably guaranteed the due payment of all sums expressed to be payable by EFI under the Notes and Coupons. Its obligations in that respect are contained in the Guarantee.<sup>[4]</sup>

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<sup>3</sup> The words in square brackets will only apply to Notes issued by Eni.

<sup>4</sup> The words in square brackets will only apply to Notes issued by EFI and guaranteed by Eni.



## 4 Negative Pledge

- (a) So long as any of the Notes or Coupons remain outstanding (as defined in the Agency Agreement) [neither]<sup>[5]</sup> the Issuer [nor the Guarantor]<sup>[5]</sup> shall [not]<sup>[6]</sup> create, incur, guarantee or assume after the date hereof any notes, bonds, debentures or other similar evidences of indebtedness for money borrowed (“**Relevant Debt**”) secured by any mortgage, pledge, security interest, lien or other similar encumbrance (a “**Security Interest**”) on any Principal Property (as defined below) or on any shares of stock or indebtedness of any Restricted Subsidiary (as defined below) (which for the avoidance of doubt shall not include shares in the Issuer [or in the Guarantor]<sup>[5]</sup>), without effectively providing concurrently with the creation, incurrence, guarantee or assumption of such Relevant Debt that the Notes will be secured equally and rateably with (or prior to) the Relevant Debt, so long as the Relevant Debt will be so secured.

This restriction will not apply to:

- (i) Security Interests on property, shares of stock or indebtedness of any corporation existing at the time it becomes a subsidiary of the Issuer [or of the Guarantor, as the case may be,]<sup>[5]</sup> provided that any such Security Interest was not created in contemplation of becoming a subsidiary;
- (ii) Security Interests on property or shares of stock existing at the time of the acquisition thereof by the Issuer [or the Guarantor]<sup>[5]</sup> or to secure the payment of all or any part of the purchase price thereof or all or part of the cost of the improvement, construction, alteration or repair of any building, equipment or facilities or of any other improvements on all or any part of the property or to secure any Relevant Debt incurred prior to, at the time of, or within 12 months after, in the case of shares of stock, the acquisition of such shares and, in the case of property, the later of the acquisition, the completion of construction (including any improvements, alterations or repairs on an existing property) or the commencement of commercial operation of such property, which Relevant Debt is incurred for the purpose of financing all or any part of the purchase price thereof or all or part of the cost of improvement, construction, alteration or repair thereon;
- (iii) Security Interests on any Principal Property or on shares of stock or indebtedness of any subsidiary of the Issuer [or the Guarantor, as the case may be,]<sup>[5]</sup>, to secure all or any part of the cost of exploration, drilling, development, improvement, construction, alteration or repair of any part of the Principal Property or to secure any Relevant Debt incurred to finance or refinance all or any part of such cost;
- (iv) Security Interests existing on the issue date of the Notes;
- (v) Security Interests on property owned or held by any company or on shares of stock or indebtedness of any entity, in either case existing at the time such company is merged into or consolidated or amalgamated with either the Issuer [or the Guarantor, as the case may be,]<sup>[5]</sup> or any of [its]<sup>[6]</sup> [the Issuer or the Guarantor’s]<sup>[5]</sup> subsidiaries, or at the time of a sale, lease or other disposition of the properties of a company as an entirety or substantially as an entirety to the Issuer [or the Guarantor, as the case may be,]<sup>[5]</sup> or any of [its]<sup>[6]</sup> [the Issuer or the Guarantor’s]<sup>[5]</sup> subsidiaries;
- (vi) Security Interests arising by operation of law (other than by reason of default);

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<sup>5</sup> The words in square brackets will only apply to Notes issued by EFI and guaranteed by Eni.

<sup>6</sup> The words in square brackets will only apply to Notes issued by Eni.

- (vii) Security Interests to secure Relevant Debt incurred in the ordinary course of business and maturing not more than 12 months from the date incurred;
  - (viii) Security Interests arising pursuant to the specific terms of any licence, joint operating agreement, unitisation agreement or other similar document evidencing the interest of the Issuer [or the Guarantor, as the case may be,]<sup>[7]</sup> or a subsidiary of the Issuer [or the Guarantor]<sup>[7]</sup> in any oil or gas field and/or facilities (including pipelines), provided that any such Security Interest is limited to such interest;
  - (ix) Security Interests to secure indebtedness for borrowed money incurred in connection with a specifically identifiable project where the Security Interest relates to a Principal Property to which such project has been undertaken and the recourse of the creditors in respect of such Security Interest is substantially limited to such project and Principal Property;
  - (x) Security Interests created in accordance with normal practice to secure Relevant Debt of the Issuer [or of the Guarantor]<sup>[7]</sup> whose main purpose is the raising of finances under any options, futures, swaps, short sale contracts or similar or related instruments which relate to the purchase or sale of securities, commodities or currencies; and
  - (xi) any extension, renewal or replacement (or successive extensions, renewals or replacements), as a whole or in part, of any Security Interests referred to in (i) through (x) of this paragraph, or of any Relevant Debt secured thereby; provided that the principal amount of Relevant Debt secured thereby shall not exceed the principal amount of Relevant Debt so secured at the time of such extension, renewal or replacement, and that such extension, renewal or replacement Security Interest shall be limited to all or any part of the same property or shares of stock that secured the Security Interest extended, renewed or replaced (plus improvements on such property), or property received or shares of stock issued in substitution or exchange therefor.
- (b) Notwithstanding the foregoing, the Issuer [or the Guarantor]<sup>[7]</sup> may create, incur, guarantee or assume Relevant Debt secured by a Security Interest or Security Interests which would otherwise be subject to the foregoing restrictions in an aggregate amount which does not at the time of creation exceed 10 per cent. of Eni's consolidated total shareholders' equity (as determined by reference to the most recent audited consolidated financial statements of Eni).

The following types of transactions, among others, shall not be deemed to create a Relevant Debt secured by a Security Interest:

- (i) the sale or other transfer, by way of security or otherwise, of (A) oil, gas or other minerals in place or at the wellhead or a right or licence granted by any governmental authority to explore for, drill, mine, develop, recover or get such oil, gas or other minerals (whether such licence or right is held with others or not) for a period of time until, or in an amount such that, the purchaser will realise therefrom a specified amount of money (however determined) or a specified amount of such oil, gas or other minerals, or (B) any other interest in property of the character commonly referred to as "production payment";
- (ii) Security Interests on property in favour of the United States or any state thereof, or the Republic of Italy, or the Kingdom of Belgium, or any other country, or any political subdivision of any of the foregoing, or any department, agency or instrumentality of the foregoing, to secure partial

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<sup>7</sup> The words in square brackets will only apply to Notes issued by EFI and guaranteed by Eni.

<sup>8</sup> The words in square brackets will only apply to Notes issued by Eni.

progress, advance or other payments pursuant to the provisions of any contract or statute including, without limitation, Security Interests to secure indebtedness of the pollution control or industrial revenue bond type, or to secure any indebtedness incurred for the purpose of financing all or any part of the purchase price or cost of construction of the property subject to such Security Interests; provided that any such Security Interest in favour of any country (other than the United States or the Republic of Italy or the Kingdom of Belgium), or any political subdivision thereof, or any department, agency or instrumentality of any of the foregoing, shall be restricted to the property located in such country; and

- (iii) the issue of notes, bonds, debentures or other similar evidences of indebtedness for money borrowed that are convertible, exchangeable or exercisable for the shares of any Restricted Subsidiary, and any arrangements with respect to such shares entered into in connection with any such issue.

(c) For purposes of this Condition:

- (i) **“Principal Property”** means an interest in (A) any oil or gas producing property (including leases, rights or other authorisations to conduct operations over any producing property), (B) any refining or manufacturing plant and (C) any pipeline for the transportation of oil or gas, which in each case under (A), (B) and (C) above, is of material importance to the total business conducted by the Issuer [or the Guarantor]<sup>[8]</sup> and [its]<sup>[9]</sup> [the Issuer or the Guarantor’s]<sup>[8]</sup> subsidiaries as a whole; and
- (ii) **“Restricted Subsidiary”** means any subsidiary of Eni which owns a Principal Property.

For the avoidance of doubt nothing herein contained shall in any way restrict or prevent the Issuer [or the Guarantor]<sup>[8]</sup> from incurring or guaranteeing any other indebtedness.

## 5 Interest and other Calculations

### (a) Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest on its outstanding nominal amount from either (i) the Interest Commencement Date or (ii) if a Change of Interest Basis is specified in the relevant Final Terms as being applicable, the date from which the Fixed Rate Note provisions are stated to apply, at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 5(i) (*Interest and other Calculations – Definitions*). Where so specified in the Final Terms, a Fixed Rate Note will bear interest, during its life, on the basis of different fixed Rates of Interest indicated therein.

### (b) Interest on Floating Rate Notes

#### (i) *Interest Payment Dates*

Each Floating Rate Note bears interest on its outstanding nominal amount from either (i) the Interest Commencement Date or (ii) if a Change of Interest Basis is specified in the relevant Final Terms as being applicable, the date from which the Floating Rate Note provisions are stated to apply, at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be

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<sup>8</sup> The words in square brackets will only apply to Notes issued by EFI and guaranteed by Eni.

<sup>9</sup> The words in square brackets will only apply to Notes issued by Eni.

determined in accordance with Condition 5(h) (*Interest and other Calculations – Determination and Publication of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption and Optional Redemption Amounts*). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which falls the number of months or other period shown hereon as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date (or, as the case may be, the date from which the Floating Rate Note provisions are stated to apply).

(ii) *Business Day Convention*

If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

(iii) *Rate of Interest for Floating Rate Notes*

The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified hereon and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending on which is specified hereon.

**(A) ISDA Determination for Floating Rate Notes**

Where ISDA Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate. For the purposes of this sub-paragraph (A),

“**ISDA Rate**” for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (x) the Floating Rate Option is as specified hereon;
- (y) the Designated Maturity is a period specified hereon; and
- (z) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified hereon.

For the purposes of this sub-paragraph (A), “**Floating Rate**”, “**Calculation Agent**”, “**Floating Rate Option**”, “**Designated Maturity**”, “**Reset Date**” and “**Swap Transaction**” have the meanings given to those terms in the ISDA Definitions.

**(B) Screen Rate Determination for Floating Rate Notes**

(x) Where Screen Rate Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be either:

- (1) the offered quotation; or
- (2) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (London time in the case of LIBOR or Brussels time in the case of EURIBOR) on the Interest Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, only one of such quotations) and the lowest (or, if there is more than one such lowest quotation, only one of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified hereon as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Notes will be determined as provided hereon;

(y) if the Relevant Screen Page is not available or if, sub-paragraph (x)(1) applies and no such offered quotation appears on the Relevant Screen Page or if subparagraph (x)(2) above applies and fewer than three such offered quotations appear on the Relevant Screen Page in each case as at the time specified above, subject as provided below, the Calculation Agent shall request, if the Reference Rate is LIBOR, the principal London office of each of the Reference Banks or, if the Reference Rate is EURIBOR, the principal Euro-zone office of each of the Reference Banks, to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time), or if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent; and

(z) if paragraph (y) above applies and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be:

- (i) the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, (if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the relevant Interest Determination Date) deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, (if the Reference

Rate is LIBOR) the London inter-bank market or, (if the Reference Rate is EURIBOR) the Euro-zone inter-bank market, as the case may be, or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate; or

- (ii) the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, (if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time), on the relevant Interest Determination Date) any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

- (C) Where Linear Interpolation is specified hereon as applicable in respect of an Interest Accrual Period, the Rate of Interest for such Interest Accrual Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified hereon as applicable) or the relevant Floating Rate Option (where ISDA Determination is specified hereon as applicable), one of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Accrual Period and the other of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Accrual Period provided however that if there is no rate available for the period of time next shorter or, as the case may be, next longer, then the Issuer shall appoint an Independent Adviser to determine such rate at such time and by reference to such sources as it determines appropriate.

“**Applicable Maturity**” means: (a) in relation to Screen Rate Determination, the period of time designated in the Reference Rate, and (b) in relation to ISDA Determination, the Designated Maturity.

(c) **Zero Coupon Notes**

Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note as determined in accordance with Condition 6(b) (*Redemption*,

*Purchase and Options – Early Redemption*). As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 6(b)(i) (*Redemption, Purchase and Options – Early Redemption*)).

**(d) Change of Interest Basis**

If Change of Interest Basis is specified hereon as applicable in the applicable Final Terms, the interest payable in respect of the Notes will be calculated in accordance with Condition 5(a) (*Interest and other Calculations – Interest on Fixed Rate Notes*) or Condition 5(b) (*Interest and other Calculations – Interest on Floating Rate Notes*), each applicable only for the relevant periods specified in the applicable Final Terms.

If Change of Interest Basis is specified as applicable in the applicable Final Terms, and a Switch Option is also specified as applicable in the applicable Final Terms, the Issuer may, on one or more occasions, as specified in the applicable Final Terms, at its option (any such option, a “**Switch Option**”), having given notice to the Noteholders in accordance with Condition 13 (*Notices*) on or prior to the relevant Switch Option Expiry Date, and delivering a copy of such notice to the Fiscal Agent, change the Interest Basis of the Notes from Fixed Rate to Floating Rate or from Floating Rate to Fixed Rate or as otherwise specified in the applicable Final Terms with effect from (and including) the Switch Option Effective Date specified in the applicable Final Terms to (but excluding) the Maturity Date (or, where more than one Switch Option Effective Date is specified in the applicable Final Terms, up to and excluding the next following Switch Option Effective Date), provided that (A) the Switch Option may be exercised only in respect of all the outstanding Notes, (B) upon exercise of a Switch Option, the Interest Basis change will be effective from (and including) the relevant Switch Option Effective Date until the Maturity Date (or, where more than one Switch Option Effective Date is specified as applicable in the applicable Final Terms, up to and excluding the next following Switch Option Effective Date to the extent the related Switch Option is exercised), and (C) where a Switch Option has not been exercised prior to the relevant Switch Option Expiry Date, the Issuer shall no longer be entitled to exercise such Switch Option and the Interest Basis shall not change, but without prejudice to the next following Switch Option, if any.

“**Switch Option Expiry Date**” shall mean the date specified as such in the applicable Final Terms, such date being no less than 2 Business Days prior to the Switch Option Effective Date; and

“**Switch Option Effective Date**” shall mean any date specified as such in the applicable Final Terms provided that any such date (i) shall be an Interest Payment Date and (ii) shall be deemed as such subject to the exercise of the relevant Switch Option having been notified by the Issuer pursuant to this Condition 5 and in accordance with Condition 13 (*Notices*) prior to the relevant Switch Option Expiry Date.

**(e) Accrual of Interest**

Interest shall cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (both before and after judgment) at the Rate of Interest in the manner provided in this Condition 5 to the Relevant Date (as defined in Condition 8 (*Taxation*)).

**(f) Margin, Maximum/Minimum Rates of Interest and Redemption Amounts and Rounding**

(i) If any Margin is specified hereon (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in

accordance with (b) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin, subject always to the next paragraph.

- (ii) If any Maximum or Minimum Rate of Interest or Redemption Amount is specified hereon, then any Rate of Interest or Redemption Amount shall be subject to such maximum or minimum, as the case may be.
- (iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified hereon), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 of a percentage point being rounded up), (y) all figures shall be rounded to seven significant figures (provided that if the eighth significant figure is a 5 or greater, the seventh significant figure shall be rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with half a unit being rounded up), save in the case of Japanese yen, which shall be rounded down to the nearest Japanese yen. For these purposes, “unit” means the lowest amount of such currency that is available as legal tender in the country of such currency.

**(g) Calculation**

The amount of interest payable per Calculation Amount in respect of any Note for any Interest Accrual Period shall be equal to the product of the Rate of Interest, the Calculation Amount specified hereon, and the Day Count Fraction for such Interest Accrual Period, unless an Interest Amount (or a formula for its calculation) is applicable to such Interest Accrual Period, in which case the amount of interest payable per Calculation Amount in respect of such Note for such Interest Accrual Period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable in respect of such Interest Period shall be the sum of the Interest Amounts payable in respect of each of those Interest Accrual Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.

**(h) Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption and Optional Redemption Amounts**

The Calculation Agent shall, as soon as practicable on each Interest Determination Date, or such other time as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest Amounts for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount to be notified to the Fiscal Agent, the Issuer, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange and the rules of such exchange so require, such exchange as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 5(b)(ii) (*Interest and other Calculations – Interest on Floating Rate Notes*), the Interest Amounts and the Interest Payment



Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 10 (*Meetings of Noteholders and Modifications*), the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition 5 but no publication of the Rate of Interest or the Interest Amount so calculated need be made. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

(i) **Definitions**

In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

“**Business Day**” means:

- (i) in the case of a currency other than euro, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency; and/or
- (ii) in the case of euro, a day on which the TARGET system is operating (a “**TARGET Business Day**”); and/or
- (iii) in the case of a currency and/or one or more Business Centres, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centres.

“**Day Count Fraction**” means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period or Interest Accrual Period, the “**Calculation Period**”):

- (i) if “**Actual/Actual**” or “**Actual/Actual — ISDA**” is specified hereon, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (ii) if “**Actual/365 (Fixed)**” is specified hereon, the actual number of days in the Calculation Period divided by 365;
- (iii) if “**Actual/360**” is specified hereon, the actual number of days in the Calculation Period divided by 360;
- (iv) if “**30/360**”, “**360/360**” or “**Bond Basis**” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [360 \times (M_2 - M_1)] + D_2 - D_1}{360}$$

where:

“Y1” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y2” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M1” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M2” is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

“D1” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

“D2” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30;

- (v) if “**30E/360**” or “**Eurobond Basis**” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [360 \times (M_2 - M_1)] + D_2 - D_1}{360}$$

where:

“Y1” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y2” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M1” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M2” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“D1” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

“D2” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D<sub>2</sub> will be 30;

- (vi) if “**30E/360 (ISDA)**” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [360 \times (M_2 - M_1)] + D_2 - D_1}{360}$$

where:

“Y1” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y2” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M1” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M2” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“D1” is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D<sub>1</sub> will be 30; and

“D2” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D<sub>2</sub> will be 30; and

- (vii) if “**Actual/Actual-ICMA**” is specified hereon:
- (a) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and
  - (b) if the Calculation Period is longer than one Determination Period, the sum of:
    - (x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods in any year; and
    - (y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year,

where:

“**Determination Date**” means the date(s) specified as such hereon or, if none is so specified, the Interest Payment Date(s); and

“**Determination Period**” means the period from and including a Determination Date in any year to but excluding the next Determination Date;

“**Extraordinary Resolutions**” means an extraordinary resolution as defined in the Agency Agreement.

“**Euro-zone**” means the region comprising Member States of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community as amended.

“**Independent Adviser**” means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer under Condition 5A(a) and/or Condition 5(b)(iii)(C), as the case may be;

“**Interest Accrual Period**” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date.

“**Interest Amount**” means:

- (i) in respect of an Interest Accrual Period, the amount of interest payable per Calculation Amount for that Interest Accrual Period and which, in the case of Fixed Rate Notes, and unless otherwise specified hereon, shall mean the Fixed Coupon Amount or Broken Amount specified hereon as being payable on the Interest Payment Date ending the Interest Period of which such Interest Accrual Period forms part; and

- (ii) in respect of any other period, the amount of interest payable per Calculation Amount for that period.

**“Interest Commencement Date”** means the Issue Date or such other date as may be specified hereon.

**“Interest Determination Date”** means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such hereon or, if none is so specified, (i) the first day of such Interest Accrual Period if the Specified Currency is Sterling; or (ii) the day falling two Business Days in London for the Relevant Currency prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor euro; or (iii) the day falling two Target Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro.

**“Interest Period”** means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

**“Interest Period Date”** means each Interest Payment Date unless otherwise specified hereon.

**“ISDA Definitions”** means the 2006 ISDA Definitions (as amended and supplemented) published by the International Swaps and Derivatives Association, Inc., unless otherwise specified hereon.

**“Rate of Interest”** means the rate of interest payable from time to time in respect of this Note and that is either specified or calculated in accordance with the provisions hereon.

**“Reference Banks”** means, in the case of a determination of LIBOR, the principal London office of four major banks in the London interbank market and, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone interbank market, in each case selected by the Calculation Agent or as specified hereon.

**“Reference Rate”** means the rate specified as such hereon.

**“Relevant Screen Page”** means such page, section, caption, column or other part of a particular information service as may be specified hereon.

**“Specified Currency”** means the currency specified as such hereon or, if none is specified, the currency in which the Notes are denominated.

**“TARGET System”** means the Trans-European Automated Real-Time Gross-Settlement Express Transfer (known as TARGET2) System which utilises a single shared platform and which was launched on 19 November 2007 or any successor thereto.

**“Tranche”** means Notes which are identical in all respects.

**(j) Calculation Agent**

The Issuer shall procure that there shall at all times be one or more Calculation Agents if provision is made for them hereon and for so long as any Note is outstanding (as defined in the Agency Agreement). Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Accrual Period or to calculate any Interest Amount, the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall appoint a leading bank or investment banking firm engaged in the interbank market (or, if appropriate,

money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

## **5A Benchmark discontinuation**

### **(a) Independent Adviser**

If a Benchmark Event occurs in relation to an Original Reference Rate on any Determination Date, then the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 5A(b)), by no later than five Business Days prior to the Determination Date relating to the next Determination Period for which the Rate (or any component part thereof) is to be determined by reference to the Original Reference Period (the “**IA Determination Cut-off Date**”).

In making such determination, the Independent Adviser appointed pursuant to this Condition 5A shall act in good faith and in a commercially reasonable manner as an expert and in consultation with the Issuer. In the absence of fraud and gross negligence, the Independent Adviser shall have no liability whatsoever to the Issuer, the Paying Agents, the Noteholders or the Couponholders for any determination made by it pursuant to this Condition 5A.

If (i) the Issuer is unable to appoint an Independent Adviser; or (ii) the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 5A(a) and/or (in either case) the applicable Adjustment Spread, prior to the relevant IA Determination Cut-off Date in accordance with this Condition, the Issuer (acting in good faith and in a commercially reasonable manner) may determine a Successor Rate, failing which an Alternative Rate and, in either case, an Adjustment Spread, by no later than five Business Days prior to the Determination Date relating to the next Determination Period for which the Rate of Interest (or any component part thereof) is to be determined by reference to the Original Reference Rate. For the avoidance of doubt, this paragraph shall apply to the relevant next succeeding Interest Accrual Period only and any subsequent Interest Accrual Periods are subject to the subsequent operation of, and to adjustment as provided in, the first paragraph of this Condition 5A(a).

### **(b) Successor Rate or Alternative Rate**

If the Independent Adviser determines that:

- (i) there is a Successor Rate, then such Successor Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 5A); or
- (ii) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate and the applicable Adjustment Spread shall be subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 5A).

### **(c) Adjustment Spread**

The Adjustment Spread (or the formula or methodology for determining the Adjustment Spread) shall be applied to the Successor Rate or the Alternative Rate (as the case may be). If the Independent Adviser or the Issuer (if required to determine a Successor Rate, failing which an Alternative Rate and, in either

case, an Adjustment Spread, according to Condition 5A(a)) is unable to determine the quantum of, or a formula or methodology for determining, such Adjustment Spread, then the Successor Rate or Alternative Reference Rate (as applicable) will apply without an Adjustment Spread.

**(d) Benchmark Amendments**

If any Successor Rate or Alternative Rate and, in either case, the applicable Adjustment Spread is determined in accordance with this Condition 5A and the Independent Adviser determines (i) that amendments to these Conditions are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and/or (in either case) the applicable Adjustment Spread (such amendments, the “**Benchmark Amendments**”) and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 5A(e), without any requirement for the consent or approval of Noteholders, vary these Conditions to give effect to such Benchmark Amendments with effect from the date specified in such notice.

Notwithstanding any other provision of this Condition 5A, the Calculation Agent or any Paying Agent is not obliged to concur with the Issuer or the Independent Adviser in respect of any changes or amendments as contemplated under this Condition 5A to which, in the sole opinion of the Calculation Agent or the relevant Paying Agent, as the case may be, would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Calculation Agent or the relevant Paying Agent (as applicable) in the Agency Agreement and/or these Conditions.

In connection with any such variation in accordance with this Condition 5A(d), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

Benchmark Amendments may comprise, by way of example, the following amendments: (A) amendments to the definition of “Original reference Rate”; (B) amendments to the day-count fraction and the definitions of “Business Day”, “Interest Payment Date”, “Rate of Interest”, and/or “Interest Period” (including the determination whether the Alternative Rate will be determined in advance on or prior to the relevant Interest Period or in arrear on or prior to the end of the relevant Interest Period); and/or (C) any change to the business day convention.

**(e) Notices etc.**

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 5A will be notified promptly by the Issuer to the Calculation Agent, the Paying Agents and, in accordance with Condition 13 (*Notices*), the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

No later than notifying the Noteholders of the same, the Issuer shall deliver to the Calculation Agent and the Paying Agents a certificate signed by a duly authorised signatory of the Issuer:

- (a) confirming (i) that a Benchmark Event has occurred, (ii) the Successor Rate or, as the case may be, the Alternative Rate, (iii) the applicable Adjustment Spread and (iv) the specific terms of the Benchmark Amendments (if any), in each case as determined in accordance with the provisions of this Condition 4(d); and
- (b) certifying that the Benchmark Amendments (if any) are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and (in either case) the applicable Adjustment Spread.

Each of the Fiscal Agent, the Calculation Agent and the Paying Agents shall be entitled to rely on such certificate (without liability to any person) as sufficient evidence thereof. The Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) and without prejudice to the Fiscal Agent's or the Calculation Agent's or the Paying Agents' ability to rely on such certificate as aforesaid) be binding on the Issuer, the Fiscal Agent, the Calculation Agent, the Paying Agents and the Noteholders.

Notwithstanding any other provision of this Condition 5A, if following the determination of any Successor Rate, Alternative Rate, Adjustment Spread or Benchmark Amendments (if any), in the Calculation Agent's opinion there is any uncertainty between two or more alternative courses of action in making any determination or calculation under this Condition 5A, the Calculation Agent shall promptly notify the Issuer thereof and the Issuer shall direct the Calculation Agent in writing as to which alternative course of action to adopt. If the Calculation Agent is not promptly provided with such direction, or is otherwise unable (other than due to its own gross negligence, willful default or fraud) to make such calculation or determination for any reason, it shall notify the Issuer thereof and the Calculation Agent shall be under no obligation to make such calculation or determination and (in the absence of such gross negligence, willful default or fraud) shall not incur any liability for not doing so.

**(f) Survival of Original Reference Rate**

Without prejudice to the obligations of the Issuer under Condition 5A (a), (b), (c) and (d), the Original Reference Rate and the fallback provisions provided for in Condition 5(b)(B) will continue to apply unless and until a Benchmark Event has occurred.

**(g) Definitions**

As used in this Condition 5A:

“**Adjustment Spread**” means either (a) a spread (which may be positive, negative or zero) or (b) a formula or methodology for calculating a spread, in each case to be applied to the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

- (i) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or
- (ii) if no recommendation under paragraph (i) above has been made, or in the case of an Alternative Rate, the Independent Adviser determines, is customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate; or
- (iii) (if the Independent Adviser determines that no such spread is customarily applied) the Independent Adviser determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be).

“**Alternative Rate**” means an alternative benchmark or screen rate which the Independent Adviser determines in accordance with Condition 5A(b) is customarily applied in international debt capital markets transactions for the purposes of determining rates of interest (or the relevant component part thereof) in the same Specified Currency as the Notes and with an interest period of a comparable duration to the relevant Interest Period.

“**Benchmark Amendments**” has the meaning given to it in Condition 5A(d).

“**Benchmark Event**” means:

- (1) the Original Reference Rate ceasing to be published for a period of at least 5 Business Days or ceasing to exist; or
- (2) a public statement by the administrator of the Original Reference Rate that it has ceased or that it will, by a specified date on or prior the next Interest Determination Date, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or
- (3) a public statement by the supervisor of the administrator of the Original Reference Rate, that the Original Reference Rate has been or will be, by a specified date on or prior the next Interest Determination Date, permanently or indefinitely discontinued; or
- (4) a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will be prohibited from being used either generally, or in respect of the Notes, in each case by a specified date on or prior the next Interest Determination Date; or
- (5) it has become unlawful for any Paying Agent, the Calculation Agent the Issuer or other party to calculate any payments due to be made to any Noteholder using the Original Reference Rate; or
- (6) the making of a public statement by the supervisor of the administrator of the Original Reference Rate announcing that such Original Reference Rate is no longer representative or may no longer be used, in each case in circumstances where the same shall be applicable to the Securities;

provided that the Benchmark Event shall be deemed to occur (a) in the case of sub-paragraphs (2) and (3) above on the date of the cessation of publication of the Original Reference Rate or the discontinuation of the Original Reference Rate, as the case may be, (b) in the case of paragraph (4) above, on the date of prohibition of use of the Original Reference Rate and (c) in the case of sub-paragraph (5) above, on the date with effect from which the Original Reference Rate will no longer be (or will be deemed by the relevant supervisor to no longer be) representative of its relevant underlying market and which is specified in the relevant public statement, and, in each case, not the date of the relevant public statement.

“**Original Reference Rate**” means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof) on the Notes.

“**Relevant Nominating Body**” means, in respect of a benchmark or screen rate (as applicable):

- (i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or
- (ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof.



“**Successor Rate**” means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

## **6 Redemption, Purchase and Options**

### **(a) Final Redemption**

Unless previously redeemed, purchased and cancelled as provided below, each Note shall be finally redeemed on the Maturity Date specified hereon at its Final Redemption Amount (which, subject to any purchase, cancellation, early redemption or repayment, expressed as the amount per Calculation Amount specified in the relevant Final Terms, is its nominal amount).

### **(b) Early Redemption**

#### **(i) Zero Coupon Notes**

- (A)** The Early Redemption Amount payable in respect of any Zero Coupon Note, the Early Redemption Amount of which is not linked to an index and/or a formula, upon redemption of such Note pursuant to Condition 6(c) (*Redemption, Purchase and Options – Redemption for Taxation Reasons and Redemption in respect of non-Qualifying Investors*), Condition 6(d) (*Redemption, Purchase and Options – Redemption at the Option of the Issuer*) or Condition 6(e) (*Redemption, Purchase and Options – Redemption at the Option of Noteholders*) or upon it becoming due and payable as provided in Condition 10 (*Meetings of Noteholders and Modifications*), shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified hereon.
- (B)** Subject to the provisions of sub-paragraph (c) below, the Amortised Face Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown hereon, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.
- (C)** If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 6(c) (*Redemption, Purchase and Options – Redemption for Taxation Reasons and Redemption in respect of non-Qualifying Investors*), Condition 6(d) (*Redemption, Purchase and Options – Redemption at the Option of the Issuer*) or Condition 6(e) (*Redemption, Purchase and Options – Redemption at the Option of Noteholders*) or upon it becoming due and payable as provided in Condition 10 (*Meetings of Noteholders and Modifications*) is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as described in (B) above, except that such sub-paragraph shall have effect as though the reference therein to the date on which the Note becomes due and payable were the Relevant Date (as defined in Condition 8 (*Taxation*)). The calculation of the Amortised Face Amount in accordance with this sub-paragraph shall continue to be made (both before and after judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 5(c) (*Interest and other Calculations – Zero Coupon Notes*).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown hereon.

(ii) *Other Notes*

The Early Redemption Amount payable in respect of any Note (other than Notes described in (i) above), upon redemption of such Note pursuant to Condition 6(c) (*Redemption, Purchase and Options – Redemption for Taxation Reasons and Redemption in respect of non-Qualifying Investors*), Condition 6(d) (*Redemption, Purchase and Options – Redemption at the Option of the Issuer*) or Condition 6(e) (*Redemption, Purchase and Options – Redemption at the Option of Noteholders*) or upon it becoming due and payable as provided in Condition 10 (*Meetings of Noteholders and Modifications*), shall be the Final Redemption Amount (which, subject to any purchase, cancellation, early redemption or repayment, expressed as the amount per Calculation Amount specified in the relevant Final Terms, is its nominal amount).

**(c) Redemption for Taxation Reasons and Redemption in respect of non-Qualifying Investors**

- (A) The Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date (if this Note is a Floating Rate Note) or, at any time (if this Note is not a Floating Rate Note), on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Early Redemption Amount (as described in Condition 6(b) (*Redemption, Purchase and Options – Early Redemption*) above) (together with interest accrued to the date fixed for redemption), if (i) the Issuer [(or, if the Guarantee were called, the Guarantor)]<sup>[10]</sup> has or will become obliged to pay additional amounts as provided or referred to in Condition 8 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of [the Kingdom of Belgium or the Republic of Italy]<sup>[10]</sup> [the Republic of Italy]<sup>[11]</sup> or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date, and (ii) such obligation cannot be avoided by the Issuer [(or the Guarantor, as the case may be)]<sup>[10]</sup> taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer [(or the Guarantor, as the case may be)]<sup>[10]</sup> would be obliged to pay such additional amounts were a payment in respect of the Notes [(or the Guarantee, as the case may be)]<sup>[10]</sup> then due;
- (B) In respect of Notes issued by EFI only, certain Notes may be redeemed at the option of the Issuer on any Interest Payment Date (if this Note is a Floating Rate Note) or, at any time (if this Note is not a Floating Rate Note), on giving not less than 30 nor more than 60 days' notice to the relevant Noteholders (which notice shall be irrevocable), at their Early Redemption Amount (as described in Condition 6(b) (*Redemption, Purchase and Options – Early Redemption*) above) (together with interest accrued to the date fixed for redemption), if such Notes are held by an investor which is not a Qualifying Investor.

Before the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Fiscal Agent a certificate signed by a duly authorised officer of the Issuer [(or the Guarantor, as the case may be)]<sup>[10]</sup> stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and

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<sup>10</sup> The words in square brackets will only apply to Notes issued by EFI and guaranteed by Eni.

<sup>11</sup> The words in square brackets will only apply to Notes issued by Eni.

(in the case of paragraph (A) above) an opinion of independent legal advisers of recognised standing to the effect that the Issuer [(or the Guarantor, as the case may be)]<sup>[12]</sup> has or will become obliged to pay such additional amounts as a result of such change or amendment.

**(d) Redemption at the Option of the Issuer**

If Call Option is specified hereon, the Issuer may, subject to applicable law, on giving not less than 15 nor more than 30 days' irrevocable notice to the Noteholders (or such other notice period as may be specified hereon) redeem all or, if so provided, some, of the Notes on any Optional Redemption Date. Any such redemption of Notes shall be at their Optional Redemption Amount specified hereon (which may be the Early Redemption Amount (as described in Condition 6(b) (*Redemption, Purchase and Options – Early Redemption*) above)), together with interest accrued to the date fixed for redemption. Any such redemption or exercise must relate to Notes of a nominal amount at least equal to the Minimum Redemption Amount to be redeemed specified hereon and no greater than the Maximum Redemption Amount to be redeemed specified hereon.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition 6.

In the case of a partial redemption, the notice to Noteholders shall also contain the certificate numbers of the Notes to be redeemed, which shall have been drawn in such place and in such manner as the Issuer and the Fiscal Agent may agree, taking account of prevailing market practices, subject to compliance with any applicable laws and stock exchange requirements.

**(e) Redemption at the Option of Noteholders**

If Put Option is specified hereon, the Issuer shall at the option of the holder of any such Note, upon the holder of such Note giving not less than 15 nor more than 30 days notice to the Issuer (or such other notice period as may be specified hereon) redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount specified hereon (which may be the Early Redemption Amount (as described in Condition 6(b) (*Redemption, Purchase and Options – Early Redemption*) above)) together with interest accrued to the date fixed for redemption.

To exercise such option the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Coupons and unexchanged Talons) with any Paying Agent or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any Transfer Agent at its specified office, together with a duly completed option exercise notice (“**Exercise Notice**”) in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable) within the notice period. No Note or Certificate so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

**(f) Purchases**

The Issuer [, the Guarantor]<sup>[12]</sup> and any of [its]<sup>[13]</sup> [their]<sup>[12]</sup> subsidiaries may at any time purchase Notes (provided that all unmatured Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price. Such Notes may be held, resold or, at the option of the Issuer, surrendered to the Fiscal Agent or the Registrar, as the case may be, for cancellation.

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<sup>12</sup> The words in square brackets will only apply to Notes issued by EFI and guaranteed by Eni.

<sup>13</sup> The words in square brackets will only apply to Notes issued by Eni.

**(g) Cancellation**

All Notes purchased by or on behalf of the Issuer[, the Guarantor]<sup>[14]</sup> or any of [its]<sup>[15]</sup> [their]<sup>[14]</sup> subsidiaries may be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Coupons and all unexchanged Talons to the Fiscal Agent and[, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar and, in each case]<sup>[14]</sup>, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer [and the Guarantor]<sup>[14]</sup> in respect of any such Notes shall be discharged.

**7 Payments and Talons**

**(a) Bearer Notes**

Payments of principal and interest in respect of Bearer Notes shall, subject as mentioned below, be made against presentation and surrender of the relevant Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition [7(f)]<sup>[15]</sup> [7(e)]<sup>[14]</sup> (*Payments and Talons – Unmatured Coupons and unexchanged Talons*)) or Coupons (in the case of interest, save as specified in Condition [7(f)]<sup>[15]</sup> [7(e)]<sup>[14]</sup> (*Payments and Talons – Unmatured Coupons and unexchanged Talons*)), as the case may be, at the specified office of any Paying Agent outside the United States by a cheque payable in the relevant currency drawn on, or, at the option of the holder, by transfer to an account denominated in such currency with, a Bank. “Bank” means a bank in the principal financial centre for such currency or, in the case of euro, in a city in which banks have access to the TARGET System.

**(b) [Registered Notes]**

- (i) Payments of principal in respect of Registered Notes shall be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in paragraph (ii) below.
- (ii) Interest on Registered Notes shall be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof (the “**Record Date**”). Payments of interest on each Registered Note shall be made in the relevant currency by cheque drawn on a Bank and mailed to the holder (or to the first-named of joint holders) of such Note at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date, such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a Bank.]<sup>[15]</sup>

**[(c) [(b)]]<sup>[15]</sup> Payments in the United States**

Notwithstanding the foregoing, if any Bearer Notes are denominated in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law,

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<sup>14</sup> The words in square brackets will only apply to Notes issued by EFI and guaranteed by Eni.

<sup>15</sup> The words in square brackets will only apply to Notes issued by Eni.

without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer or the Guarantor.

**[(d)] [(c)]<sup>[16]</sup> Payments Subject to Fiscal Laws**

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 8 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the “Code”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 8 (*Taxation*)) any law implementing an intergovernmental approach thereto. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

**[(e)] [(d)]<sup>[16]</sup> Appointment of Agents**

The Fiscal Agent, the Paying Agents [, the Registrar, the Transfer Agents]<sup>[16]</sup> and the Calculation Agent initially appointed by the Issuer [and the Guarantor]<sup>[17]</sup> and their respective specified offices are listed below. The Fiscal Agent, the Paying Agents [, the Registrar, the Transfer Agents]<sup>[16]</sup> and the Calculation Agent(s) act solely as agents of the Issuer [and the Guarantor]<sup>[17]</sup> and do not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder. The Issuer [and the Guarantor]<sup>[17]</sup> reserve[s] the right at any time to vary or terminate the appointment of the Fiscal Agent, any other Paying Agent[, the Registrar, any Transfer Agent]<sup>[17]</sup> or the Calculation Agent(s) and to appoint additional or other Paying Agents or Transfer Agents, provided that the Issuer shall at all times maintain (i) a Fiscal Agent, (ii) one or more Calculation Agent(s) where the Conditions so require, (iii) Paying Agents having specified offices in at least two major cities, at least one of which must be outside the Republic of Italy (including Luxembourg so long as the Notes are listed on the official list of the Luxembourg Stock Exchange), and [(iv) a Registrar in relation to Registered Notes, (v) a Transfer Agent in relation to Registered Notes which, as long as the Notes are listed on the official list of the Luxembourg Stock Exchange, shall have its specified offices in Luxembourg,]<sup>[16]</sup> [(vi) a Belgian Paying Agent which is a participant to the NBB Securities Settlement System]<sup>[17]</sup> [(vii)]<sup>[16]</sup> [(v)]<sup>[17]</sup> such other agents as may be required by the rules of any other stock exchange on which the Notes may be listed.

In addition, the Issuer [and the Guarantor]<sup>[17]</sup> shall forthwith appoint a Paying Agent in New York City in respect of any Bearer Notes denominated in U.S. dollars in the circumstances described in paragraph [(c)]<sup>[16]</sup>[(b)]<sup>[17]</sup> above.

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders.

**[(f)]<sup>[16]</sup> [(e)]<sup>[17]</sup> Unmatured Coupons and unexchanged Talons**

- (i) Upon the due date for redemption thereof, Bearer Notes which comprise Fixed Rate Notes should be surrendered for payment together with all unmatured Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case

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<sup>16</sup> The words in square brackets will only apply to Notes issued by Eni.

<sup>17</sup> The words in square brackets will only apply to Notes issued by EFI and guaranteed by Eni.

may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 9 (*Events of Default*)).

- (ii) Upon the due date for redemption of any Bearer Note comprising a Fixed Rate Note, unmatured Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.
- (iii) Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
- (iv) Where the Bearer Note that provides that the relative unmatured coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmatured Coupons, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.
- (v) If the due date for redemption of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate representing it, as the case may be.

#### **[(g)]<sup>18</sup> [(f)]<sup>19</sup> Talons**

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Fiscal Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 9 (*Events of Default*)).

#### **[(h)]<sup>18</sup> [(g)]<sup>19</sup> Non-Business Days**

If any date for payment in respect of any Note or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, “**business day**” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the relevant place of presentation, in such jurisdictions as shall be specified as a “**Financial Centre**” hereon and:

- (i) (in the case of a payment in a currency other than euro) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency; or
- (ii) (in the case of a payment in euro) which is a Target Business Day.

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<sup>18</sup> The words in square brackets will only apply to Notes issued by Eni.

<sup>19</sup> The words in square brackets will only apply to Notes issued by EFI and guaranteed by Eni.

## 8 Taxation

All payments of principal and interest in respect of the Notes and the Coupons [or under the Guarantee]<sup>[20]</sup> by or on behalf of the Issuer [or the Guarantor]<sup>[20]</sup> shall be made free and clear of, and without withholding or deduction for, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by [the Kingdom of Belgium or, where a payment is made under the Guarantee, the Republic of Italy]<sup>[20]</sup> [the Republic of Italy]<sup>[21]</sup> or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer [or, as the case may be, the Guarantor]<sup>[20]</sup> shall pay such additional amounts as shall result in receipt by the Noteholders and the Couponholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Note or Coupon [or under the Guarantee]<sup>[20]</sup>:

- (a) to, or to a third party on behalf of, a holder who is (i) entitled to avoid such deduction or withholding by making a declaration of non-residence or other similar claim for exemption to the competent tax authority; or (ii) liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of his having some connection with [the Kingdom of Belgium or the Republic of Italy]<sup>[20]</sup> [the Republic of Italy]<sup>[21]</sup> other than the mere holding of the Note or Coupon; or
- (b) presented (or in respect of which the Certificate representing it is presented) for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on presenting it for payment on the thirtieth such day; or
- (c) in relation to any payment or deduction of any interest, principal or other proceeds of any Note or Coupon on account of *imposta sostitutiva* pursuant to Italian Legislative Decree No. 239 of 1 April 1996 or any secondary legislation implementing the same (each as amended and/or supplemented from time to time); or
- (d) in relation to any payment or deduction of any interest, principal or other proceeds of any Note or Coupon where such withholding or deduction is required pursuant to Italian Presidential Decree No. 600 of 29 September 1973 or any secondary legislation implementing the same (each as amended and/or supplemented from time to time); or
- (e) [to a holder who, at the time of issue of the Notes, was not an eligible investor within the meaning of Article 4 of the Belgian Royal Decree of 26 May 1994 on the deduction of withholding tax or to a holder who was such an eligible investor at the time of issue of the Notes but, for reasons within the holder's control, ceased to be an eligible investor or, at any relevant time on or after the issue of the Notes, otherwise failed to meet any other condition for the exemption of Belgian withholding tax pursuant to the law of 6 August 1993 relating to certain securities; or]<sup>[20]</sup>
- (f) in relation to any payment or deduction of any interest, principal or other proceeds of any Note or Coupon presented for payment in the Republic of Italy; or
- (g) presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note (or relative Certificate) or Coupon to another Paying Agent in a Member State of the European Union.

Notwithstanding any other provision of the Terms and Conditions, any amounts to be paid on the Notes by or on behalf of the Issuer will be paid net of any deduction or withholding imposed or required pursuant to an

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<sup>20</sup> The words in square brackets will only apply to Notes issued by EFI and guaranteed by Eni.

<sup>21</sup> The words in square brackets will only apply to Notes issued by ENI.

agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the “**Code**”), or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any fiscal or regulatory legislation, rules or practices implementing such an intergovernmental agreement) (any such withholding or deduction, a “**FATCA Withholding**”). Neither the Issuer nor any other person will be required to pay any additional amounts in respect of FATCA Withholding.

As used in these Conditions, “**Relevant Date**” in respect of any Note or Coupon means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note (or relative Certificate) or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation. References in these Conditions to (i) “**principal**” shall be deemed to include any premium payable in respect of the Notes, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 6 (*Redemption, Purchase and Options*) or any amendment or supplement to it, (ii) “**interest**” shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 5 (*Interest and other Calculations*) or any amendment or supplement to it and (iii) “**principal**” and/or “**interest**” shall be deemed to include any additional amounts that may be payable under this Condition 8.

## 9 Events of Default

If any of the following events (“**Events of Default**”) occurs and is continuing, the holder of any Note may give written notice to the Fiscal Agent at its specified office that such Note is immediately repayable, whereupon the Early Redemption Amount of such Note together (if applicable) with accrued interest to the date of payment shall become immediately due and payable, unless such Event of Default shall have been remedied prior to the receipt of such notice by the Fiscal Agent and except that the holders of the Notes may, by an Extraordinary Resolution, waive any default and rescind and annul a previously given notice of default and the consequences thereof if (i) the rescission or waiver would not conflict with any judgment or decree and (ii) all existing Events of Default have been waived by such Extraordinary Resolution or otherwise cured except for non-payment of principal or interest that has become due solely because of the acceleration following the notice of default; provided, however, that if any event specified in clause (v) below occurs and is continuing, the Notes shall become immediately repayable, with accrued interest to the date of payment, without any declaration, notification or other act on the part of any holder of Notes:

(i) **Non-Payment**

default is made for more than 30 days in the case of interest or principal in the payment on the due date of interest or principal in respect of any of the Notes; or

(ii) **Breach of Other Obligations**

the Issuer [or the Guarantor]<sup>[22]</sup> does not perform or comply with any one or more of its other obligations in respect of the Notes which default is incapable of remedy or, if capable of remedy, is not remedied within 90 days after notice of such default shall have been given to the Fiscal Agent at its specified office by any Noteholder; or

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<sup>22</sup> The words in square brackets will only apply to Notes issued by EFI and guaranteed by Eni.



(iii) **Enforcement Proceedings**

a distress, attachment, execution or other legal process is levied, enforced or sued out on or against, or an encumbrancer takes possession of the whole or substantially the whole of, the property, assets or revenues of the Issuer [or the Guarantor]<sup>[23]</sup> and in each case is not released, discharged or stayed within 90 days; or

(iv) **Cross-Default**

any other present or future, actual or contingent indebtedness of Eni for or in respect of borrowed money and being in aggregate amount greater than 3 per cent. of Eni's consolidated total shareholders' equity (as determined by reference to the most recent audited consolidated financial statements of Eni) is not paid when due or within any applicable grace period originally specified; or

(v) **Insolvency**

[either of]<sup>[23]</sup> the Issuer [or the Guarantor]<sup>[23]</sup> is (or is deemed by law or a court of competent jurisdiction to be) insolvent or bankrupt or unable to pay its debts, or stops, suspends or threatens to stop or suspend payment of its debts generally, proposes or makes a general assignment or an arrangement or composition with or for the benefit of its creditors generally in respect of its debts or a moratorium is agreed or declared or comes into effect in respect of or affecting all or substantially all of the debts of the Issuer [or the Guarantor]<sup>[23]</sup> [provided that a *gerechtelijk reorganisatie/réorganisation judiciaire* will not constitute an Event of Default]<sup>[23]</sup>; or

(vi) **Winding-up**

an administrator is appointed, an order is made or an effective resolution passed for the winding-up or dissolution of the Issuer [or the Guarantor]<sup>[23]</sup> and such order or resolution is not discharged or cancelled within 90 days, or the Issuer [or the Guarantor]<sup>[23]</sup> ceases or threatens to cease to carry on all or substantially all of its business or operations, in each case except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation either (i) on terms previously approved by an Extraordinary Resolution of the Noteholders or (ii) where [(x)]<sup>[23]</sup> in the case of a reconstruction, amalgamation, reorganisation, merger or consolidation of the Issuer, the surviving entity effectively assumes the entire obligations of the Issuer under the Notes [and (unless such surviving entity is the Guarantor) such obligations continue to be guaranteed by the Guarantor, or (y) in the case of a reconstruction, amalgamation, reorganisation, merger or consolidation of the Guarantor, the surviving entity effectively assumes the entire obligations of the Guarantor under the Guarantee] or any event occurs that under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in this paragraph]<sup>[23]</sup> [; or

(vii) **Guarantee**

the Guarantee is not (or is claimed by the Guarantor not to be) in full force and effect.]<sup>[23]</sup>

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<sup>23</sup> The words in square brackets will only apply to Notes issued by EFI and guaranteed by Eni.

## 10 Meetings of Noteholders and Modifications

### (a) Meetings of Noteholders

The Agency Agreement contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions.

[All meetings of holders of Notes will be held in accordance with applicable provisions of Italian law in force at the time. In accordance with Article 2415 of the Italian Civil Code, the meeting of Noteholders is empowered to resolve upon the following matters: (i) the appointment and revocation of a joint representative (*rappresentante comune*) of the Noteholders; (ii) any amendment to these Conditions; (iii) motions for composition with creditors (*concordato*) of the relevant Issuer; (iv) establishment of a fund for the expenses necessary for the protection of the common interests of the Noteholders and the related statements of account; and (v) on any other matter of common interest to the Noteholders. Such a meeting may be convened by the Board of Directors of the relevant Issuer or by the joint representative of the Noteholders when the Board of Directors or the joint representative, as the case may be, deems it necessary or appropriate, and such a meeting shall be convened when a request is made by the Noteholders holding not less than 5 per cent. in principal amount of the Notes for the time being outstanding, in each case in accordance with Article 2415 of the Italian Civil Code. The constitution of meetings and the validity of resolutions thereof shall be governed pursuant to the provision of Italian laws (including, without limitation, Legislative Decree No. 58 of 24 February 1998 (the “**Consolidated Law on Finance**”)) and the Issuer’s by-laws in force from time to time. Italian law currently provides that (subject as provided below) at any such meeting, (i) in the case of a sole call meeting, one or more persons present holding Notes or representing in the aggregate at least one-fifth of the nominal amount of the Notes for the time being outstanding or such other majority as may be provided for in the Issuer’s by-laws, or (ii) in case of a multiple call meeting (a) in the case of a first meeting, one or more persons present holding Notes or representing in the aggregate not less than one-half of the aggregate nominal amount of the Notes for the time being outstanding or such other majority as may be provided for in the Issuer’s by-laws, (b) in the case of a second meeting following adjournment of the first meeting for want of quorum, one or more persons present holding Notes or representing in the aggregate more than one-third of the aggregate nominal amount of the Notes for the time being outstanding or such other majority as may be provided for in the Issuer’s by-laws, (c) in the case of a third meeting, or any subsequent meeting following a further adjournment for want of quorum, one or more persons present holding Notes or representing in the aggregate at least one-fifth of the aggregate nominal amount of the Notes for the time being outstanding or such other majority as may be provided for in the Issuer’s by-laws, shall form a quorum for the transaction of business and no business shall be transacted at any meeting unless the requisite quorum is present at the commencement of the relevant business. The majority required at any such meeting under (i) and (ii) above (including any adjourned meetings, if applicable) for passing an Extraordinary Resolution shall (subject as provided below) be at least two-thirds of the aggregate nominal amount of Notes represented at the meeting, provided that at any meeting the business of which includes a modification to the Conditions of the Notes as provided under Article 2415, paragraph 1, item 2 of the Italian Civil Code (including, for the avoidance of doubt, (a) any reduction or cancellation of the amount payable or, where applicable, modification of the method of calculating the amount payable or modification of the date of maturity or redemption or any date for payment of interest or, where applicable, of the method of calculating the date of payment in respect of any principal or interest in respect of the Notes, and (b) any alteration of the currency in which payments under the Notes are to be made or the denomination of the Notes), the majority required to pass the requisite Extraordinary Resolution shall be the higher of (i) one or more persons present holding Notes or representing in the

aggregate not less than one-half of the aggregate nominal amount of the Notes for the time being outstanding and (ii) one or more persons present holding Notes or representing in the aggregate not less than two thirds of the Notes represented at the meeting pursuant to paragraph 3 of Article 2415 of the Italian Civil Code, provided that the Issuer's by-laws may in each case (to the extent permitted under applicable Italian law) provide for higher majorities. The Notes shall not entitle the Issuer to participate and vote in the Noteholders' meetings. Directors and statutory auditors of the Issuer shall be entitled to attend the Noteholders' meetings. The resolutions validly adopted in meetings are binding on Noteholders whether present or not.][<sup>24</sup>

[All meetings of Noteholders will be held in accordance with the Belgian Companies and Associations Code (*Wetboek van vennootschappen en verenigingen/Code des sociétés et des associations*) dated 23 March 2019, as amended from time to time (the “**Belgian Companies and Associations Code**”) and this Condition 10. Such a meeting may be convened by the board of directors of the Issuer or its auditors and shall be convened by the Issuer upon the request of Noteholders holding not less than 10 per cent. of the aggregate principal amount of the Notes outstanding. Noteholders will be entitled (subject to the consent of the Issuer) to exercise the powers set out in Article 7:162 of the Belgian Companies and Associations Code and generally to modify or waive any provision of these Conditions in relation to the Notes in accordance with the quorum and majority requirements set out in Article 7:170 of the Belgian Companies and Associations Code, provided however that any proposal (i) to modify the maturity of the Notes or the dates on which interest is payable in respect of the Notes, (ii) to reduce or cancel the principal amount of, or interest on, the Notes, (iii) to change the currency of payment of the Notes, or (iv) to modify the provisions concerning the quorum required at any meeting of Noteholders, may only be sanctioned by a Resolution passed by a majority of at least 75 per cent. of the votes cast, at which two or more persons holding or representing not less than three-quarters or, at any adjourned meeting, one quarter of the aggregate principal amount of the outstanding Notes form a quorum.

The above quorum and special majority requirements do not apply to Resolutions relating to interim measures taken in the common interest of the Noteholders or to the appointment of a representative of the Noteholders. In such cases, the Resolutions are adopted by Noteholders holding or representing at least a majority of the aggregate principal amount of the Notes outstanding present or represented at the meeting.

For the avoidance of any doubt, any modification of the conditions shall always be subject to the consent of the Issuer.

A Resolution duly passed in accordance with the provisions of the Belgian Companies and Associations at any meeting of Noteholders will be binding on all Noteholders, whether or not they are present at the meeting and whether or not they vote in favour thereof, and on all holders of coupons relating to EFI Notes.

Convening notices for meetings of Noteholders shall be made in accordance with Article 7:165 of the Belgian Companies and Associations Code, which as at the date of this Base Prospectus requires an announcement to be published not less than 30 days (or in case the Notes are not admitted to trading on a regulated market, 15 days) prior to the meeting in the Belgian Official Gazette (*Moniteur Belge/Belgisch Staatsblad*) and in a newspaper of national distribution in Belgium. Convening notices shall also be made in accordance with Condition 13 (*Notices*).

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<sup>24</sup> The words in square brackets will only apply to Notes issued by Eni.

For the purpose of these Conditions, “**Resolution**” means a resolution of Noteholders duly passed at a meeting called and held in accordance with these Conditions and the provisions of the Belgian Companies and Associations Code.<sup>[25]</sup>

**(b) Modification of Agency Agreement**

The Issuer [and the Guarantor]<sup>[25]</sup> shall only permit any modification of, or any waiver or authorisation of any breach or proposed breach of or any failure to comply with, the Agency Agreement, if to do so could not reasonably be expected to be prejudicial to the interests of the Noteholders and in giving such permission, waiver or authorisation the Issuer [and the Guarantor]<sup>[25]</sup> shall have regard to interests of the Noteholders as a class and shall not have regard to the consequences of such permission, waiver or authorisation for individual Noteholders or Couponholders.

**11 Replacement of Notes, [Certificates]<sup>[26]</sup>, Coupons and Talons**

If a Note, [Certificate,]<sup>[26]</sup> Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange regulations, at the specified office of the Fiscal Agent (in the case of Bearer Notes, Coupons or Talons) [and of the Registrar (in the case of Certificates)]<sup>[26]</sup> or such other Paying Agent [or Transfer Agent]<sup>[26]</sup>, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees, costs, taxes and duties incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, [Certificate,]<sup>[26]</sup> Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Notes, [Certificates,]<sup>[26]</sup> Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Notes, [Certificates,]<sup>[26]</sup> Coupons or Talons must be surrendered before replacements will be issued.

**12 Further Issues**

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further notes having the same terms and conditions as the Notes (so that, for the avoidance of doubt, references in the conditions of such Notes to “**Issue Date**” shall be to the first issue date of the Notes) and so that the same shall be consolidated and form a single series with such Notes, and references in these Conditions to “**Notes**” shall be construed accordingly.

**13 Notices**

Notices to the holders of Registered Notes shall be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing or, in the case of Global Notes, delivered to Euroclear and Clearstream, Luxembourg, and/or any other applicable clearing system for communication by them to the persons shown in their respective records as having interests therein and, provided that and so long as the Notes are listed on the official list of the Luxembourg Stock Exchange and the rules of that Stock Exchange so require published on the website of that Stock Exchange (*www.bourse.lu*).

Notices to the holders of Bearer Notes shall, save where another means of effective communication has been specified in the relevant Final Terms, be valid if published in a daily newspaper of general circulation in London

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<sup>25</sup> The words in square brackets will only apply to Notes issued by EFI and guaranteed by Eni.

<sup>26</sup> The words in square brackets will only apply to Notes issued by Eni.

(which is expected to be the *Financial Times*), provided that so long as the Notes are listed on the official list of the Luxembourg Stock Exchange and the rules of that Stock Exchange so require, such notice shall be published on the website of that Stock Exchange (*www.bourse.lu*). If any of the above publication methods is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above.

The Issuer shall ensure that notices are published in a manner which complies with the rules and regulations of any other stock exchange on which the Notes may be listed from time to time.

[In addition to the above publications, with respect to notices for a meeting of Noteholders, any convening notice for such meeting shall be made in accordance with the relevant provisions of the Italian Civil Code and Eni's by-laws.]<sup>[27]</sup>

[In addition to the above publications, with respect to notices for a meeting of Noteholders, any convening notice for such meeting shall be made in accordance with Article 7:165 of the Belgian Companies and Association Code, which as at the date of this Base Prospectus requires an announcement to be inserted at least 30 days (or in case the Notes are not admitted to trading on a regulated market, 15 days) prior to the meeting, in the Belgian Official Gazette (*Moniteur belge — Belgisch Staatsblad*) and in a newspaper with national coverage. Convening notices for a meeting of Noteholders will also be published on the website of the Issuer. Resolutions to be submitted to the meeting must be described in the convening notice.]<sup>[28]</sup>

Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Notes in accordance with this Condition 13.

#### 14 Currency Indemnity

Any amount received or recovered in a currency other than the currency in which payment under the relevant Note or Coupon is due (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the insolvency, winding-up or dissolution of the Issuer [or the Guarantor]<sup>[29]</sup> or otherwise) by any Noteholder or Couponholder in respect of any sum expressed to be due to it from the Issuer [or the Guarantor]<sup>[29]</sup> shall only constitute a discharge to the Issuer [or the Guarantor, as the case may be]<sup>[29]</sup> to the extent of the amount in the currency of payment under the relevant Note or Coupon that the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If the amount received or recovered is less than the amount expressed to be due to the recipient under any Note or Coupon (such amount being the “**shortfall**”) the Issuer [failing whom the Guarantor]<sup>[29]</sup> shall indemnify the recipient in an amount equal to the shortfall and, if a purchase is made, against the cost of making any such purchase. For the purposes of this Condition 14, it shall be sufficient for the Noteholder or Couponholder, as the case may be, to demonstrate that a shortfall would have arisen had an actual purchase been made. These indemnities constitute a separate and independent obligation from the Issuer's [and the Guarantor's]<sup>[29]</sup> other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Noteholder or Couponholder and shall continue in full force and effect despite any

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<sup>27</sup> The words in square brackets will only apply to Notes issued by Eni.

<sup>28</sup> The words in square brackets will only apply to Notes issued by EFI and guaranteed by Eni.

<sup>29</sup> The words in square brackets will only apply to Notes issued by EFI and guaranteed by Eni.

other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note or Coupon or any other judgment or order.

## 15 Governing Law, Jurisdiction and Service of Process

### (a) Governing Law

The Notes, the Coupons, the Talons, (and any non-contractual obligations arising out of or in connection with them),<sup>[30]</sup> [and] the Deed of Covenant [and the Guarantee]<sup>[30]</sup> are governed by, and shall be construed in accordance with, English law. [Condition 10 (*Meetings of Noteholders and Modifications*) and the provisions of Schedule 3 of the Agency Agreement which relate to the convening of meetings of Noteholders and the appointment of a Noteholders' representative are subject to compliance with Italian law.]<sup>[31]</sup> [Conditions 10 (*Meetings of Noteholders and Modifications*) and the provisions of Schedule 3 of the Agency Agreement which relate to the convening of meetings of Noteholders are subject to compliance with Belgian law.]<sup>[30]</sup>

### (b) Jurisdiction

The courts of England are to have jurisdiction to settle any disputes that may arise out of or in connection with any Notes Coupons, Talons,<sup>[30]</sup> [and]<sup>[30]</sup> the Deed of Covenant [and the Guarantee]<sup>[30]</sup> and accordingly any legal action or proceedings arising out of or in connection with any Notes Coupons, Talons,<sup>[31]</sup> [and]<sup>[30]</sup> the Deed of Covenant [and the Guarantee]<sup>[30]</sup> ("**Proceedings**") may be brought in such courts. [Each of the Issuer and the Guarantor]<sup>[30]</sup> [The Issuer]<sup>[31]</sup> irrevocably submits to the jurisdiction of the courts of England and waives any objection to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. [These submissions are]<sup>[30]</sup> [This submission is]<sup>[31]</sup> made for the benefit of each of the holders of the Notes, Coupons and Talons and shall not affect the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

### (c) Service of Process

[Each of the Issuer and the Guarantor]<sup>[30]</sup> [The Issuer]<sup>[31]</sup> irrevocably appoints Eni UK Limited of Eni House, 10 Ebury Bridge Road, London SW1W 8PZ as their agent in England to receive, for it and on its behalf, service of process in any Proceedings in England. Such service shall be deemed completed on delivery to such process agent (whether or not it is forwarded to and received by the Issuer [or the Guarantor]<sup>[30]</sup>). If for any reason such process agent ceases to be able to act as such or no longer has an address in London, [each of the Issuer and the Guarantor]<sup>[30]</sup> [the Issuer]<sup>[31]</sup> irrevocably agrees to appoint a substitute process agent and shall immediately notify Noteholders of such appointment in accordance with Condition 13 (*Notices*). Nothing shall affect the right to serve process in any manner permitted by law.

## 16 Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

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<sup>30</sup> The words in square brackets will only apply to Notes issued by EFI and guaranteed by Eni.

<sup>31</sup> The words in square brackets will only apply to Notes issued by Eni.

## OVERVIEW OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

For as long as the Notes are represented by Global Notes, the terms and conditions set out below (the “**Global Notes Conditions**”) must be read together with the section “*Terms and Conditions of the Notes*” in this Base Prospectus and form an integral part thereof and shall be construed accordingly. The terms and conditions set out in the section “*Terms and Conditions of the Notes*” of this Base Prospectus shall in such case be supplemented and/or superseded by the Global Notes Conditions which shall prevail over the conditions set out in the section “*Terms and Conditions of the Notes*”.

### 1 Initial Issue of Notes

#### 1.1 Notes issued by Eni

If the Global Notes or the Global Certificates issued by Eni are stated in the applicable Final Terms to be issued in new Global Note (“NGN”) form or to be held under the NSS (as the case may be), the Global Notes will be delivered on or prior to the original issue date of the Tranche to the Common Safekeeper. Depositing the Global Notes or the Global Certificates with the Common Safekeeper does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue, or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

Global Notes which are issued in classic Global Note (“CGN”) form and Global Certificates which are not held under the NSS may be delivered on or prior to the original issue date of the Tranche to the Common Depository.

If the Global Note is a CGN, upon the initial deposit of a Global Note with the Common Depository for Euroclear and Clearstream, Luxembourg or, in the case of Eni Notes, registration of Registered Notes in the name of any nominee for Euroclear and Clearstream, Luxembourg and delivery of the relative Global Certificate to the Common Depository, Euroclear or Clearstream, Luxembourg, will credit each of its participants acting as depository for subscribers with a nominal amount of Notes represented by such Global Note equal to the nominal amount thereof for which the subscribers for whom such participant acts as depository have subscribed and paid.

If the Global Note issued by Eni is an NGN, the nominal amount of the Notes shall be the aggregate amount from time to time entered in the records of Euroclear or Clearstream, Luxembourg. The records of such clearing system shall be conclusive evidence of the nominal amount of Notes represented by the Global Note and a statement issued by such clearing system at any time shall be conclusive evidence of the records of the relevant clearing system at that time.

Notes that are initially deposited with the Common Depository may also be credited to the accounts of subscribers with (if indicated in the relevant Final Terms) other clearing systems through direct or indirect accounts with Euroclear and Clearstream, Luxembourg, held by such other clearing systems. Conversely, Notes that are initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream, Luxembourg, or other clearing systems.

#### 1.2 Notes issued by EFI

EFI Notes will be settled through the securities settlement system of the NBB (the “**NBB Securities Settlement System**”). Accordingly, EFI Notes will be subject to the applicable settlement regulations, including the Belgian law of 6 August 1993 on transactions in certain securities, its implementing Belgian Royal Decrees of 26 May 1994 and 14 June 1994 and the rules of the NBB Securities Settlement System and its annexes, as issued or modified by the NBB from time to time (together the “**NBB Securities Settlement System Regulations**”). The terms and conditions of the EFI Notes shall further be subject to the relevant provisions of the clearing services

agreement dated 3 April 2018 between the NBB, EFI as Issuer and Banque Eni SA as paying agent (the “**Belgian Paying Agent**”) (the “**Clearing Services Agreement**”).

The EFI Notes represented by Global Notes will be traded on a fungible basis in accordance with the Belgian Coordinated Royal Decree Number 62 of 10 November 1967, governing the custody of transferable financial instruments and the settlement of transactions on these instruments. The NBB Securities Settlement System is accessible through those of its participants whose membership extends to securities such as the EFI Notes.

On or before the issue date of the Global Notes, the Belgian Paying Agent will, on behalf of the Issuer, deliver duly executed and authenticated (by way of signature) Global Notes in bearer form to the NBB. Upon receipt, the Global Notes will be immobilised and the securities account of the Belgian Paying Agent, being an exempt account in the NBB Securities Settlement System, will be credited with an amount equal to the principal amount of the Global Notes. On the date of completion of the offering, the Belgian Paying Agent will, on behalf of the NBB, credit an amount equal to their respective portion of the principal amount of the Global Notes to the securities accounts of eligible participants of the NBB Securities Settlement System, which include, amongst others, Euroclear’s or Clearstream Banking AG, Frankfurt’s securities account, both exempt accounts in the NBB Securities Settlement System. Following confirmation of payment to the Issuer of the net proceeds for the issue of the EFI Notes, Euroclear and Clearstream Banking AG, Frankfurt will credit the securities account of the holders of book-entry interests in the EFI Notes with an amount equal to the principal amount of EFI Notes purchased by each of them. Holders of book-entry interests in the EFI Notes have a co-ownership right in the EFI Notes.

Transfers of book-entry interests in the EFI Notes will be on the basis of book-entry transfers through the NBB Securities Settlement System, Euroclear and Clearstream Banking AG, Frankfurt. Transactions will be settled in accordance with the operating procedures of the NBB Securities Settlement System, Euroclear and Clearstream Banking AG, Frankfurt. Book-entry interests in the EFI Notes will be credited to the relevant participants securities accounts in same day funds on the issue date against payment (for value the issue date).

Each participant will be responsible for establishing and maintaining accounts for their sub-participants and customers having interests in the book-entry interests in the EFI Notes. The Agent will be responsible for ensuring that payments received by it from the Issuer for holders of book-entry interests in the EFI Notes held through the NBB Securities Settlement System are properly credited.

Holders of book-entry interests in the EFI Notes may incur fees normally payable in respect of the maintenance and operation of accounts in the NBB Securities Settlement System, Euroclear or Clearstream Banking AG, Frankfurt.

The Issuer, the NBB and the Belgian Paying Agent have entered into the Clearing Services Agreement governed by Belgian law pursuant to which the NBB agrees to act as depositary of the Global Notes. The Clearing Services Agreement also sets out the procedures relating to the issue of the EFI Notes, payment of interest, principal and any other payment on the EFI Notes and early redemption. The NBB is entitled to a fee under the Clearing Services Agreement.

## **2 Relationship of Accountholders with Clearing Systems**

Each of the persons shown in the records of the NBB Securities Settlement System, Euroclear, Clearstream Banking AG, Frankfurt or any other clearing system as the holder of a Note represented by a Global Note or, in the case of issues of Notes by Eni, a Global Certificate, must look solely to the NBB Securities Settlement System, Euroclear, Clearstream Banking AG, Frankfurt, or such other clearing system (as the case may be) for his share of each payment made by the relevant Issuer or the Guarantor to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, and in relation to all other rights arising under the Global Notes or Global Certificates, subject to and in accordance NBB Securities Settlement System



Regulations and the procedures and rules of Euroclear, Clearstream Banking AG, Frankfurt or such clearing system (as the case may be).

Subject to the exceptions set out in the Belgian Royal Decree No. 62 of 10 November 1967, governing the custody of transferable financial instruments and the settlement of transactions on these instruments in the case of EFI Notes, such persons shall have no claim directly against the relevant Issuer or the Guarantor in respect of payments due on the Notes for so long as the Notes are represented by such Global Note or Global Certificate and such obligations of the relevant Issuer or the Guarantor will be discharged by payment to, in the case of the EFI Notes settled through the NBB Securities Settlement System, the NBB Securities Settlement System, and in the case of Eni Notes, to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, in respect of each amount so paid.

### 3 Exchange

#### 3.1 *Temporary Global Notes issued by Eni*

Each temporary Global Note issued by Eni will be exchangeable, free of charge to the holder, on or after its Exchange Date (as defined in 6 below):

- (i) if the relevant Final Terms indicate that such Global Note is issued in compliance with TEFRA C or in a transaction to which TEFRA is not applicable (as to which, see “General Description of the Programme – TEFRA Exemptions”), in whole, but not in part, for the Definitive Notes defined and described below; and
- (ii) otherwise, in whole or in part upon certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement for interests in a permanent Global Note or, if so provided in the relevant Final Terms, for Definitive Notes.

Each temporary Global Note that is also an Exchangeable Bearer Note will be exchangeable for Registered Notes in accordance with the Conditions in addition to any permanent Global Note or Definitive Notes for which it may be exchangeable and, before its Exchange Date, will also be exchangeable in whole or in part for Registered Notes only.

#### 3.2 *Permanent Global Notes issued by Eni*

Each permanent Global Note will be exchangeable, free of charge to the holder (except, in the case of (ii) below, where the holder requests the exchange and is liable for any taxes and duties arising in connection with such exchange), on or after its Exchange Date in whole but not, except as provided under 4 below, in part for Definitive Notes or, in the case of 2(iii) below, Registered Notes:

- (i) unless principal in respect of any Notes is not paid when due, by the Issuer giving notice to the Noteholders and the Fiscal Agent of its intention to effect such exchange;
- (ii) if the relevant Final Terms provide that such Global Note is exchangeable at the request of the holder, by the holder giving notice to the Fiscal Agent of its election for such exchange;
- (iii) if the permanent Global Note is an Exchangeable Bearer Note, by the holder giving notice to the Fiscal Agent of its election to exchange the whole or a part of such Global Note for Registered Notes; and
- (iv) otherwise, (1) if the permanent Global Note is held on behalf of Euroclear or Clearstream, Luxembourg, or any other clearing system (an “**Alternative Clearing System**”) and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so or (2) if principal in respect

of any Notes is not paid when due, by the holder giving notice to the Fiscal Agent of its election for such exchange.

In the event that a Global Note is exchanged for Definitive Notes, such Definitive Notes shall be issued in Specified Denomination(s) only. A Noteholder who holds a principal amount of less than the minimum Specified Denomination will not receive a definitive Note in respect of such holding and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more Specified Denominations.

### 3.3 *Permanent Global Notes issued by EFI*

Each EFI Note issued by EFI will be exchangeable, free of charge to the holder (except, in the case of (ii) below, where the holder requests the exchange and is liable for any taxes and duties arising in connection with such exchange), on or after its Exchange Date in whole but not, except as provided under 4 below, in part for Definitive Notes:

- (i) unless principal in respect of any EFI Notes is not paid when due, by the Issuer giving notice to the Noteholders and the Fiscal Agent of its intention to effect such exchange;
- (ii) otherwise, (1) if the EFI Note is held on behalf of the NBB Securities Settlement System, Euroclear or any other clearing system (an “**Alternative Clearing System**”) and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so or (2) if principal in respect of any EFI Note is not paid when due, by the holder giving notice to the Fiscal Agent of its election for such exchange.

On or after any date for exchange, the Belgian Paying Agent will instruct the NBB to cancel the Global Notes or, in the case of a partial exchange, instruct the NBB to present the Global Notes to the Belgian Paying Agent to or to the order of the Belgian Paying Agent. The NBB will remit the cancelled Global Notes to the Belgian Paying Agent for the account of the Issuer. In exchange for the Global Notes, or the part thereof to be exchanged, the Issuer shall deliver, or procure the delivery of, an equal aggregate principal amount of duly executed and authenticated Definitive Notes.

Definitive Notes shall be issued in Specified Denomination(s) only. A Noteholder who holds a principal amount of less than the minimum Specified Denomination will not receive a Definitive Note in respect of such holding and would need to purchase a principal amount of EFI Notes such that it holds an amount equal to one or more Specified Denominations.

### 3.4 *Permanent Global Certificates issued by Eni*

If the Final Terms state that the Eni Notes are to be represented by a permanent Global Certificate on issue, transfers of the holding of Notes represented by any Global Certificate pursuant to Condition 2(b) (*Exchanges of Exchangeable Bearer Notes and Transfers of Registered Notes – Transfer of Registered Notes*) may only be made in part:

- (i) if the Notes represented by the Global Certificate are held on behalf of Euroclear or Clearstream, Luxembourg, or an Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; or
- (ii) if principal in respect of any Notes is not paid when due; or
- (iii) with the consent of the relevant Issuer,

provided that, in the case of the first transfer of part of a holding pursuant to 3(i) or 3(ii) above, the Registered Holder has given the Registrar not less than 30 days' notice at its specified office of the Registered Holder's intention to effect such transfer.

### 3.5 *Partial Exchange of Permanent Global Notes*

Subject to the provisions of 2.2 and 2.3 above, for so long as a permanent Global Note is held on behalf of a clearing system and the rules of that clearing system permit, such permanent Global Note will be exchangeable in part on one or more occasions (i) for Registered Notes if the permanent Global Note is an Exchangeable Bearer Note and the part submitted for exchange is to be exchanged for Registered Notes, or (ii) for Definitive Notes if principal in respect of any Notes is not paid when due.

### 3.6 *Delivery of Notes*

If the Global Note is a CGN, on or after any due date for exchange the holder of a Global Note may surrender such Global Note or, in the case of a partial exchange, present it for endorsement to or to the order of the Fiscal Agent.

In exchange for any Global Note, or the part thereof to be exchanged, the relevant Issuer will (i) in the case of a temporary Global Note exchangeable for a permanent Global Note, deliver, or procure the delivery of, a permanent Global Note in an aggregate nominal amount equal to that of the whole or that part of a temporary Global Note that is being exchanged or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a permanent Global Note to reflect such exchange or (ii) in the case of a Global Note exchangeable for Definitive Notes or Registered Notes, deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Notes and/or Certificates, as the case may be or (iii) if the Global Note is a NGN, Eni will procure that details of such exchange be entered *pro rata* in the records of the relevant clearing system. In this Base Prospectus, “**Definitive Notes**” means, in relation to any Global Note, the definitive Bearer Notes for which such Global Note may be exchanged (if appropriate, having attached to them all Coupons in respect of interest that has not already been paid on the Global Note and a Talon). Definitive Notes will be security printed and Certificates will be printed in accordance with any applicable legal and stock exchange requirements in or substantially in the form set out in the Schedules to the Agency Agreement. On exchange in full of each permanent Global Note, the relevant Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant Definitive Notes.

Pursuant to the Belgian law of 14 December 2005 on the suppression of bearer securities, Bearer Notes cannot be physically delivered in Belgium. To the extent any such delivery of Bearer Notes would be required, Bearer Notes will be delivered outside Belgium.

### 3.7 *Exchange Date*

“**Exchange Date**” means, in relation to a temporary Global Note, the day falling after the expiry of 40 days after its issue date and, in relation to a permanent Global Note, a day falling not less than 60 days, or in the case of an exchange for Registered Notes five days, or in the case of failure to pay principal in respect of any Notes when due 30 days, after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Fiscal Agent is located and in the city in which the relevant clearing system is located.

## 4 **Further amendments to Conditions**

The temporary Global Notes, permanent Global Notes and Global Certificates contain provisions that apply to the Notes that they represent, some of which modify the effect of the terms and conditions of the Notes set out in the section “*Terms and Conditions of the Notes*” in this Base Prospectus. An overview of certain of those provisions is set out in sections 1 to (and including) 3 above and this section 4:

#### 4.1 Form

EFI Notes will be represented on issue, by a permanent Global Note in bearer form. The permanent Global Note will be deposited with, immobilised by and held with the NBB. EFI Notes in global bearer form will be settled through the NBB Securities Settlement System and will be traded on a fungible basis in accordance with the Belgian Coordinated Royal Decree No. 62 of 20 November 1967 governing the custody of transferable financial instruments and the settlement of transactions on these instruments. For as long as the EFI Notes shall be held in, or on behalf of, the NBB Securities Settlement System, the terms and conditions of the EFI Notes shall be supplemented and/or superseded to the extent necessary by the relevant provisions of the Clearing Services Agreement, the NBB Securities Settlement System Regulations and any other applicable provisions of Belgian law.

For so long as the EFI Notes are held by or on behalf of the NBB Securities Settlement System, each person (each an “**Accountholder**”) being shown in the records of a participant or sub-participant in the NBB Securities Settlement System as the holder of a particular principal amount of the EFI Notes (in which regard any certificates or other documents issued by the NBB Securities Settlement System or a participant or sub-participant therein as to the principal amount of such Notes standing to the account of any Accountholder (together with any notification from the NBB Securities Settlement System or the operator thereof as to the identity of a relevant participant with whom the Accountholder holds its Notes) shall be conclusive and binding for all purposes) shall be treated as the holder of that principal amount for the purpose of any quorum, voting, the right to demand a poll or for any other associative rights (as defined in Articles 12 and 13 of the Belgian Coordinated Royal Decree Number 62 of 10 November 1967), and the expressions “**Holder**” of EFI Notes and “**Noteholder**” of EFI Notes and related expressions shall be construed accordingly.

For so long as the EFI Notes are held by or on behalf of the NBB Securities Settlement System transfers of book-entry interests in the EFI Notes will be on the basis of book-entry transfers through the NBB Securities Settlement System, Euroclear and Clearstream Banking AG, Frankfurt. Transactions will be settled in accordance with the operating procedures of the NBB Securities Settlement System, Euroclear and Clearstream Banking AG, Frankfurt, as the case may be.

#### 4.2 Interest and other Calculations

##### 4.2.1 Condition 5(b)(ii) (*Business Day Conventions*)

In the case of EFI Notes settled through the NBB Securities Settlement System Condition 5(b)(ii)(*Business Day Conventions*) shall be replaced by the following provision:

“If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month (except in the case of EFI Notes clearing through the NBB Securities Settlement System), in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month (except in the case of EFI Notes clearing through the NBB Securities Settlement System), in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day (except in the case of EFI Notes clearing through the NBB Securities Settlement System).”

#### 4.2.2 Condition 5 (i) (*Definitions*)

In the case of EFI Notes settled through the NBB Securities Settlement System, the following definitions shall apply:

“**Business Day**” means: (a) a day other than a Saturday or Sunday on which the NBB Securities Settlement System is operating and (b) a day on which banks and forex markets are open for general business in Belgium and (c) (if payment in euro is to be made on that day), a day which is a Target Business Day.

“**Day Count Fraction**” means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period or Interest Accrual Period, the “**Calculation Period**”), for the following types of Notes which are denominated in euro and which clear through the NBB Securities Settlement System:

- (a) Fixed Rate Notes with a maturity of more than one year: the actual number of days elapsed divided by the actual number of days in the period from and including the immediately preceding Interest Payment Date (or, if none, the immediately preceding anniversary of the first Interest Payment Date) to but excluding the next scheduled Interest Payment Date;
- (b) Floating Rate Notes or any Notes with a maturity of one year: the actual number of days in the Calculation Period divided by 360 (“**Actual/360**”).

#### 4.2.3 Condition 7 (h)/(g) (*Non-Business Day*)

In the case of EFI Notes settled through the NBB Securities Settlement System Condition 7 (h)/(g) (*Non-Business Day*) shall be replaced by the following provision:

“If any date for payment in respect of any EFI Note or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, “**business day**” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the relevant place of presentation, in such jurisdictions as shall be specified as a “**Financial Centre**” hereon and in the case of EFI Notes settled through the NBB Securities Settlement System, (a) a day other than a Saturday or Sunday on which the NBB Securities Settlement System is operating and (b) a day on which banks and forex markets are open for general business in Belgium and (c) (if payment in euro is to be made on that day), a day which is a Target Business Day.”

#### 4.3 *Payments and Talons*

No payment falling due after the Exchange Date will be made on any Global Note unless exchange for an interest in a permanent Global Note or for Definitive Notes or Registered Notes is improperly withheld or refused.

Payments on any temporary Global Note issued in compliance with TEFRA D before the Exchange Date will only be made against presentation of certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement.

All payments in respect of Notes represented by a Global Note in CGN form will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of that Global Note to or to the order of the Fiscal Agent or such other Paying Agent as shall have been notified to the Noteholders for such purpose.

If the Global Note is a CGN, a record of each payment so made will be endorsed on each Global Note, which endorsement will be *prima facie* evidence that such payment has been made in respect of the Notes. Condition 7(d)(iv) (*Payments and Talons – Appointment of Agents*) (in the case of EFI Notes) or 7(e)(iv) (*Payments and Talons - Appointment of Agents*) (in the case of Eni Notes) and Condition 8(f) (*Taxation*) will apply to the definitive Bearer Notes only.

If the Global Note is a NGN or if the Global Certificate is held under the NSS, Eni shall procure that details of each such payment shall be entered *pro rata* in the records of the relevant clearing system and in the case of payments of principal, the nominal amount of the Notes recorded in the records of the relevant clearing system and represented by the Global Note or the Global Certificate will be reduced accordingly. Payments under an NGN will be made to its holder. Each payment so made will discharge Eni's obligations in respect thereof. Any failure to make the entries in the records of the relevant clearing system shall not affect such discharge.

Payments in relation to EFI Notes settled through the NBB Securities System shall be made in accordance with the NBB Securities Settlement System Regulations and the provisions of the Clearing Services Agreement. Payments made by the Issuer in euro to the NBB will discharge EFI's obligations in respect thereof. Payments in any currency other than euro of principal or interest owing under the EFI Notes shall be made through the Belgian Paying Agent and Euroclear (in accordance with the rules thereof).

For the purpose of any payments made in respect of a Global Note, the relevant place of presentation shall be disregarded in the definition of “**business day**” set out in Condition 7(g) (*Payments and Talons - Non-Business Days*) (in the case of EFI Notes) or 7(h) (*Payments and Talons - Non-Business Days*) (in the case of Eni Notes).

All payments in respect of Registered Notes represented by a Global Certificate will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the record date which shall be the Clearing System Business Day immediately prior to the date for payment, where “**Clearing System Business Day**” means Monday to Friday inclusive except 25 December and 1 January.

#### 4.4 Prescription

Claims against the relevant Issuer in respect of Notes that are represented by a permanent Global Note will become void unless it is presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) from the appropriate Relevant Date (as defined in Condition 8 (*Taxation*)).

#### 4.5 Meetings

##### *In relation to Eni Notes*

Without prejudice to mandatory rules of Italian civil law in the case of Eni Notes, including, without limitation, Article 2415 et seq. of the Italian Civil Code, for the purposes of any quorum requirements of a meeting of Noteholders and, at any such meeting, the holder of a permanent Global Note shall be treated as having one vote in respect of each integral currency unit of the Specified Currency of the Notes. All holders of Registered Notes are entitled to one vote in respect of each integral currency unit of the Specified Currency of the Notes comprising such Noteholder's holding, whether or not represented by a Global Certificate.

##### *In relation to EFI Notes*

Without prejudice to mandatory rules of the Belgian Companies and Associations Code in the case of EFI Notes, for the purposes of any quorum requirements of a meeting of Noteholders, the holders of a book-entry interest in the EFI Notes shall be treated as having one vote in respect of each amount equal to the Specified Denomination of the Global Notes. Holders of a book-entry interest can obtain a certificate from the NBB Securities Settlement System or from a participant or a sub-participants thereof evidencing their book-entry interest in the EFI Note represented by a Global Note.

#### 4.6 Cancellation

Cancellation of any Note represented by a permanent Global Note that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the nominal amount of the relevant permanent Global Note.

#### 4.7 Purchase

Notes represented by a permanent Global Note may be purchased by the relevant Issuer (where the Issuer is not Eni), the Guarantor or any of their respective subsidiaries.

#### 4.8 Issuer's Option

Any option of the relevant Issuer provided for in the Conditions of any Notes while such Notes are represented by a permanent Global Note shall be exercised by the Issuer in accordance with applicable law giving notice to the Noteholders within the time limits set out in and containing the information required by the Conditions, except that the notice shall not be required to contain the serial numbers of Notes drawn in the case of a partial exercise of an option and accordingly no drawing of Notes shall be required. In the event that any option of the relevant Issuer is exercised in respect of some but not all of the Notes of any Series, the rights of account holders with a clearing system in respect of the Notes will be governed by the standard procedures of Euroclear (to be reflected in the records of Euroclear as either a pool factor or a reduction in nominal amount, at their discretion), or such other clearing system, including the NBB Securities Settlement System (as the case may be).

#### 4.9 Noteholders' Options

Without prejudice to any rights and remedies that any holder of a book-entry interest in the Global Notes may have under any applicable laws, including without limitation any rights against the institution through which investors hold their book-entry interest in the NBB Securities Settlement System and the Issuer pursuant to the Belgian Coordinated Royal Decree No. 62 of 10 November 1967, governing the custody of transferable financial instruments and the settlement of transactions on these instruments, any option of the Noteholders provided for in the Conditions of any Notes while such Notes are represented by a permanent Global Note may be exercised by the holder of the permanent Global Note in accordance with applicable law giving notice to the Fiscal Agent within the time limits relating to the deposit of Notes with a Paying Agent set out in the Conditions substantially in the form of the notice available from any Paying Agent, except that the notice shall not be required to contain the serial numbers of the Notes in respect of which the option has been exercised, and stating the nominal amount of Notes in respect of which the option is exercised and at the same time, where the permanent Global Note is a CGN, presenting the permanent Global Note to the Fiscal Agent, or to a Paying Agent acting on behalf of the Fiscal Agent, for notation.

Where the Global Note is a NGN, Eni shall procure that details of such exercise shall be entered *pro rata* in the records of the relevant clearing system and the nominal amount of the Notes recorded in those records will be reduced accordingly.

#### 4.10 NGN nominal amount

Where the Global Note is a NGN or where the Global Certificate is held under the NSS, Eni shall procure that any exchange, payment, cancellation, exercise of any option or any right under the Notes, as the case may be, in addition to the circumstances set out above shall be entered in the records of the relevant clearing systems and upon any such entry being made, in respect of payments of principal, the nominal amount of the Notes represented by such Global Note shall be adjusted accordingly.

#### 4.11 Events of Default

Each Global Note provides that the holder may cause such Global Note, or a portion of it, to become due and repayable in the circumstances described in Condition 9 (*Events of Default*) by stating in the notice to the Fiscal Agent the nominal amount of such Global Note that is becoming due and repayable. If principal in respect of any Note is not paid when due (subject, for the avoidance of doubt, to any applicable grace periods expressed in the Conditions), the holder of a Global Note or Registered Notes represented by a Global Certificate may elect for direct enforcement rights against the relevant Issuer under the terms of the Deed of Covenant dated 2 October 2020 (as amended and supplemented from time to time) to come into effect in relation to the whole or a part of such Global Note or one or more Registered Notes in favour of the persons entitled to such part of such Global Note or such Registered Notes, as the case may be, as accountholders with a clearing system. Following any such acquisition of direct rights, the Global Note or, as the case may be, the Global Certificate and the corresponding entry in the register kept by the Registrar will become void as to the specified portion of Registered Notes, as the case may be. However, no such election may be made in respect of Notes represented by a Global Certificate unless the transfer of the whole or a part of the holding of Notes represented by that Global Certificate shall have been improperly withheld or refused.

The rights and remedies pursuant to the Deed of Covenant (including without limitation any direct rights), shall be without prejudice to any rights and remedies that any holder of a book-entry interest in the Global Notes may have under any applicable laws, including without limitation any rights against the institution through which investors hold their book-entry interest in the NBB Securities Settlement System and the Issuer pursuant to the Belgian Coordinated Royal Decree No. 62 of 10 November 1967, governing the custody of transferable financial instruments and the settlement of transactions on these instruments. Any rights and remedies pursuant to the Deed of Covenant shall be cumulative with any rights and remedies available under any applicable laws.

#### 4.12 Notices

So long as any Notes are represented by a Global Note and such Global Note is held by or on behalf of a clearing system such as the NBB Securities Settlement System, notices to the holders of Notes of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders instead of publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Note. So long as the Notes are listed on the official list of the Luxembourg Stock Exchange and the rules of that exchange so require notices shall be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) or if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe. Any such notice shall be deemed to have been given on the date of first publication (or if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers). Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Noteholders.

The Issuer shall ensure that notices are published in a manner which complies with the rules and regulations of any other stock exchange on which the Notes may be listed from time to time.

In addition to the above publications, with respect to notices for a meeting of holders of EFI Notes, any convening notice for such meeting shall be made in accordance with Article 7:165 of the Belgian Companies and Associations Code, which as at the date of this Base Prospectus requires an announcement to be inserted at least 30 days (or in case the Notes are not admitted to trading on a regulated market, 15 days ) prior to the meeting, in the Belgian Official Gazette (*Moniteur belge — Belgisch Staatsblad*) and in a newspaper with national coverage. Convening notices for a meeting of Noteholders will also be published on the website of the Issuer. Resolutions to be submitted to the meeting must be described in the convening notice.



## **USE OF PROCEEDS**

The net proceeds of the sale of the Notes will be used for general corporate purposes.

## ENI

Eni, together with its consolidated subsidiaries (the “**Group**”), engages in the exploration, development and production of hydrocarbons, in the supply and marketing of gas, LNG and power, in the refining and marketing of petroleum products, in the production and marketing of basic petrochemicals, plastics and elastomers and in commodity trading. Eni has operations in 66 countries and 32,053 employees as of 31 December 2019.

Eni, the former Ente Nazionale Idrocarburi, a public law agency, established by Law No. 136 of February 10, 1953, was transformed into a joint stock company by Law Decree No. 333 published in the Official Gazette of the Republic of Italy No. 162 of July 11, 1992 (converted into law on August 8, 1992, by Law No. 359, published in the Official Gazette of the Republic of Italy No. 190 of August 13, 1992). The Shareholders’ Meeting of August 7, 1992 resolved that the company be called Eni SpA. Eni’s tax identification number is 00484960588, R.E.A. Rome No. 756453. Eni is expected to remain in existence until 31 December 2100; its duration can however be extended by a resolution of its shareholders.

Eni’s registered head office is located at Piazzale Enrico Mattei 1, Rome, Italy (telephone number: +39-0659821). Eni’s branches are located at: (i) San Donato Milanese (Milan), Via Emilia, 1; and (ii) San Donato Milanese (Milan), Piazza Ezio Vanoni, 1. Its internet address is [www.eni.com](http://www.eni.com).

### **Business overview— Principal activities**

#### ***Exploration & Production***

Eni’s Exploration & Production segment engages in oil and natural gas exploration and field development and production, as well as LNG operations, in 41 countries, including Italy, Libya, Egypt, Norway, the United Kingdom, Angola, Congo, Nigeria, Mexico, the United States, Kazakhstan, Algeria, Australia, Iraq, Indonesia, Ghana, Mozambique, Bahrain, Oman and United Arab Emirates. In 2019, Eni average daily production amounted to 1,736 thousand barrels of oil equivalent per day (“**KBOE/d**”) on an available-for-sale basis (1,626 KBOE/d in the first half of 2020). As of December 31, 2019, Eni’s total proved reserves amounted to 7,268 mmBOE, which include subsidiary undertakings and Eni’s share of reserves of equity-accounted and proportionally consolidated entities.

In the first half of 2020, Eni’s Exploration & Production segment reported net sales from operations (including inter-segment sales) of euro 6,751 million (compared with euro 23,572 million in the full year 2019) and an operating loss of euro 1,678 million (compared with an operating profit of euro 7,417 million in the full year 2019).

#### ***Gas & Power***

Eni’s Gas & Power segment engages in supply, trading and marketing of gas, LNG and electricity, international gas transport activities and commodity trading and derivatives. This segment also includes the activity of electricity generation that is ancillary to the marketing of electricity. The Gas & Power segment comprises results of activities of Eni and its consolidated subsidiaries intended to manage commodity risk of asset-backed trading activities and proprietary trading. This activity includes the result of crude oil and products supply, trading and shipping.

In the first half of 2020, Eni’s worldwide sales of natural gas amounted to 30.67 billion cubic metres (“**BCM**”) (73.07 BCM in the full year 2019). Sales in Italy amounted to 18.10 BCM (compared with 37.85 BCM in the full year 2019) whereas sales in markets outside Italy were 12.57 BCM (compared with 35.22 BCM in the full year 2019). Eni produces electricity and steam in Italy with a total installed capacity of approximately 4.7 GW as of 31 December 2019. In the first half of 2020, sales of electricity totalled 18.27 terawatt hours (“**TWh**”) (compared with 39.49 TWh in the full year 2019) which included both produced and purchased volumes.

In the first half of 2020, Eni's Gas & Power segment reported net sales from operations (including inter-segment sales) of euro 6,703 million (compared with euro 50,015 million in the full year 2019) and an operating profit of euro 390 million (compared with an operating profit of euro 699 million in the full year 2019).

### ***Refining & Marketing and Chemicals***

Eni's Refining & Marketing and Chemicals segment includes the result of the R&M business and of the Chemical business. The R&M business engages in crude oil supply and refining and marketing of petroleum products in retail and wholesale markets mainly in Italy and in the rest of Europe, as well as in the petrochemical business. The Chemical business engages in the production and marketing of basic petrochemical products, plastics and elastomers, as well as in the development of green chemicals. The two operating segments have combined into a single reportable segment because they exhibit similar economic characteristics.

In the first half of 2020, processed volumes of crude oil and other feedstock amounted to 11.37 mm tonnes (compared with 23.05 mm tonnes in the full year 2019) and sales of refined products were 12.49 mm tonnes (compared with 32.27 mm tonnes in the full year 2019). Retail sales of refined products at operated service stations amounted to 2.96 mm tonnes including Italy and the rest of Europe (compared with 8.25mm tonnes in the full year 2019). Eni's retail market share for the first half of 2020 was 23.6 per cent. (compared with 23.9 per cent. in the full year 2019). In the first half of 2020, production volumes of petrochemicals amounted to 3,498 mm tonnes (compared with 8,068 mm tonnes in the full year 2019).

In the first half of 2020, Eni's Refining & Marketing and Chemicals segment reported net sales from operations (including inter-segment sales) of euro 12,148 million (compared with euro 23,334 million in the full year 2019) and an operating loss of euro 2,302 million (compared with a loss of euro 854 million in the full year 2019).

### ***Corporate and other activities***

This segment represents the key support functions, comprising holdings and treasury, headquarters, central functions like IT, HR, real estate, self-insurance activities, as well as the Group environmental clean-up and remediation activities performed by the subsidiary Syndial S.p.A. ("Syndial") as well as the Energy Solutions business which engages in developing the business of renewable energy through the subsidiary Eni New Energy.

### **Results of operations for the first half of 2020**

Due to the seasonality in demand for natural gas and certain refined products and the changes in a number of external factors affecting Eni's operations, such as prices and margins of hydrocarbons and refined products, Eni's results of operations and changes in average net borrowings for the first half of the year cannot usefully be extrapolated for the full year.

### **Net result**

The collapse of the global energy demand and of hydrocarbon prices in the first half of 2020 due to the worldwide lockdown measure, which negatively affected economic activity and travel in response to the COVID-19 pandemic crisis, had negative and material effects on the Group results.

In the first half of 2020, net loss attributable to Eni's shareholders was euro 7,335 million compared to a net profit of euro 1,516 million in the same period of 2019 due to an operating loss of euro 3,775 million (operating profit of euro 4,749 million in the first half of 2019). The operating profit contraction was driven by a sharp decline both in the price of the Brent crude oil benchmark (down by 40% compared with the first half of 2019) and in the benchmark gas price at the Italian spot market "PSV" (down by 51% compared with the first half of 2019), leading to reduced equity production realization prices. In addition, the operating result was affected by the industrial and operational impacts associated with the COVID-19 emergency and by the recognition of

impairment losses of tangible and intangible assets and right-of-use assets of euro 2.75 billion mainly relating to oil&gas assets and refineries. In particular, the negative impacts associated with COVID-19 included lower hydrocarbon productions due to the capex cuts, reduced sales in all businesses due to the drop in demand for fuels, gas and power, lower offtakes at LNG supply contracts in Asia due to the lockdown and lower gas demand in certain markets. The Group incurred losses of euro 1,379 million from joint ventures and other industrial investments which were negatively affected by the same market and industrial trends as operating activities, as well as the impact of USD appreciation against all major currencies leading to the incurrence of exchange rate expenses, in addition to impairment losses of tangible assets and the write-down of inventories. Finally, net result was negatively affected by the recognition of tax charges due to a write-off of deferred tax assets driven by projections of lower future taxable income (approximately euro 0.8 billion).

## Operating result

In the first half of 2020, Eni reported an operating loss amounting to euro 3,775 million, a change of euro 8,524 million compared to operating profit of euro 4,749 million from the corresponding period of 2019.

- **Exploration & Production:** operating loss of euro 1,678 million, a change of euro 6,103 million compared to operating profit of euro 4,425 million from the first half of 2019, affected by a sharp decline in the price of Brent crude oil benchmark and in the benchmark gas price at the Italian spot market “PSV” leading to reduced equity production realization process as well as by negative impacts associated with the COVID-19 emergency which included lower hydrocarbon production due to capex cuts. The loss for the period included also impairment losses recorded at oil and gas properties in production or under development (euro 1,681 million) driven by a downward revision to management’s expectations for crude oil process in the long-term, which were reduced to 60 dollar per barrel and the associated curtailment of expenditures in the years 2020-2021 with the re-phasing of a number of projects, in order to preserve cash generation.
- **Gas & Power:** operating profit of euro 390 million, an increase of euro 43 million from the operating profit of euro 347 million of the first half of 2019, benefitting from the optimization initiatives at the gas and power asset portfolio against the backdrop of high price volatility, partly offset by a declining performance at the LNG business due to the lockdown of Asian economies in response to the COVID-19 pandemic, which forced a number of buyers to reduce liftings at LNG supply contracts, exacerbating a global glut in the gas market and pricing pressure. The retail gas business reported an improved performance despite lower sales due to the pandemic-induced economic downturn.
- **Refining & Marketing and Chemicals:** an operating loss of euro 2,302 million, a change of euro 2,634 million compared to the operating profit of euro 332 reported in the first half of 2019, mainly due to weak results reported in the Refining & Marketing business following the impact of falling oil and product prices on the value of inventories which were aligned to their net realizable values at period end (resulting in an operating charge of euro 1.4 billion) as well as impairment losses at refineries (approximately euro 1 billion) driven by a reviewed outlook for refining margins due to lower expectation on products spreads and the appreciation of medium-sour crude oil compared to the light-sweet crude oil. The Chemical business operating performance reported a declining trend due to the ongoing weak demand trends in the main elastomers end-markets, partly offset by the recovery in polyethylene margins driven by higher demand.

## Net sales from operations

Eni’s net sales from operations in the first half of 2020 (euro 22,030 million) decreased by euro 14,950 million or 40.4% from the first half of 2019.

## Capital expenditure

In the first half of 2020, capital expenditure amounted to euro 2,568 million and mainly related to: (i) development activities related to tangible asset in progress (euro 1,740 million) mainly in Egypt, Indonesia, the United Arab Emirates, Mexico, the United States, Iraq, Mozambique and Kazakhstan; (ii) refining activity in Italy and outside Italy (euro 245 million) mainly aimed at reconstruction works of the EST conversion plant at the Sannazzaro refinery, maintain plants' integrity as well as HSE initiatives; marketing activity for regulation compliance and stay in business initiatives in the refined product retail network in Italy and in the rest of Europe (euro 29 million); and (iii) initiatives relating to gas marketing (euro 85 million).

### Net borrowings

Net borrowings as of June 30, 2020 amounted to euro 19,971 million, including a lease liability of euro 5,642 million, an increase of euro 2,846 million compared to December 31, 2019. The increase was mainly due to the increase of long-term debt of €3,836 million, reflecting higher financial debts due to new issuances of the period.

(euro million)	30 June 2020	31 December 2019	Change
Total debt	27,388	24,518	2,870
- Short-term debt	4,642	5,608	(966)
- Long-term debt	22,746	18,910	3,836
Cash and cash equivalents	(6,527)	(5,994)	(533)
Securities held for trading	(6,042)	(6,760)	718
Non-operating financing receivables	(490)	(287)	(203)
<b>Net borrowings before lease liabilities</b>	<b>14,329</b>	<b>11,477</b>	<b>2,852</b>
Lease liabilities	5,642	5,648	(6)
- of which Eni working interest	3,766	3,672	94
- of which Joint operators' working interest	1,876	1,976	(100)
<b>Net borrowings</b>	<b>19,971</b>	<b>17,125</b>	<b>2,846</b>
<b>Shareholders' equity including non-controlling interest</b>	<b>38,839</b>	<b>47,900</b>	<b>(9,061)</b>
<b>Leverage before lease liability ex IFRS 16</b>	<b>0.37</b>	<b>0.24</b>	<b>0.13</b>
<b>Leverage after lease liability ex IFRS 16</b>	<b>0.51</b>	<b>0.36</b>	<b>0.15</b>

## Pro-forma leverage as of 30 June 2020

(€ million)	Reported measure	Lease liabilities of Joint operators' working interest	Pro- forma measure
<b>Net borrowings</b>	<b>19,971</b>	<b>1,876</b>	<b>18,095</b>
<b>Shareholders' equity including non-controlling interest</b>	<b>38,839</b>		<b>38,839</b>
<b>Pro-forma leverage</b>	<b>0.51</b>		<b>0.47</b>

Total financial debt amounted to euro 27,388 million, of which euro 4,642 million were short-term (including the portion of long-term debt due within 12 months equal to euro 1,518 million) and euro 22,746 million were long-term.

As of 30 June 2020 - the ratio of net borrowings to total equity - leverage was 0.51. The impact of the lease liability pertaining to joint operators in Eni-led upstream unincorporated joint ventures weighted on leverage for 5 points. Excluding the impact of IFRS 16 altogether, leverage would be 0.37.

Updated the remuneration policy in response to the changed energy outlook: from 2020 it is instated an annual dividend composed of a floor amount currently set at euro 0.36 per share when the annual Brent scenario is at least 45 \$/barrel, and a variable component which will increase when the Brent price is higher than 45 \$/barrel. The floor dividend will be reviewed every year depending on the results of the Company's growth strategy. The floor dividend will be paid in 2020 notwithstanding today's forecast of an annual average Brent price of 40 \$/barrel: one third of the amount has been paid in September as an interim dividend.

In March 2020, the share repurchase programme has been suspended.

### Recent Developments

On 4 June 2020 Eni's management approved a new business structure for the company reflecting Eni's pivot to the energy transition. The Company created two new business groups:

- Natural Resources, to develop the upstream oil & gas portfolio sustainably, promoting energy efficiency and carbon capture. This business group will continue to build up the value of Eni's oil & gas upstream portfolio, with the objective of reducing its carbon footprint by scaling up energy efficiency and expanding production in the natural gas business, and its position in the wholesale market. Furthermore, it will focus its actions on the development of carbon capture and compensation projects. Continuous technological development and increased efficiency will allow the maximization of cash generation, even in challenging scenarios. This business group will incorporate the Company's oil & gas exploration, development and production activities, natural gas wholesale via pipeline and LNG, forestry conservation (REDD+) and carbon storage projects, and sustainability which will continue to integrate across all Eni's activities. The subsidiary Eni Rewind (environmental activities), will also be consolidated in this business Group.

- Energy Evolution, dedicated to supporting the evolution of the company’s power generation, product transformation and marketing from fossil to bio, blue and green. It will focus on the evolution of the businesses of power generation, transformation and marketing of products from fossil to bio, blue and green. In particular, it will focus on growing power generation from renewable energy and biomethane, it will coordinate the bio and circular evolution of the Company’s refining system and chemical business, and it will further develop Eni’s retail portfolio, providing increasingly more decarbonized products for mobility, household consumption and small enterprises. Thanks to the business group’s coordination, the Company will be able to develop these activities in an integrated way, both geographically and in terms of business line, maximizing results in terms of product development, customer service and profitability. This business group will incorporate the activities of power generation from natural gas and renewables, the refining and chemical businesses, Retail Gas&Power and Mobility Marketing.

Management is planning to modify the Company’s segment information for financial reporting purposes in the next public earnings releases and annual reports.

## **Administrative, Management and Supervisory bodies**

### **The Board of Directors: appointment, competence and delegation of powers**

The corporate governance structure of Eni is based on the traditional Italian model that, respecting the duties of the Shareholders’ Meeting, assigns the management of Eni to the Board of Directors, the heart of the organisational system, and supervisory functions to the Board of Statutory Auditors. Auditing is carried out by the Audit Firm appointed by the Shareholders’ Meeting.

Eni complies with the Italian Corporate Governance Code for listed companies of July 2018 (the “**Corporate Governance Code**”).

In accordance with Eni’s by-laws, the Board of Directors appointed a Chief Executive Officer while reserving decisions on certain issues to itself.

The chosen model makes a clear distinction between the functions of the Chairman and those of the Chief Executive Officer, both of whom are empowered to represent Eni, in accordance with Article 25 of Eni’s by-laws. In addition, the Board of Directors has attributed to the Chairman a major role in internal controls, entrusting her to oversee the Internal Audit Unit, the Head of which reports directly to the Board of Directors and, on its behalf, to the Chairman, without prejudice to his being functionally subject to the authority of the Control and Risk Committee and the Chief Executive Officer, as Director in charge of the internal control and risk management system. The Chairman is also involved in the appointment of the officers responsible for internal control, risk management and compliance, as well as in the internal regulatory process for controls, approving among other things the rules governing internal audit activities. The Board of Directors also decided that the Chairman carries out her functions under the by-laws as legal representative managing institutional relationships in Italy, together with the Chief Executive Officer, and delegated to the Chairman powers, pursuant to the By-laws, to identify and promote integrated projects and international agreements of strategic relevance together with the Chief Executive Officer.

In accordance with Article 17, paragraph 6 of Eni’s by-laws and consistently with internationally accepted principles of corporate governance, the Board of Directors established internal committees with consulting and advisory functions (see “*Board Committees*” below).

In accordance with Article 18, paragraph 2 of Eni’s by-laws, on 14 May 2020, acting upon a proposal of the Chairman, the Board of Directors appointed a Board Secretary and Corporate Governance Counsel.

Moreover, in accordance with Article 24 of Eni's by-laws, acting upon a proposal of the Chief Executive Officer, in agreement with the Chairman, following consultation with the Nomination Committee and with the approval of the Board of Statutory Auditors, on 29 July 2020 (with effect from 1 August 2020) the Board of Directors appointed the Head of Accounting and Financial Statements as the Manager in charge of the drafting of the Company's financial reports (Financial Reporting Officer). On 9 May 2017 acting upon a proposal of the Chairman, in agreement with the Chief Executive Officer (in his capacity as the Director in charge of the internal control and risk management system), following consultation with the Board of Statutory Auditors and the Nomination Committee and with the favourable opinion of the Control and Risk Committee, the Board of Directors confirmed the Head of Internal Audit Department.

On 28 May 2014 Eni's Board of Directors approved a new organisational structure, which replaced the previous divisional model with an integrated operational structure strongly focused on industrial objectives. Therefore, activities previously managed within E&P, R&M, Versalis S.p.A. ("**Versalis**") and Syndial S.p.A. ("**Syndial**") have been redistributed amongst the following business units: Exploration; Development, Operations & Technology; Upstream and Downstream & Industrial Operations.

These business units joined the existing business units of Midstream and Retail Market Gas & Power. At the same time, staff functions such Human Resources and Planning & Control have been centralised.

From 2014 up to now, Eni's Board of Directors has approved a number of actions relating to business functions (i.e. establishment of Energy Solutions Department in order to develop the company's skills in the renewable sources sector, reallocation of the Retail Market G&P business to a new company named "Eni Gas e Luce S.p.A.", establishment of the Chief Digital Officer function and of the Commercial Negotiations Department, etc.) as well as a number of actions relating to the internal control and risk management functions. In particular:

on 28 July 2016, the Board of Directors approved that the Integrated Risk Management Function, which is responsible for supporting Eni's management in the detection and monitoring of the top risks facing the Company, was placed under the direct control of the Chief Executive Officer (this function previously reported to the Chief Financial & Risk Management Officer) and established an Integrated Compliance Department, which is responsible for overseeing matters of legal compliance (including, for example, corporate liability, the Code of Ethics and anti-bribery, antitrust, privacy, consumer protection and financial regulations). on 12 September 2016, the Integrated Compliance Department was placed under the direct control of the Chief Executive Officer.

On 4 June 2020 Eni's Board of Directors has approved a new organisational structure (in effect since 1 July 2020) which created two new business Areas held by two Chief Operating Officers who received power of attorney directly by the Board:

- *Natural Resources*, to develop the upstream oil & gas portfolio sustainably, promoting energy efficiency and carbon capture. This business group incorporates the Company's oil & gas exploration, development and production activities, natural gas wholesale via pipeline and LNG, forestry conservation (REDD+) and carbon storage projects, and sustainability. The company Eni Rewind (environmental activities) is consolidated in this business group.
- *Energy Evolution*, dedicated to supporting the evolution of the company's power generation, product transformation and marketing from fossil to bio, blue and green. This business group incorporates the activities of power generation from natural gas and renewables, the refining and chemicals businesses, Retail Gas&Power and mobility Marketing. The companies Versalis (chemical products) and Eni gas e luce are consolidated in this business group.

Some of the Company's central corporate functions have been re-organized to support the Company's CEO and the business groups in meeting their objectives:



- establishment of the new function of Technology, R&D, and Digital;
- establishment of the new function of Human Capital & Procurement Coordination;
- integration of the activities of domestic and foreign affairs and security in the Public Affairs unit;
- integration of the legal activities with commercial negotiations in the Legal Affairs and Commercial Negotiations unit; and
- the responsibilities of external communications have been divided between the Communication & Reputation Management unit and the Media Relations unit.

The Management Committee is chaired by the Chief Executive Officer and is comprised of: the Chief Operating Officer Natural Resources, the Chief Operating Officer Energy Evolution, the Chief Financial Officer, the Legal Affairs and Commercial Negotiations Director, the Corporate Affairs & Governance Director, the Integrated Compliance Director, the Communication & Reputation Management Director, the Media Relations Director, the Human Capital & Procurement Coordination Director, the Internal Audit Director, the Public Affairs Director, the Integrated Risk Management Director, the Technology, R&D & Digital Director, the Deputy of the Chief Operating Officer Natural Resources, the Deputy of the Chief Operating Officer Energy Evolution, the Chief Executive Officer of Versalis, the Chief Executive Officer of Eni gas e luce, the Chief Executive Officer of Eni Rewind. The Committee provides advice and support to the Chief Executive Officer. Other managers may be invited to attend meetings based on the agenda. The Chairman of the Board is invited to attend meetings. The duties of Committee Secretary are performed by the Corporate Affairs & Governance Director.

Other managerial committees in addition to the Management Committee have been set up. Those with responsibilities involving corporate governance include the Compliance Committee and the Risk Committee.

The Compliance Committee is comprised of the Corporate Affairs & Governance Director, the Internal Audit Director, the Integrated Compliance Director; the Head of Accounting and Financial Statements and the Head of Human Resources and Organisation. The Committee provides advice and support concerning compliance and governance matters to the Chief Executive Officer.

The Risk Committee is chaired by the Chief Executive Officer and has the same membership of the Management Committee. The Committee provides advice to the Chief Executive Officer on the major risks and, specifically, reviews and offers its opinion, at the Chief Executive Officer's request, on the primary results of the Integrated Risk Management process. The Chairman of the Board is invited to attend meetings. The duties of Committee Secretary are performed by the Integrated Risk Management Director.

### ***Appointment of the Board of Directors***

In order to ensure that the Board of Directors includes representatives of the minority shareholders, directors are elected by a list voting system.

In accordance with Article 17 of Eni's by-laws, the Board of Directors is made up of three to nine members. The Shareholders' Meeting determines the number within these limits. Moreover, in order to comply with provisions of Law No. 160 of 27 December 2019 concerning the gender balance on the governing and control bodies of listed companies, the Board of Directors of 27 February 2020 amended Articles 17, 28 and 34 of Eni's by-laws. The new provisions directed to ensure gender balance were applied for the first time in the elections of the Board of Directors and the Board of Statutory Auditors at the Shareholders' Meeting held on 13 May 2020, when four directors out of nine, including the Chairman, are of the less represented gender (female), reaching the ratio of at least two fifths of the directors as provided by the law, instead of the ratio of one third as provided by the previous law. The same ratio of at least two fifths of the Directors belonging to the less represented gender shall also apply to the subsequent five terms of the Board of Directors.

According to Article 17, paragraph 3 of Eni's by-laws and the provisions of Law No. 474 of 30 July 1994 as amended by Legislative Decree No. 27 of 27 January 2010, shareholders who, severally or jointly, represent at least 1 per cent. of voting share capital (CONSOB reduced this percentage to 0.5 per cent. with regard to Eni)

have the right to submit lists of candidates for the appointment of directors. The Board of Directors also has the right to submit lists for the appointment of directors. Each shareholder may only submit (or contribute to) and vote for a single list. Controlling persons, subsidiaries and companies under common control may not submit or participate in the submission of other lists, nor can they vote on them, either directly or through nominees or trustees.

Each candidate may stand on one list only, on penalty of disqualification.

Once the voting formalities are satisfied, seven tenths of the directors to be elected (rounded off in the event of a decimal number to the next lowest whole number) are drawn, in the order that they appear on the list, from the list that receives the most votes of the shareholders. The remaining directors are drawn from the other lists, which shall not be connected in any way, directly or indirectly, to the shareholders who have submitted or voted the list that received the largest number of votes.

The list voting system shall only apply to the election of the entire Board of Directors.

If during the year, the office of one or more directors should be vacated, he/she shall be replaced in accordance with Article 2386 of the Italian Civil Code. In any case, compliance with the required minimum number of independent directors and the applicable rules concerning gender balance shall not be affected. If a majority of the directors should vacate their offices, the entire Board of Directors shall be considered to have resigned, and the Board of Directors shall promptly call a Shareholders' Meeting to elect a new Board of Directors.

Directors must satisfy the integrity requirements established by applicable laws and they must declare that there are not grounds making them ineligible or incompatible for such position. In addition, (i) if there are no more than five directors, at least one director or (ii) if there are more than five directors, at least three directors must satisfy the requirements of independence set for statutory auditors of listed companies, as per Article 148, paragraph 3 of Legislative Decree No. 58 of 24 February 1998 ("**Consolidated Law on Finance**"). Eni's by-laws provide for an additional mechanism to the ordinary election system for ensuring that the requirement of a minimum number of independent directors is satisfied.

The Corporate Governance Code establishes further independence requirements and recommends that at least one-third (rounded down in the event of a decimal number to the next lowest whole number) of the Board of Directors members of issuers belonging to FTSE-Mib index must be independent directors.

The directors shall notify Eni if they should no longer satisfy the above-mentioned requirements or if issues of ineligibility or incompatibility should arise.

In accordance with Article 17, paragraph 3 of Eni's by-laws and the Corporate Governance Code, after the appointment and periodically, following an examination by the Nomination Committee, the Board of Directors shall evaluate the independence and integrity of its members and whether issues of ineligibility or incompatibility have arisen, giving disclosure of its evaluations to the market. If the independence or integrity requirements established by applicable legislation should no longer be met by a director or if issues of ineligibility or incompatibility should have arisen, the Board of Directors shall declare the director disqualified and replace him/her or invite him/her to rectify the situation of incompatibility by a deadline set by the Board of Directors itself, on penalty of disqualification.

The Board of Statutory Auditors shall ascertain, within the framework of the duties attributed to it by law, the correct application of the criteria and procedures adopted by the Board of Directors for evaluating the independence of its members.

Under Eni's by-laws, directors are not subject to any age limits or requirement of share ownership.

The Shareholders' Meeting held on 13 May 2020 set the number of directors at nine and appointed the Board of Directors and its Chairman for a three year term, until date of the Shareholders' Meeting called to approve Eni's financial statements for financial year ending 31 December 2022.

In the same Shareholders' Meeting held on 13 May 2020, Lucia Calvosa, Claudio Descalzi, Ada Lucia De Cesaris, Filippo Giansante, Emanuele Piccinno and Nathalie Tocci were appointed from the list of candidates submitted by the Ministry of Economy and Finance; Pietro A. Guindani, Karina Litvack and Raphael Louis L. Vermeir were appointed from the list submitted by institutional investors.

On 14 May 2020, the Board of Directors appointed Claudio Descalzi as Chief Executive Officer and General Manager.

Furthermore, the Board of Directors ascertained, on 14 May 2020, on the basis of the statements provided by the relevant parties and the information available to Eni, that all its members satisfy the integrity requirements, that there were no reasons for incompatibility and ineligibility affecting any of the directors and that the Chairman Lucia Calvosa as well as the Directors Ada Lucia De Cesaris, Pietro A. Guindani, Karina Litvack, Emanuele Piccinno, Nathalie Tocci and Raphael Louis L. Vermeir met the independence requirements set by law, as quoted in Eni's by-laws. Furthermore, Directors De Cesaris, Guindani, Litvack, Tocci and Vermeir were considered independent by the Board of Directors pursuant to the criteria and parameters recommended by the Corporate Governance Code. Chairman Calvosa cannot be considered independent pursuant to the Corporate Governance Code, as she is a significant representative of the Company.

The Board of Statutory Auditors verified the proper application of the criteria and procedures adopted by the Board in assessing the independence of its members.

The table below sets out the names of the nine members of the Board of Directors, their positions and the year when each was initially appointed as a director.

<b>Name</b>	<b>Position</b>	<b>Year first appointed to Board of Directors</b>
Lucia Calvosa	Non-executive Independent* Chairman	2020
Claudio Descalzi	Chief Executive Officer	2014
Ada Lucia De Cesaris	Non-executive Independent Director	2020
Pietro A. Guindani	Non-executive Independent Director	2014
Karina Litvack	Non-executive Independent Director	2014
Emanuele Piccinno**	Non-executive Independent Director	2020
Nathalie Tocci	Non-executive Independent Director	2020
Filippo Giansante	Non-executive Director	2020
Raphael Louis L. Vermeir	Non-executive Independent Director	2020

Note:

\* Lucia Calvosa is independent pursuant to the Consolidated Law on Finance and Eni's by-laws. She cannot be considered independent pursuant to the Corporate Governance Code, being a significant representative of Eni.

\*\* Emanuele Piccinno is independent pursuant to the Consolidated Law on Finance and Eni's by-laws.

The business address of the members of the Board of Directors is Piazzale Enrico Mattei 1, Rome, Italy.

The biographies of Eni's directors are set out below.

**Lucia Calvosa** was born in Rome and has been Chairman of Eni's Board since May 2020. She has a honours degree in Law from the University of Pisa and is Professor of Commercial Law at the same university. She has been registered with the Pisa Bar since 1987 and works as a lawyer dealing with specialised aspects of corporate or bankruptcy law. She is currently an independent director in the board of CDP Venture Capital Sgr SpA and Banca Carige SpA and Chairman of the board of directors of Agi SpA – Eni Group. She is also a member of the General Council of the Giorgio Cini Foundation. She was Chairman of Cassa di Risparmio of San Miniato SpA and in that capacity she was also member of the Banking Companies committee and Director of the Italian Banking Association (ABI). She served as independent director and Chairman of the Control and Risk Committee of Telecom Italia SpA. She also served as independent director of SEIF SpA and Banca Monte dei Paschi di Siena SpA. She was a member of the Commission for the National Scientific Qualification for first and second-level university professors in sector 12 / b1 - Commercial Law. She was a member of the Bankruptcy Procedures and Corporate Crisis Commission of the National Bar Council. She carried out studies and research for several years at the Institut fur ausländisches und internationales Privat- und Wirtschaftsrecht of the University of Heidelberg and has participated with reports and speeches in numerous conferences. In addition to many publications in leading legal journals and collective works, she has published three monographs on corporate and bankruptcy matters and has contributed to leading accredited manuals and commentaries on accounting issues. She has received numerous awards. In 2005, she was awarded the Order of the Cherubino, by the University of Pisa, for her contribution to increasing the University's standing for its scientific and cultural achievements and for her contribution to the life and operation of the University. In 2010 she was awarded a UNESCO medal for having contributed to developing and disseminating the Italian artistic culture in the spirit of UNESCO. In 2012 she was awarded the honour of Cavaliere dell'Ordine "al merito della Repubblica Italiana". In 2015 she received the "Ambrogio Lorenzetti" award for good corporate governance, for having been able, as a Director, to introduce scientific rigour and the value of independence in highly complex and competitive business environments.

**Claudio Descalzi** was born in Milan and has been Eni's CEO since May 2014. He is a member of the General Council and of the Advisory Board of Confindustria and Director of Fondazione Teatro alla Scala. He is a member of the National Petroleum Council. He joined Eni in 1981 as Oil & Gas field petroleum engineer and then became project manager for the development of North Sea, Libya, Nigeria and Congo. In 1990 he was appointed Head of Reservoir and operating activities for Italy. In 1994, he was appointed Managing Director of Eni's subsidiary in Congo and in 1998 he became Vice President & Managing Director of Naoc, a subsidiary of Eni in Nigeria. From 2000 to 2001 he held the position of Executive Vice President for Africa, Middle East and China. From 2002 to 2005 he was Executive Vice President for Italy, Africa, Middle East, covering also the role of member of the board of several Eni subsidiaries in the area. In 2005, he was appointed Deputy Chief Operating Officer of the Exploration & Production Division in Eni. From 2006 to 2014 he was President of Assomineraria and from 2008 to 2014 he was Chief Operating Officer in the Exploration & Production Division of Eni. From 2010 to 2014 he held the position of Chairman of Eni UK. In 2012, Claudio Descalzi was the first European in the field of Oil&Gas to receive the prestigious "Charles F. Rand Memorial Gold Medal 2012" award from the Society of Petroleum Engineers and the American Institute of Mining Engineers. He is a Visiting Fellow at The University of Oxford. In December 2015 he was made a member of the "Global Board of Advisors of the Council on Foreign Relations". In December 2016 he was awarded an Honorary Degree in Environmental and Territorial Engineering by the Faculty of Engineering of the University of Rome, Tor Vergata. He graduated in physics in 1979 from the University of Milan.

**Ada Lucia De Cesaris** was born in Milan in 1959 and has been a Director of Eni since May 2020. She is currently a partner at Studio Legale Amministrativisti Associati (Ammlex), where she advises clients on city planning and environmental issues for private and publicly owned assets; supports investors and developers in proceedings with public authorities; engages in consulting, training and support activities on matters relating to energy sustainability and the management of environmental critical issues. In 1986 she contributed to research

on the problems of energy governance, within the “Finalised Energy Programme”. Since 2000 she has been a member of the Scientific Committee of the Rivista Giuridica dell’Ambiente. Since February 2016 she has been a member of the Research Institute on Public Administration (IRPA). Since December 2019 she has been a member of the Board of Directors of CDP Immobiliare S.r.l. From 1985 to 1988 she worked with Massimo Annesi, vice president of Associazione per lo Sviluppo del Mezzogiorno (Southern Development Association), on a comprehensive survey of all legislation concerning Southern Italy from 1970; she participated in the realization of the project Rivista Giuridica del Mezzogiorno, published by il Mulino, heading the editorial support staff. She also worked with the Rivista Giuridica dell’Ambiente (Legal Journal of the Environment). From 1989 to 2003, on behalf of CIRIEC, she carried out a research on environment protection legislation in Japan. From 2000 to 2011 as an independent consultant, she coordinated research activities of the legal department of the Environmental Institute (Istituto per l’Ambiente). She participated in research activities for the Lombardy Foundation for the Environment, in particular regarding waste, air and accident risks. She produced studies and papers on environmental impact assessment both with regard to waste and activities at risk. She was a Professor of Environmental Law at the Faculty of Environmental Sciences at the University of Insubria. From 2011 to 2015 she was deputy mayor of the Municipality of Milan and Councillor with responsibility for town planning, private construction and agriculture. From 2015 to 2017 she was partner at the law firm Studio NCTM. From 2016 to 2019 she was member of the Board of Directors of Arexpo SpA. She has authored numerous publications on the environment, energy and waste management. She graduated with honours in Law and received a scholarship and pursued an advanced course in “Economic development” with UNIONCAMERE.

**Pietro Angelo Guindani** was born in Milan in 1958 and has been Director of Eni since May 2014. Since July 2008 he has been Chairman of the Board of Directors of Vodafone Italia S.p.A., where between 1995-2008 he was Chief Financial Officer and subsequently Chief Executive Officer. He previously held positions in the Finance Departments of Montedison and Olivetti, and started his career in Citibank after graduating in Business at the Università Luigi Bocconi in Milan. He is currently also a Board Member of the Italian Institute of Technology and Cefriel Polytechnic of Milan. He is Board Member of Confindustria and Member of the Executive Board of Confindustria Digitale; he is President of Asstel-Assotelecomunicazioni and Vice President responsible for Universities, Innovation and Human Capital of Assolombarda. He was also Director of Société Française du Radiotéléphone – SFR S.A. (2008-2011), Pirelli & C. S.p.A. (2011-2014), Carraro S.p.A. (2009-2012) Sorin S.p.A. (2009-2012), Finecobank S.p.A (2014-2017) and Salini-Impregilo SpA (2012-2018).

**Karina Litvack** was born in Montreal in 1962 and she has been a Director in Eni since May 2014. She is currently a member of Business for Social Responsibility, a member of the Advisory Council for Transparency International UK, a member of the Senior Advisory Panel of Critical Resource and of the Board of Governors of the CFA Institute. She is founder and executive member of the Board of Chapter Zero Limited. She is Chairman of the Tainted Assets Initiative and non-executive Chairman of the Sustainability Board Committee of Viridor Waste Management Ltd. From 1986 to 1988 she was a member of the Corporate Finance team of PaineWebber Incorporated. From 1991 to 1993 she was a Project Manager of the New York City Economic Development Corporation. In 1998 she joined F&C Asset Management plc where she held the position of Analyst Ethical Research, Director Ethical Research and Director Head of Governance and Sustainable Investments (2001-2012). She was also a member of the Board of the Extractive Industries Transparency Initiative (2003-2009) and of the Primary Markets Group of the London Stock Exchange Primary Markets Group (2006-2012). From 2003 to 2014 she was a member of the CEO Sustainability Advisory Panel of Lafarge SA; from January 2008 to December 2010 she was a member of the CEO Sustainability Advisory Panel of Veolia SA; from January to December 2010 she was a member of the CEO Sustainability Advisory Panel of ExxonMobil and Ipieca; from January 2010 to November 2017 she was a member of the CEO Sustainability Advisory Panel in SAP AG. From January 2015 to May 2019 she was a member of the Board of Yachad. She

graduated in Political Economy at the University of Toronto and in Finance and International Business from Columbia University Graduate School of Business.

**Emanuele Piccinno** was born in Rome in 1973 and has been a Director of Eni since May 2020. Expert in the sustainability of energy systems, he has carried out consulting and training activities in the energy and environmental field since 2003. Member of the Italian Chapter of the International Solar Energy Society, a non-profit association for the promotion of the use of Renewable Energy Sources from 2004 to 2008, and of the Research Unit “Innovation, Energy and Sustainability” in the Interuniversity Research Centre for Sustainable Development, Sapienza University of Rome from 2004 to 2013. He was also technical director of E-cube Srl, an energy and environmental services company in Rome from 2009 to 2013. From 2011 to 2013 he was Professor at the Università della Tuscia in Viterbo; from 2013 to 2017 he was a consultant- senior researcher at the University Consortium of Industrial and Managerial Economics (CUEIM) in Rome. He also served as a legislative consultant for energy and transport to the Chamber of Deputies during the 17th Legislature. From July 2018 to September 2019 he was head of the support staff of the Undersecretary of State for Energy at the Ministry for Economic Development; from October 2019 to May 2020 he was Councillor for Energy Issues at the Ministry for Economic Development. He graduated in Economics and Trade from the “Sapienza” University of Rome. He also obtained a PhD in “Sustainable development and international cooperation - energy and environmental technologies for development” from the same university, as well as having followed an advanced training course in “Environmental certification in the European Union”.

**Nathalie Tocci** was born in Rome in 1977 and has been a Director of Eni since May 2020. Since 2017 she has been Director of the Istituto Affari Internazionali. Since 2015 she has been Special Advisor to the European Union High Representative for Foreign and Security Policy and Vice President of the European Commission Federica Mogherini and currently Josep Borrell. Since 2015 she has been Honorary Professor of the University of Tübingen. She is a member of the Board of the “Centre for European Reform”, the “Jacques Delors Centre”, the “Real Instituto Elcano” and the “Nuclear Threat Initiative”; a member of the scientific committee of the Fondation pour la Recherche Stratégique, the European Leadership Network; a member of the Advisory Board of Europe for Middle East Peace (EuMEP), a Council member of European Council for Foreign Relations, a member of the advisory board of Open Security/Open Democracy, International Politics, The Europe-Asia Journal, The Cyprus Review; a member of the Advisory Board of Mediterranean Politics; Rapporteur of the Independent Commission on Turkey chaired by the Nobel Laureate Martti Ahtisaari; and a member of the Editorial Board of The International Spectator. From 1999 to 2003 she was Research Fellow within the Wider Europe Programme of the Centre for European Policy Studies in Brussels. From 2003 to 2007 she was Jean Monnet Fellow and Marie Curie Fellow at the European University Institute. In 2005 she was Analyst for Cyprus at the International Crisis Group. From 2006 to 2010 she was Research Manager at the Istituto Affari Internazionali in Rome. From 2007 to 2009 she was an Associate Fellow for EU foreign policy at the Centre for European Policy Studies in Brussels. From 2009 to 2010 she was Senior Fellow for Turkey’s relations with the United States, the European Union and the Middle East at the Transatlantic Academy in Washington. From 2012 to 2014 she was member of the Board of Directors of the University of Trento. In 2014 she was Councillor for international strategies of the Minister of Foreign Affairs, Federica Mogherini (June-November 2014). From 2013 to 2020 she was member of the Board of Directors of Edison SpA. In 2014 she was member of the NATO Transatlantic Bond Experts Group. From 2015 to 2019 she was Special Advisor to the High Representative of the European Union for Foreign Affairs and Security Policy and Vice-President of the European Commission, Federica Mogherini, on whose behalf she drafted the EU’s global strategy and worked on its implementation. She writes a monthly editorial for Politico magazine, frequently contributes to editorials, comments and interviews with various media including the BBC, CNN, Euronews, Sky, Rai, New York Times, Financial Times, Wall Street Journal, Washington Post and El Pais. She has received several awards from the European Commission and university institutes, besides obtaining various scholarships, including the University College

of London scholarship for academic excellence. She graduated with honours from University College, Oxford in Politics, Philosophy and Economics.,

**Filippo Giansante** was born in Avezzano (AQ) in 1967 and has been a Director of Eni since May 2020. He is currently General Manager - Head of the Public Heritage Development Department of the Italian Treasury. He is a member of the Board of Directors of SACE SpA. From 1994 to 1996 he was Treasury Department Officer in International Affairs. In 1997 he was assistant to the Executive Director of the European Bank for Reconstruction and Investment; he was Director - International Financial Relations, Department of the Treasury, where he dealt with issues relating to the debt of developing countries as well as bilateral financial relations (2002 - 2011). With the same role he coordinated the G7/G8/G20, and supervised institutional relations with the International Monetary Fund (2011-2017). He was a Director of Simest SpA (2003-2005) and SACE SpA (2004-2007). He was Alternate Governor for Italy for the World Bank, the Asian Development Bank, the African Development Bank, the European Bank for Reconstruction and Development and the Caribbean Development Bank, as well as being a Board Member for Italy at the European Investment Bank (2015-2017). He was a member of the Administrative Council for Italy at the Council of Europe Development Bank (2016-2017). Furthermore, he was Executive Director for Italy of the European Bank for Reconstruction and Development. He graduated with honours in Political Science from the Sapienza University of Rome.

**Raphael Louis L. Vermeir** was born in Merchtem (Belgium) in 1955 and has been a Director of Eni since May 2020. He is currently an independent advisor for the mining and oil industry. Since 2016 he has been Senior Advisor for AngloAmerican, Energy Intelligence and Strategia Worldwide. He serves as Trustee of St Andrews Prize for the Environment and the Classical Opera Company in London, as well as board member of Malteser International. He is Fellow of the Energy Institute and the Royal Institute of Naval Architects, and has been Chairman of IP week for the last five years. He joined ConocoPhillips in 1979, initially working in marine transportation and production engineering services in Houston, Texas. He then handled upstream acquisitions in Europe and Africa and managed Conoco's exploration activities in continental Europe from the Paris headquarters. In 1991 Vermeir moved to London to lead the business development activities for refining and marketing in Europe. In 1996 he became managing director of Turcas in Istanbul (Turkey). He returned to London in 1999 to lead strategic initiatives in Russia and to complete major acquisition deals in the North Sea. He also headed an integration team during the Conoco-Phillips merger. In 2007 he became head of external affairs Europe and in 2011 was appointed as president of operations in Nigeria. Subsequently and until 2015, Vermeir was Vice President of Government Affairs International for ConocoPhillips. Raphael Vermeir was a member of the Board of Directors of Oil Spill Response Ltd and until 2011 was Chairman of the International Association of Oil and Gas Producers for four years in a row. A Belgian national, he graduated in Electrical and Mechanical Engineering from the Ecole Polytechnique in Brussels. He holds Masters of Science degrees in engineering and management from the Massachusetts Institute of Technology.

***Policy of the Board of Directors on the maximum number of offices held by its members in other companies.***

In compliance with the Corporate Governance Code, with its resolution of 14 May 2020 – confirming the policy established by the previous Board - the Board of Directors specified the general criteria for determining the maximum number of management and control offices that can be held by its members in other companies that are compatible with effective performance of their role as director of Eni, in compliance with the Corporate Governance Code.

Therefore, the Board of Directors resolved that:

- (a) an executive director should not hold: (i) the office of executive director in any other company listed on an Italian or foreign regulated stock market, or in any financial, banking or insurance company or in a company with shareholders' equity exceeding euro 10 billion; and (ii) the office of non-executive director or statutory auditor (or member of another controlling body) in more than one of the aforesaid

companies; (iii) the office of non-executive director in another issuer of which a director of Eni is an executive director.

- (b) a non-executive director, in addition to the office held in Eni, should not hold the office of: (i) executive director in more than one of the aforesaid companies and non-executive director or statutory auditor (or member of another controlling body) in more than three of the aforesaid companies; (ii) non-executive director or statutory auditor (or member of another control body) in more than five of such companies; (iii) executive director of another issuer of which an executive director of Eni is a non-executive director.

The limit on multiple offices excludes offices held in Eni Group companies.

If these limits are exceeded, the director will promptly inform the Board of Directors, which will assess the situation in light of the interest of Eni and will call upon the director to take action in accordance with its decision. In any case, before taking up the office of director or statutory auditor (or member of another control body) in another company that is not a direct or indirect subsidiary or associated company of Eni, the executive director shall inform the Board of Directors, which will prohibit him from taking up the office where it believes such appointment is not compatible with the functions attributed to the executive director and with the interests of Eni.

On the basis of the information provided, subsequent to the appointment of the Board of Directors and periodically, after examination by the Nomination Committee, the Board of Directors verifies that the directors comply with the limits on multiple offices. It most recently verified the compliance of Directors, subsequent to the appointment, at its meeting of 14 May 2020.

### **Competencies and delegation of powers**

The Board of Directors is vested with the fullest powers for the ordinary and extraordinary management of the company and, in particular, it has the power to perform all acts it deems advisable for the implementation and achievement of the corporate purpose, with the sole exception of acts that the law or Eni's by-laws reserve for the Shareholders' Meeting.

Pursuant to Article 23, paragraph 2 of Eni's by-laws, the Board of Directors resolves on: the merger and proportional demerger of companies in which Eni owns shares or other equity holdings representing at least 90 per cent. of the share capital; the establishment and closing of branches; amendments to Eni's by-laws to comply with the provisions of law.

According to Article 24 of Eni's by-laws, the Board of Directors delegates its powers to one of its members, within the limits set forth in Article 2381 of the Italian Civil Code. The Board of Directors may at any time revoke delegated powers, proceeding to appoint a new Chief Executive Officer at the same time. In addition, the Board of Directors, acting upon a proposal of the Chairman and in agreement with the Chief Executive Officer, may confer powers for individual acts or categories of acts on other members of the Board of Directors.

Pursuant to Article 25 of Eni's by-laws, the Chairman and the Chief Executive Officer are severally vested with the powers of legal representation of Eni before any judicial or administrative authority and with respect to third parties and exercise signature powers on behalf of Eni.

According to Article 29, paragraph 3 of Eni's by-laws, the Board of Directors may resolve on distribution to shareholders of interim dividends during the financial year.

### ***Powers of the Chairman***

Besides the other powers granted by law, Eni's by-laws and the corporate governance system, within the context of the Board of Directors, the Chairman plays an important role in internal controls. She is entrusted to oversee the Internal Audit Unit, the Head of which reports directly to the Board of Directors and, on its behalf, to the



Chairman, without prejudice to his being functionally subject to the authority of the Control and Risk Committee and the Chief Executive Officer, as Director in charge of the internal control and risk management system. The Chairman is also involved in the appointment of the officers responsible for internal control, risk management and compliance, the Watch Structure, the Officer in charge of preparing financial reports, as well as in the internal regulatory process for controls, approving among other things the rules governing internal audit activities. The Chairman also proposes to the Board of Directors, in agreement with the Chief Executive Officer, the budget of the Internal Audit Unit, receives regular information on the activities of the Internal Audit Unit and may request specific audits. Further, the Chairman receives the half-yearly reports of the Watch Structure and immediate notice by it if material or significant facts are uncovered.

In addition, the Chairman carries out her statutory functions as legal representative managing institutional relationships in Italy, together with the Chief Executive Officer. The Board also delegated to the Chairman powers, pursuant to the By-laws, to identify and promote integrated projects and international agreements of strategic relevance together with the Chief Executive Officer.

In accordance with Article 27 of Eni's by-laws, the Chairman chairs Shareholders' Meetings, convenes and chairs meetings of the Board of Directors and oversees the implementation of its resolutions.

#### ***Powers of the Chief Executive Officer***

On 14 May 2020, Eni's Board of Directors delegated to Claudio Descalzi, as Chief Executive Officer, all necessary and widest powers for the ordinary and extraordinary management of Eni, with the exception of those powers that cannot be delegated according to the current law and those retained by the Board of Directors on decisions regarding major strategic, operational and organisational issues.

#### **Board Committees**

On 14 May 2020, the Board of Directors set up four internal committees to provide it with recommendations and advice. Their composition, tasks and functioning are defined by the Board of Directors in compliance with the criteria established by the Corporate Governance Code. They are: (a) the Control and Risk Committee, (b) the Remuneration Committee, (c) the Nomination Committee and (d) the Sustainability and Scenarios Committee. Committees under letters (a), (b) and (c) are recommended by the Corporate Governance Code. The Control and Risk Committee and the Remuneration Committee are entirely composed of non-executive and independent directors. The members of the Nomination Committee are all non-executive directors and, in compliance with the Corporate Governance Code, the majority of them are independent. The members of the Sustainability and Scenarios Committee are all non-executive directors, the majority of whom are independent.

All Board Committees report to the Board of Directors, at least once every six months, on the activities carried out. In addition, the Chairmen of the Committees report to the Board of Directors at each of its meetings on the key issues examined by the Committees in their previous meetings. In performing their duties, the Committees have the right to access the necessary company information and functions as well as to avail themselves of external advisors. They are also provided with adequate financial resources.

The Chairman of the Board of Statutory Auditors, or a standing statutory auditor designated by the former, attends the Control and Risk Committee and the Remuneration Committee meetings; she can attend meetings of the Nomination Committee for matters within the competence of the Board of Statutory Auditors and the meetings of the Sustainability and Scenarios Committee upon the invitation of its Chairman on behalf of the Committee itself. The Chief Executive Officer and the Chairman can attend the meetings of the Nomination Committee and of the Sustainability and Scenarios Committee. Furthermore, they can attend Control and Risk Committee meetings, except when the meetings are addressing issues regarding them. Finally, they can attend Remuneration Committee meetings upon the invitation of its Chairman on behalf of the Committee itself. No Director and, in particular, no Director with delegated powers may take part in meetings of the Remuneration

Committee during which Board proposals regarding his/her remuneration are being discussed unless they are deemed proposals for all the members of the Committees established within the Board of Directors.

Upon the invitation of its Chairman on behalf of the Committee itself and with reference to individual issues on the agenda, meetings of the Committees may be attended by any non-members Directors.

The Board Secretary and Corporate Governance Counsel coordinates the secretaries of the Board of Directors' Committees, receiving to this end the calendar of the meetings, information on the items in the Committees' agendas, the notices of the meetings, as well as their signed minutes.

Committee meetings are usually minuted by the respective Secretaries.

As of 14 May 2020, the composition of the Board of Directors' Committees is as follows:

- Control and Risk Committee: Pietro Guindani (Chairman), Raphael Louis L. Vermeir, Ada Lucia De Cesaris and Nathalie Tocci;
- Remuneration Committee: Nathalie Tocci (Chairman), Karina Litvack and Raphael Louis L. Vermeir;
- Nomination Committee: Ada Lucia De Cesaris (Chairman), Pietro Guindani, and Emanuele Piccinno; and
- Sustainability and Scenarios Committee: Karina Litvack (Chairman), Raphael Louis L. Vermeir, Nathalie Tocci, Filippo Giansante and Emanuele Piccinno.

#### ***Control and Risk Committee***

The Control and Risk Committee, established for the first time in 1994 and previously named Internal Control Committee, is entrusted by the Board of Directors to support, on the basis of an adequate control process, the Board of Directors in evaluating and making decisions concerning the internal control and risk management system and in approving the periodic financial reports. According to the Rules of the Control and Risk Committee of Eni, at least two members of the Committee (not just one as under the Corporate Governance Code) shall have adequate experience in accounting and financial matters or in risk management as per the assessment made by the Board of Directors at the time of their appointment.

The Control and Risk Committee performs an advisory function to the Board of Directors in accordance with the Rules of the Control and Risk Committee approved by the Board of Directors and, in particular:

- (a) issues a prior opinion: i) and drafts recommendations and updates concerning the guidelines for the internal control and risk management system to be approved by the Board of Directors; ii) on the assessment performed by the Board of Directors on the main company risks, identified according to the characteristics of the activities carried out by the company or its subsidiaries; iii) on the evaluation, performed every six months, of the adequacy of internal control and risk management system, taking into account the characteristics of Eni and its risk profile, as well as its effectiveness. To this end, at least every six months, the Committee reports to the Board of Directors, on the occasion of the approval of the annual and semi-annual financial reports, on its activities and on the adequacy of the internal control and risk management system; iv) on the approval, at least once a year, of the Audit Plan; v) on the description, in the annual Corporate Governance Report, of the main features of the internal control and risk management system and how the different subjects involved therein are coordinated, providing its evaluation of the overall adequacy of the system itself; and vi) on the evaluation of the findings reported by the Audit Firm in the recommendations letter it may issue and in the latter's additional report, together with any comments from the Board of Statutory Auditors;

- (b) issues its favourable opinion on the proposals concerning the appointment, the removal, and the definition of the compensation of the Head of the Internal Audit Department, as well as on the adequacy of the resources provided to the latter. Furthermore, the Committee assesses whether the Head of Internal Audit satisfies the integrity, professionalism, expertise and experience requirements at the time of appointment and annually thereafter to verify that they continue to be met;
- (c) examines the main risks presented to the Board of Directors and issues opinions on specific aspects concerning the identification of the main risks;
- (d) examines and issues an opinion on the adoption and amendment of the rules on the transparency and the substantive and procedural fairness of transactions with related parties and those in which a director or statutory auditor holds a personal interest or an interest on behalf of a third party, while performing the additional duties assigned to it by the Board of Directors, including the examining and issuing an evaluation of specific types of transactions, except for those relating to compensation; and
- (e) issues an opinion on the fundamental guidelines for the Regulatory System, the regulatory tools to be approved by the Board of Directors, their amendment or update, and, upon the request of the Chief Executive Officer, on specific aspects of the tools for implementing the fundamental guidelines.

Moreover, the Committee, in assisting the Board of Directors:

- (a) evaluates, with the Financial Reporting Officer and after having consulted the Audit Firm and the Board of Statutory Auditors, the proper application of accounting standards (IFRS) and their consistency in preparing the Consolidated Financial Statements, prior to their approval by the Board of Directors;
- (b) monitors the independence, adequacy, efficiency and effectiveness of the Internal Audit Department and oversees its activities. In particular, the Committee: i) examines the results of the audit activities carried out by the Internal Audit Department; and ii) examines the periodic reports prepared by the Internal Audit Department containing adequate information on the activities carried out, on the manner in which risk management is conducted and on compliance with risk containment plans, as well as reports on significant events, and the assessment of the appropriateness of the internal control and risk management system. The Committee may assign the Internal Audit Department the task of auditing specific areas of operations, simultaneously notifying the Chairman of the Board of Statutory Auditors of the assignment;
- (c) examines and assesses: i) reports prepared by the Chief Financial Officer/Financial Reporting Officer through which it shall give its opinion to the Board of Directors on the appropriateness of the powers and resources assigned to the Financial Reporting Officer and on the proper application of accounting and administrative procedures, enabling the Board of Directors to exercise its tasks of supervision required by law; ii) communications and information received from the Board of Statutory Auditors and its members regarding the internal control and risk management system, including those concerning the findings of enquiries conducted by the Internal Audit Department in connection with reports received, including anonymous reports (Whistleblowing); iii) the half yearly reports issued by Eni's Watch Structure, as well as the timely updates provided by Eni's Watch Structure, after the updates have been submitted to the Chairman of the Board of Directors and to the Chief Executive Officer, about any material issue or significant situation discovered in the performance of its duty; and iv) information on the internal control and risk management system, including that provided in the course of periodic meetings with the competent Eni structures and information on enquiries and reviews carried out by third parties;
- (d) upon request of the Board of Directors, supports, with adequate preliminary activities, the Board of Directors assessments and resolutions on the management of risks arising from detrimental facts which the Board of Directors may have become aware of;

- (e) oversees the activities of the Legal Affairs Department in the case of judicial inquiries and proceedings carried out in Italy and/or abroad, concerning the Chief Executive Officer and/or the Chairman of Eni and/or a member of the Board of Directors and/or an Executive reporting directly to the Chief Executive Officer — even if no longer in office — for crimes against the Public Administration and/or corporate crimes and/or environmental crimes, related to their mandate and within the scope of their responsibility.

#### ***Remuneration Committee (formerly Compensation Committee)***

The Committee was established for the first time in 1996 and, in accordance with the Corporate Governance Code, at least one member of the Committee shall have adequate knowledge and experience in finance or remuneration policies as per the assessment made by the Board of Directors at the time of his appointment. The Committee provides recommendations and advice to the Board of Directors in accordance with the Rules of the Remuneration Committee approved by the Board of Directors and specifically it:

- (a) submits to the Board of Directors for its approval the “Report on remuneration policy and remuneration paid” and, in particular, the remuneration policy for members of corporate bodies, general managers and managers with strategic responsibilities to be presented to the Shareholders’ Meeting called to approve the financial statements, as provided for by applicable law;
- (b) periodically evaluates the adequacy, overall consistency and actual implementation of the adopted policy, formulating proposals on the topic for the Board of Directors;
- (c) presents proposals for the compensation of the Chairman of the Board of Directors and the Chief Executive Officer, covering the various forms of compensation and benefits awarded;
- (d) presents proposals for the compensation of members of the Board of Directors’ internal committees;
- (e) examines the Chief Executive Officer’s indications and presents proposals for general criteria for compensation for managers with strategic responsibilities; annual and long-term incentive plans, including equity-based plans; establishing performance targets and assessing results for performance plans in connection with the determination of the variable portion of the compensation for directors with delegated powers and with the implementation of incentive plans;
- (f) monitors the execution of Board of Directors’ resolutions; and
- (g) reports through its Chairman or another Committee member designated by the Chairman on its operational procedures to the Shareholders’ Meeting called to approve the financial statements.

The Committee also issues the opinions required under the procedure for related party transactions in the manner specified therein.

#### ***Nomination Committee***

In accordance with the recommendations of the Corporate Governance Code, the Nomination Committee, established for the first time in 2011, carries out the following functions, in accordance with the Rules of the Nomination Committee approved by the Board of Directors:

- (a) assists the Board of Directors in formulating any criteria for the appointment of executives and members of the boards and bodies of Eni and of its subsidiaries, proposed by the Chief Executive Officer and/or by the Chairman of the Board of Directors, whose appointment falls under the Board of Directors’ responsibilities, and of the members of the other boards and bodies of Eni’s associated companies;
- (b) provides evaluations to the Board of Directors on the appointment of executives and members of the boards and bodies of Eni and of its subsidiaries, proposed by the Chief Executive Officer and/or by the Chairman of the Board of Directors, whose appointment falls under the Board of Directors’

responsibilities and oversees the associated succession plans. Where possible and appropriate, and with regards to the shareholding structure, the Committee proposes the succession plan for the Chief Executive Officer to the Board of Directors;

- (c) acting upon a proposal of the Chief Executive Officer, examines and evaluates criteria governing the succession plans for Eni's managers with strategic responsibilities;
- (d) proposes candidates to serve as directors in the event one or more positions need to be filled during the course of the year (Article 2386, first paragraph, of the Italian Civil Code), ensuring compliance with the requirements on the minimum number of independent directors and the percentage reserved for the less represented gender;
- (e) proposes to the Board of Directors candidates for the position of director to be submitted to the Shareholders' Meeting of the Company, taking account of any recommendations received from shareholders, in the event it is not possible to draw the required number of directors from the slates presented by shareholders;
- (f) oversees the annual self-assessment program concerning the Board of Directors and its Committees in compliance with the Corporate Governance Code, taking care of the preliminary activity for the appointment of an external consultant to perform the assessment; on the basis of the results of the self-assessment, provides its opinions to the Board of Directors regarding the size and composition of the Board of Directors or its Committees as well as the skills and managerial and professional qualifications it feels should be represented on the same, so that the Board of Directors itself can give its opinion to the shareholders prior to the appointment of the new Board of Directors;
- (g) proposes to the Board of Directors the list of candidates for the position of director to be submitted to the Shareholders' Meeting if the Board of Directors decides to opt for the right envisaged in Article 17.3 of Eni's by-laws;
- (h) proposes to the Board of Directors guidelines regarding the maximum number of positions as director or statutory auditor that an Eni director may hold in compliance with the Corporate Governance Code and performs the associated preliminary activity concerning the periodic checks and evaluations for submission to the Board of Directors;
- (i) periodically investigates whether the directors satisfy the independence and integrity requirements, and ascertains the absence of circumstances that would render them incompatible or ineligible; and
- (j) provides its opinion to the Board of Directors on any activities carried out by the directors in competition with Eni.

#### ***Sustainability and Scenarios Committee***

The Sustainability and Scenarios Committee, established for the first time in 2014 and which replaced the Oil-Gas Energy Committee, provides recommendations and proposals to the Board of Directors on scenarios and sustainability, i.e. the processes, projects and activities aimed at ensuring the Company's commitment to sustainable development along the value chain, particularly with regard to: health, well-being and safety of people and communities; respect for and protection of rights, particularly of human rights; local development; access to energy, energy sustainability and climate change; environment and efficient use of resources; integrity and transparency; and innovation.

In particular, the Committee, in accordance with the Rules of Sustainability and Scenarios Committee approved by the Board of Directors:

- (a) examines scenarios used in preparing the Strategic Plan, issuing an opinion to the Board of Directors;

- (b) examines and evaluates the sustainability policy — aimed at ensuring the creation of value over time for shareholders and all the other stakeholders in accordance with the principles of sustainable development — as well as sustainability strategies and objectives and the sustainability report submitted annually to the Board of Directors;
- (c) examines how the sustainability policy is implemented in business initiatives based upon the guidelines provided by the Board of Directors;
- (d) monitors the Company’s position in financial markets in terms of sustainability, particularly with regard to the Company’s inclusion in the leading sustainability indexes;
- (e) monitors international sustainability projects as part of global governance processes and the Company’s participation in such projects, designed to strengthen the Company’s international reputation;
- (f) examines and assesses sustainability initiatives, including individual projects, provided for in agreements with producer countries, submitted by the Chief Executive Officer for presentation to the Board of Directors;
- (g) examines the Company’s non-profit strategy and its implementation, including individual projects, in the non-profit plan submitted each year to the Board of Directors, as well as non-profit initiatives submitted to the Board of Directors; and
- (h) at the request of the Board of Directors, issues an opinion on other sustainability issues.

### ***Conflicts of Interest***

As far as Eni is aware, there are no current conflicts of interest between any duties of the members of the Board of Directors of Eni towards Eni and their private interests or other duties outside the Group.

On 4 April 2017, having received a favourable and unanimous opinion by the Control and Risk Committee, the Board of Directors lastly amended the MSG “Transactions involving the interests of directors and statutory auditors and transactions with related parties” first adopted to implement the CONSOB Regulation of 18 November 2010, with a view to further align it with the relevant benchmarks and best practice in the area, in particular in relation to threshold amounts for exempted transactions, the aggregation of small amount transactions, responsibilities and periodic information to corporate bodies.

Lastly, at its meeting of 16 January 2020, the Board of Directors, taking account of the information gathered on the issue and obtaining a favourable opinion from the Control and Risk Committee, conducted the annual review of the MSG and it judged adequate the design of the MSG, without prejudice to any necessary amendments after the issuance of the Consob implementing rules.

This MSG, while largely being based on the definitions and provisions of the CONSOB Regulation, extends the rules for transactions carried out directly by Eni to all transactions undertaken by subsidiaries with related parties of Eni, with a view to enhancing safeguards and improving functionality. In addition, the definition of “related party” has been extended and defined in greater detail.

Transactions with related parties are divided into transactions of lesser importance, greater importance and exempt transactions, with procedural arrangements and transparency requirements that vary based on the type and importance of the transaction. For transactions of lesser importance, the procedures require that independent directors — members of the Control and Risk Committee (or the Remuneration Committee, in the event of transactions concerning remuneration) — express a reasoned, non-binding opinion on Eni’s interest in completing the transaction and the economic benefits and substantive fairness of the underlying terms. For transactions of greater importance, without prejudice to the decision-making powers reserved to the Board of Directors, the independent directors — members of the Control and Risk Committee (or the Remuneration

Committee, in the event of transactions concerning remuneration) — are involved from the preparatory phase of the transaction and express a binding opinion on Eni’s interest in completing the transaction and on the economic benefits and substantive fairness of the underlying terms. Exempt transactions comprise small-value transactions as well as ordinary transactions carried out on standard conditions, intercompany transactions and those regarding remuneration as specified in the MSG.

With regard to the disclosures to be provided to the public on transactions with related parties, the relevant provisions of the CONSOB Regulation have been fully incorporated in the MSG. The MSG also sets out the timing, responsibilities and verification tools to be used by Eni employees involved and the reporting requirements that must be complied with for the correct application of the rules.

Finally, specific rules have been adopted for transactions in which a director or a statutory auditor holds an interest, whether directly or on behalf of third parties.

In particular, both in the preliminary and approval phase, a detailed and documented examination of the reason of the transaction is required, showing the interest of Eni in its completion and the economic benefits and fairness of the underlying terms. Directors involved in matters subject to a resolution of the Board of Directors shall normally not participate in the relevant discussion and decision and shall leave the room during these procedures. If the person involved is the Chief Executive Officer and the transaction falls within the scope of his duties, he shall in any case abstain from taking part in the transaction and shall entrust the matter to the Board of Directors (as provided for by Article 2391 of the Italian Civil Code). In any case, if the transaction is under the responsibility of the Board of Directors, a non-binding opinion from the Control and Risk Committee is required.

To ensure an effective system of control over transactions, every two months the Chief Executive Officer reports to the Board of Directors and to the Board of Statutory Auditors on the execution of individual transactions with related parties and with the subjects of interest to directors and statutory auditors not exempted from the application of the MSG, and prepares a semi-annual aggregate report on all transactions with related parties and with the mentioned subjects of interest performed during the reporting period. The semi-annual report is presented also to the Control and Risk Committee.

In order to ensure prompt and effective verification of the implementation of the MSG, a database has been created listing related parties of Eni and subjects of interest to directors and statutory auditors, together with a search IT application that the signing officers of Eni and its subsidiaries or the persons responsible for preparing transactions can use to access the database in order to determine the nature of the transaction counterparty.

The text of Eni’s rules “Transactions involving interests of directors and statutory auditors and transactions with related parties” is available in the “Governance” section of Eni’s website.

### **Board of Statutory Auditors**

Article 28, paragraph 1 of Eni’s by-laws provides that the Board of Statutory Auditors consists of five standing statutory auditors and two alternate statutory auditors. Eni By-Laws were modified with a resolution of the Board of Directors on February 27, 2020, to specify, with reference to the appointment of the Board of Statutory Auditors, the new quota to be reserved for the less-represented gender, equal to two standing Auditors, to comply with provisions of Law No. 160/2019. The provisions aimed at ensuring compliance with current legislation on gender balance shall apply to six consecutive terms of the Board of Statutory Auditors from the first appointment after January 1, 2020.

According to Article 28, paragraph 2 of Eni’s by-laws, statutory auditors are appointed by a list voting system; at least two standing auditors and one alternate are elected from the candidates of the list submitted by minority shareholders. The Shareholders’ Meeting appoints the Chairman of the Board of Statutory Auditors among the standing auditors elected from such a list.

The procedures set forth in Article 17, paragraph 3, concerning the appointment of the Board of Directors and the provisions issued by CONSOB (Issuers Regulation — CONSOB resolution n. 11971 of 1999, as amended) shall apply. Shareholders who, severally or jointly, represent at least 1 per cent. of voting share capital (CONSOB reduced this percentage to 0.5 per cent. with regard to Eni) may submit lists for the appointment of statutory auditors.

Each shareholder may only submit (or contribute towards submitting) and vote for a single list. Controlling persons, subsidiaries and companies under common control may not submit or participate in the submission of other lists, nor can they vote on them, either directly or through nominees or trustees. Each candidate may stand on one list only, on penalty of disqualification.

The list voting system shall only apply to the election of the entire Board of Statutory Auditors.

Should a standing auditor from the list that receives the majority of votes be replaced, the replacement shall be the alternate auditor from the same list; should a standing auditor from the other lists be replaced, the replacement shall be the alternate auditor from those other lists. If the replacement results in non-compliance with gender-balance rules, the Shareholders' Meeting shall be called as soon as possible to approve the necessary resolutions to ensure compliance.

All statutory auditors must satisfy the independence requirements provided for by Article 148, paragraph 3 of the Consolidated Law on Finance and Articles 3 and 8 of the Corporate Governance Code, as well as the integrity and professional requirements as prescribed by a regulation of the Minister of Justice (Decree No. 162 of 30 March 2000). As for professional qualification, Eni's by-laws specify that the professional requirements may also be met with at least three years of professional experience or by teaching commercial law, business economics and corporate finance, as well as at least three years' experience in a managerial position in the engineering or geology fields.

Eni's statutory auditors currently in office are entered in the register of certified auditors.

In addition, in accordance with the provisions of Art. 19 of Legislative Decree No. 39/2010, as amended by Legislative Decree No. 135/2016 the Board of Statutory Auditors, in its role as "Internal Control and Financial Auditing Committee", must also evaluate the following professional requirements: *"the members of the internal control and financial auditing committee, as a body, shall be competent in the sector in which the company being audited operates"*.

The Shareholders' Meeting held on 13 May 2020 appointed the Board of Statutory Auditors and the Chairman of the Board of Statutory Auditors, for a three-year term. Their term will therefore expire as of the date of the Shareholders' Meeting called to approve Eni's financial statements for the financial year ending 31 December 2022.

Giovanna Ceribelli, Mario Notari, Marco Seracini and Roberto Maglio (alternate statutory auditor) were elected from the list of candidates submitted by the Ministry of Economy and Finance; Rosalba Casiraghi (Chairman of the Board of Statutory Auditors), Enrico Maria Bignami and Claudia Mezzabotta (alternate statutory auditor) were elected from the list submitted by institutional investors.

In compliance with the laws and regulations and the Corporate Governance Code, after its appointment, on its May 14, 2020 meeting, the Board of Statutory Auditors verified, on the basis of individual statements provided, that all statutory auditors satisfy the integrity and professional requirements, as well as the independence requirements set by the law and by Corporate Governance Code. The Board of Directors acknowledged this verification at the meeting held on 14 May 2020 .

On September 1<sup>st</sup>, 2020, Roberto Maglio (Alternate Statutory Auditor appointed from the slate submitted by the Ministry of Economy and Finance), replaced the Standing Statutory Auditor Mario Notari, after his



resignation. The new Standing Statutory Auditor will remain in office until the next Shareholder’s Meeting which will appoint the standing and the alternate statutory auditors necessary for the integration of the Board of Statutory Auditors.

The table below sets forth the names, positions and year of appointment of the members of the Board of Statutory Auditors of Eni.

<b>Name</b>	<b>Position</b>	<b>Year first appointed to Board of Statutory Auditors</b>
Rosalba Casiraghi	Chairman	2017
Enrico Maria Bignami	Standing Auditor	2017
Giovanna Ceribelli	Standing Auditor	2020
Roberto Maglio	Standing Auditor	2020
Marco Seracini	Standing Auditor	2014
Claudia Mezzabotta	Alternate Auditor	2017

A biography of Eni’s statutory auditors is published on Eni’s website.

***Limits on the number of positions***

Pursuant to applicable regulations, persons may not hold office in a control body of an issuer if they hold the same office in five other listed companies. As long as they hold office in the control body of just one issuer, persons may hold other management and control positions in Italian companies, within the limits specified in the Consob regulations.

The Statutory Auditors are required to report the offices they hold or have relinquished, in the manner and within the time limits established in the applicable regulations, to Consob, which shall then publish the information, making it available on its website.

***Duties***

The Board of Statutory Auditors, in accordance with the Consolidated Law on Finance, shall monitor: (i) compliance with the law and Eni’s by-laws; (ii) observance of the principles of sound administration; (iii) the appropriateness of Eni’s organisational structure for matters within the scope of the Board of Directors’ authority, the adequacy of the internal control system and the administrative and accounting system, as well as the reliability of the latter in accurately representing Eni’s operations; (iv) the procedures for implementing the corporate governance rules provided for in the Corporate Governance Code, which Eni has adopted; and (v) the adequacy of the instructions imparted by Eni to its subsidiaries, in order to guarantee full compliance with legal reporting requirements.

In addition, pursuant to Article 19 of Legislative Decree No. 39/2010 (hereinafter “Decree No. 39/2010”), the Board of Statutory Auditors, in its role as the “internal control and financial auditing committee” (hereinafter also “ICFAC”) is responsible for: (a) informing the Board of Directors of the outcome of the statutory audit and providing it with the report prepared by the Audit Firm (the so-called additional report provided under Art. 11 of Regulation (EU) No. 537/2014 concerning statutory audit), along with its own comments; (b) monitoring the financial reporting process and submitting recommendations or proposals to ensure its integrity; (c) monitoring the effectiveness of the company’s internal quality control and risk management systems and its internal audit, regarding the financial reporting of the audited company, without breaching its independence; (d) monitoring

the statutory audit of the annual and consolidated financial statements, taking into account any findings and conclusions by CONSOB; (e) reviewing and monitoring the independence of the Audit Firm, in particular the appropriateness of the provision of non-audit services; and (f) being responsible for the procedure for the selection of auditors or the Audit Firm and recommend to the Shareholders' Meeting the auditors or the Audit Firms to be appointed (See also Article 16 of Regulation (EU) No. 537/2014 on statutory audit).

In accordance with Art. 153 of the Consolidated Law on Finance, the Board of Statutory Auditors presents the results of its supervisory activity to the Shareholders' Meeting in a report that accompanies the financial statements.

In the report, the Board of Statutory Auditors also discusses its monitoring of Eni's procedures for compliance with the principles set out by CONSOB concerning related parties, as well as compliance with them based upon information received.

The responsibilities assigned under Legislative Decree No. 39/2010, as amended by Legislative Decree No. 135/2016, to the "internal control and financial auditing committee" are consistent and substantially in line with the duties already assigned to the Board of Statutory Auditors of Eni, with specific consideration of its role as Audit Committee pursuant to the "U.S. Sarbanes-Oxley Act" .

The Board of Directors, in its meeting of 22 March 2005, in accordance with SEC Rule 10A-3(c)(3) for foreign issuers listed on the New York Stock Exchange, designated the Board of Statutory Auditors to fulfil the role of the Audit Committee in U.S. companies under the Sarbanes-Oxley Act (SOA) and SEC rules, to the extent permitted under Italian law, from 1 June 2005. On 15 June 2005 the Board of Statutory Auditors approved the rules concerning the duties assigned to the Audit Committee under U.S. law. These rules were subsequently updated following regulatory and organisational changes and are published on Eni's website.

In particular, the Board of Statutory Auditors:

- assesses the offers of Audit Firms for the award of the engagement for the statutory audit of the accounts and formulates a reasoned proposal for the Shareholders' Meeting concerning the appointment or termination of the Audit Firm;
- approves the procedures for the prior authorisation of permitted non-audit services and assesses requests to use the Audit Firm for permitted non-audit services (in accordance with the European regulation on statutory audit, non-audit services permitted under the applicable regulations may be awarded subject to approval of the ICFAC);
- examines the periodic reports from the external auditor relating to: a) all critical accounting policies and practices to be used; b) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management of the Company, ramifications of the use of such alternative disclosures and treatments, and the treatments preferred by the external auditor; and c) other material written communication between the external auditor and management; and
- formulates recommendations to the Board of Directors concerning the resolution of disputes between management and the audit firm concerning financial reporting.

In addition, the Board of Statutory Auditors in its capacity as the Audit Committee:

- examines reports from the Chief Executive Officer and the Chief Financial Officer concerning (i) any significant deficiency in the design or operation of internal controls which are reasonably likely to adversely affect the Company's ability to record, process, summarise and report financial information and any material weakness in internal controls; and (ii) any fraud that involves management or other employees who have a significant role in the internal controls;

- approves procedures concerning: a) the receipt, filing and processing of reports received by the Company regarding accounting issues, the internal accounting control system or the statutory audit; and b) the confidential or anonymous submission by any person, including Company employees of reports concerning questionable accounting or audit issues (so-called “whistleblowing”).

The Board of Statutory Auditors, in its capacity as the Audit Committee, approved the “Procedure for whistleblowing reports (including anonymous complaints) received, by Eni S.p.A. and by its subsidiaries in Italy and abroad” (most recently on 17 April 2020). The procedure, the conformity of which to best practices was already checked by independent external advisors, is part of the Eni Anti-Corruption Regulations as required by Eni SpA’s Anti-Corruption MSG and complies with the obligations set out in the Sarbanes-Oxley Act, the Organizational, Management and Control Model under Italian Legislative Decree no. 231 of 2001 and Eni SpA’s Anti-Corruption MSG itself.

### ***Conflicts of Interest***

As far as Eni is aware, there are no current conflicts of interest between any duties of the members of the Board of Statutory Auditors of Eni towards Eni and their private interests or other duties outside the Group.

### **External auditors**

The auditing of Eni’s accounts is entrusted, under current legislation, to an independent audit firm appointed by the Eni’s Shareholders’ Meeting, acting upon the Board of Statutory Auditors reasoned proposal.

On the basis of a reasoned proposal presented by the Board of Statutory Auditors, the Eni’s Shareholders’ Meeting of 10 May 2018 approved the engagement of PricewaterhouseCoopers SpA (PwC) for the period 2019-2027, succeeding to EY S.p.A., who was engaged for the previous period 2010-2018, to:

- auditing of the Company’s individual financial statements;
- auditing of the consolidated financial statements;
- verification, during the course of the financial period, that the Company's accounts are duly maintained and that operations are correctly entered in the accounting records;
- verification of the internal control system for the purposes of US legislation (SOX);
- verification of Form 20-F;
- a limited review of the semi-annual financial report;
- review of separate annual accounts for the Electricity, Gas and Water System authority (AEEGSI).

Andrea Toselli is the audit partner responsible for providing these services to Eni starting from the Consolidated Financial Statement 2019 of Eni.

The rules regarding “Management of statutory audit appointments” of 19 May 2020 approved by the Board of Statutory Auditors of Eni SpA, set out the general principles to: i) regulate the process of conferring statutory audit assignments and other assignments closely related to statutory audits; ii) provide the framework of reference for statutory audit requirements and to establish the roles and responsibilities of the persons involved in the process; iii) regulate the methods and operations underlying the process; iv) define the information flows between the company offices involved .

In order to preserve the independence of the auditors, a monitoring system for “non-audit” work has been created where, in general, the audit firm and its network are not awarded engagements unrelated to the performance of audit activities. Within the regulatory framework for auditing activities (see Legislative Decree

No. 39/2010, as amended by Legislative Decree No. 135/2016), the approval of additional services and extra work is the responsibility of the Board of Statutory Auditors in the case of:

- (i) engagements relating to Eni S.p.A., the proposal is submitted for the approval of the Board of Statutory Auditors of Eni S.p.A. with annual reporting to the Board of Directors of Eni S.p.A. The Board of Directors and the shareholders' meeting of Eni S.p.A. are informed annually on the overall remuneration paid to the auditor during the year;
- (ii) engagements relating to subsidiaries, after the opinion of the Board of Statutory Auditors of the subsidiary, or equivalent board for foreign companies, the proposals are submitted for favourable opinion to the Board of Statutory Auditors of Eni S.p.A. (only for assignments not required by law) and, for approval, to the Board of Directors of the company. The Board of Directors and the shareholders' meeting of Eni S.p.A. are informed annually on the overall remuneration paid to the auditor during the year. In this context, a quantitative limit (70%) was set between additional services and audit services, as a tool to verify the independence of the Audit Firm. Article 5 of Regulation (EU) No. 537/2014 contains a list of prohibited non-audit services. In particular, Article 5: (a) provides a detailed description of the services prohibited as enacted by the Legislative Decree No.135/2016, updating the provisions of the current Legislative Decree No. 39/2010; (b) introduces further categories of prohibited services, in particular: (b.1) tax services relating to (i) preparation of tax forms; (ii) payroll tax; (iii) customs duties; (iv) identification of public subsidies and tax incentives unless support from the external auditor or the Audit Firm in respect of such services is required by law; (v) support regarding tax inspections by tax authorities unless support from the external auditor or the Audit Firm in respect of such inspections is required by law; (vi) calculation of direct and indirect tax and deferred tax; (vii) provision of tax advice; (b.2) legal services, with respect to: (i) the provision of general counsel; (ii) negotiating on behalf of the audited entity; (iii) acting in an advocacy role in the resolution of litigation; (b.3) services that involve playing any part in the management or decision-making of the audited entity; (b.4) designing and implementing internal control or risk management procedures related to the preparation and/or control of financial information or designing and implementing financial information technology systems; (b.5) services linked to the financing, capital structure and allocation, and investment strategy of the audited entity, except providing assurance services in relation to the financial statements, such as the issuing of comfort letters in connection with prospectuses issued by the audited entity; (b.6) human resources services, with respect to: (i) management in a position to exert significant influence over the preparation of the accounting records or financial statements which are the subject of the statutory audit, where such services involve: — searching for or seeking out candidates for such position; or — undertaking reference checks of candidates for such positions; (ii) structuring the organisation design; and (iii) cost control.

#### Audit Fees

The following table shows total fees for services rendered to Eni by its auditor PwC SpA and member firms of PwC network for the year ended December 31, 2019. The amount shown in the following table for the year ended December 31, 2018 has been paid to EY S.p.A. and its respective member firms which has served as Eni principal independent auditor until the fiscal year 2018:

	<b>Year ended 31 December</b>	
	<b>2018</b>	<b>2019</b>
	<i>(euro thousands)</i>	
Audit Fees	25,445	15,748
Audit-Related Fees	1,628	1,045

Tax Fees	-	-
All Other Fees	-	-
<b>Total</b>	<b>27,073</b>	<b>16,793</b>

Audit Fees include professional services rendered by the principal accountant for the audit of the registrant’s annual financial statements or services that are normally provided by the accountant in connection with statutory and regulatory filings or engagements, including the audit on internal control over financial reporting of Eni. The fees disclosed in this category include also services provided for by law and regulations such as services required by authorities and/or control bodies, or by national or supranational administrations.

Audit-Related Fees include assurance and related services by the principal accountant that are reasonably related to the performance of the audit or review of the registrant’s financial statements and are not reported as Audit Fees. The fees disclosed in this category mainly include audits of pension and benefit plans, merger and acquisition due diligence, audit and consultancy services rendered in connection with acquisition deals, certification services not provided for by law and regulations and consultations concerning financial accounting and reporting standards.

Tax Fees include professional services rendered by the principal accountant for tax compliance, tax advice, and tax planning. The fees disclosed in this category mainly include fees billed for the assistance with compliance and reporting of income and value added taxes, assistance with assessment of new or changing tax regimes, tax consultancy in connection with merger and acquisition deals, services rendered in connection with tax refunds, assistance rendered on occasion of tax inspections and in connection with tax claims and recourses and assistance with assessing relevant rules, regulations and facts going into Eni correspondence with tax authorities.

All other fees include products and services provided by the principal accountant, other than the services reported in Audit fees, Audit-related fees and Tax fees of this paragraph and consists primarily of fees billed for consultancy services related to IT and secretarial services that are permissible under applicable rules and regulations.

### **Court of Auditors**

The financial management of Eni is subject to the control of the Court of Auditors (“Corte dei conti”), in order to preserve the integrity of the public finances. As from 1 March 2019 the task is performed by the Magistrate of the Court of Auditors Manuela Arrigucci, on the basis of the resolution approved on 18-19 December 2018 by the President’s Council of the Court of Auditors. The Magistrate of the Court of Auditors attends the meetings of the Board of Directors, the Board of Statutory Auditors and the Control and Risk Committee.

### **Shareholding limits and restrictions on voting rights, Special Powers of the Republic of Italy**

Pursuant to Article 6.1 of Eni’s by-laws, in accordance with the special provisions specified in Article 3 of Decree-law No. 332 of 31 May 1994, ratified by Law No. 474 of 30 July 1994, under no circumstances whatsoever may any party directly or indirectly hold more than 3 per cent. of the share capital. Exceeding these limits shall lead to a suspension of the exercise of voting rights or any other non-financial rights attached to the shares held exceeding the aforementioned limit. Pursuant to Article 32 of Eni’s by-laws, and the aforementioned regulations, shareholdings in the share capital of Eni held by the Ministry of Economy and Finance, public bodies or organisations controlled by the latter are exempt from this provision. Lastly, the special provisions state that the clause regarding shareholdings limits shall not apply if the above limit is exceeded following a takeover bid, provided that the bidder — as a result of the takeover — will own a shareholding of at least 75 per cent. of the capital with voting rights relating to the appointment or dismissal of directors.

Decree-law No. 21 of 15 March 2012, ratified with amendments by Law No. 56 of 11 May 2012, aligned the Italian law on the special powers of the State on the European Union rules.

The special powers apply to companies that hold single strategic assets vital to the interests of the Republic of Italy as defined by the abovementioned ministerial regulations. In brief, the current regulations include: a) veto power (or the power of imposing conditions or requirements) over transactions involving strategic assets that could result in a situation, not regulated by Italian or EU laws, that threatens serious injury to interests regarding networks and systems security, as well as continuity of supply; and b) the power of attaching conditions to or opposing the acquisition by a non-EU party, of an equity interest in a company that directly or indirectly holds strategic assets, such as to give rise to the assumption of control of the company, when such an acquisition may result in a threat of serious injury to the abovementioned essential interests of the Republic of Italy. In the calculation of a material equity interest, account shall be taken of interests held by third parties that have entered into a shareholders' agreement with the acquiring party. As a general rule, the acquisition, for any reason, by a non-EU party of the stock of a company that directly or indirectly holds strategic assets is allowed on conditions of reciprocity, in compliance with international agreements signed by Italy or the EU.

With specific regard to the power referred to in point b), the regulations establish that non-EU acquiring parties shall notify the Prime Minister's Office, and fix procedural time limits. Until such notification and, subsequently, until the time period for any exercise of such power has begun, the voting rights or any rights other than property rights attaching to the material equity interest may not be exercised.

In the event of breach of the commitments imposed, for the entire relevant period the voting rights or any rights other than property rights attaching to the material equity interest may not be exercised. Any resolutions adopted with the decisive vote of such equity interest, or any other resolutions or acts adopted in violation or in breach of the commitments imposed are void. In addition, except where the situation represents a criminal offence, non-compliance with the commitments imposed shall be punishable by a pecuniary administrative penalty.

In the event of objection, the acquiring party may not exercise the voting rights or any rights other than property rights attaching to the material equity interest, which such party shall sell within one year. In the event of a failure to comply, at the request of the Government, the courts shall order the sale of the material equity interest. Resolutions of the shareholders' meeting adopted with the decisive vote of the material equity interest are void.

These powers are exercised exclusively on the basis of objective and non-discriminatory criteria.

Decree-law No. 148 of 16 October 2017, ratified with Law No. 172 of 4 December 2017, extended the special powers of the State to high-technology industries. Furthermore, with regard to investments in companies with strategic assets by a non-EU investor, the decree added two assessment criteria for the exercise of the special powers in addition to safeguarding the essential interests of the State, namely whether the investment poses a threat to security or to public order. In order to determine if a foreign investment could impact security or public order, Art. 2, paragraph 6 of Law No. 56/2012, as updated by Decree-law No. 148/2017, ratified with Law No. 172/2017, establishes that it is possible to take into consideration the circumstance of a foreign investor being controlled by the government of another non-EU country, including by way of significant financing.

Decree-law No. 105 of 21 September 2019, ratified with Law No. 133 of 18 November 2019, extended the special powers of the State to sectors referred to in article 4, paragraph 1, of EU Regulation no. 452/2019 on the control of foreign direct investment (replacing the reference to high-technology industries), entrusting an implementing Prime Minister Decree with the identification of strategic assets in these sectors. Furthermore, Decree-Law No. 105/2019 established the immediate applicability - pending the adoption of the implementing Prime Minister Decree - of the notification obligation in the case of acquisitions of controlling interests by non-EU parties in companies with assets in some of the sectors referred to in EU Regulation no. 452/2019.

Decree-law No. 23 of 8 April 2020, ratified with Law No. 40 of 5 June 2020 expanded the special powers of the State as follows: (i) immediate applicability - pending the adoption of the aforementioned implementing Prime Minister Decree - of the notification obligation in the case of acquisitions of controlling interests by non-EU parties in companies with assets in all sectors referred to in EU Regulation no. 452/2019; (ii) until 31 December 2020, notification obligation in the case of: a) certain resolutions adopted by companies with assets in all sectors of EU Regulation no. 452/2019 (as well as of the implementing Prime Ministerial Decree, if issued); b) acquisitions, also by EU entities, of controlling interest in companies holding assets in all strategic sectors and c) acquisitions by non-EU entities of shareholdings beyond certain thresholds. Decree-Law No. 23/2020 also allows the Italian Government to exercise the special powers independently and in the absence of a notification.

### Major Shareholders

The Ministry of Economy and Finance controls Eni as a result of the shares directly owned and those indirectly owned through Cassa Depositi e Prestiti S.p.A. (“CDP”). The Ministry of Economy and Finance owns 82.77 per cent. of CDP’s share capital.

As of 3 September 2020 the percentage of Eni’s share capital owned by the Ministry of Economy and Finance and CDP was:

Shareholder	Number of shares held	% on the outstanding shares
Ministry of Economy and Finance	157,552,137	4.37
CDP	936,179,478	25.96
Total	1,093,731,615	30.33

Eni has in place procedures that prevent the abuse of control of major shareholders such as Eni’s MSG “Transactions involving the interests of the directors and statutory auditors and transactions with related parties”. Furthermore, Eni’s by-laws provide for the election of a greater number of independent directors and representatives of the minority shareholders than the rules which are established by law, both on the Board of Directors and on the Board of Statutory Auditors.

## EFI

### *Information about the Issuer*

EFI was incorporated under the laws of the Kingdom of Belgium on 22 December 1995 for an indefinite duration in the form of a limited liability company and operates under the laws of the Kingdom of Belgium. Eni directly owns 33.61306 per cent. of EFI's share capital and indirectly owns, through a company incorporated under the laws of The Netherlands, the remaining 66.38694 per cent. EFI has no subsidiaries.

EFI is registered in the "Registre des Personnes Morales", Brussels and its company number is 0456.881.777. It has its registered office at rue Guimard 1A, 1040 Brussels, Belgium (telephone number: +32 (0) 2 5510380).

EFI was incorporated under the name "Agip Coordination Center". On 11 August 1998 it changed its name to "ENI Coordination Center". On 16 September 2011 it was renamed "eni finance international".

According to its articles of association, the corporate purposes of EFI are, inter alia, to carry out activities in Belgium and abroad, for the exclusive benefit of companies held directly or indirectly by Eni S.p.A. Such activities consist mainly of the provision of financial services such as granting loans on a short, medium and long term basis, granting financial guarantees, liquidity management, hedging currency risks and interest rate fluctuations, insurance, risk management and fund raising.

Other activities include operations in the field of accountancy, administration and finance, operations in the field of information technology, leasing of movable assets and real property as well as any activity of a preparatory or auxiliary nature for the companies held directly or indirectly by Eni S.p.A.

EFI's activities principally consist of the provision of financing, the centralising of the liquidities of the Group companies and liquidity management. The provision of financing is achieved through the equity capital of EFI, the Group's Euro Medium Term Note Programme, the Euro Commercial Paper Programme, the US Commercial Paper Programme, advances received from Group companies and through financing from banks with which EFI has credit facilities in place.

EFI is subject to the ordinary Belgian corporate income tax regime and therefore is able to benefit from a notional interest deduction. The notional interest deduction allows Belgian companies to obtain a tax deduction which is calculated on the amount of their equity at a rate that is reset annually.

### *Administration and management*

#### *Board of Directors*

The table below sets out the names of the members of the current Board of Directors of EFI and their positions:

Paolo Carmosino	Chairman
Vittorio D'Ecclesiis	Deputy Chairman
Fabrizio Cosco	Managing Director
Christiane Hal	Director

The business address of all members of the Board of Directors is the registered office of EFI: Eni Finance International SA, rue Guimard 1A, 1040 Brussels, Belgium.

#### *Relevant positions held by Board Members outside the Group*

None of the Board Members holds relevant positions outside the Group.

#### *Conflict of interest*



As far as EFI is aware, there are no potential conflicts of interest between any duties of the members of the Board of Directors of EFI towards EFI and their private interests or other duties outside the Group.

***Auditors***

The financial statements of EFI as of and for the year ended 31 December 2018 have been audited by Ernst & Young Réviseurs d'Entreprises SCRL.

At the General Shareholder's meeting of 25 June 2018, PricewaterhouseCoopers Bedrijfsrevisoren BV was appointed for the audit of EFI's statutory financial statements as of and for the years ending 31 December 2019, 31 December 2020 and 31 December 2021.

## BELGIAN TAXATION

The following is a general description of the principal Belgian tax consequences of the purchase, ownership and disposal of the EFI Notes, and does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the EFI Notes. The following general description does not describe the tax treatment of securities held by individuals resident in Belgium for tax purposes.

The overview is based on the tax laws and practice of the Kingdom of Belgium in effect on the date of the Base Prospectus, which are subject to change, potentially with retrospective effect. Potential investors in the EFI Notes should consult their tax advisers as to the Belgian and other tax consequences prior to the purchase, ownership and disposal of the Notes including, in particular, the effect of any state or local tax laws.

### Withholding Tax

Withholding tax will be applicable to the EFI Notes at the rate of 30 per cent. on the gross amount of the interest, subject to such relief as may be available under applicable domestic law or tax treaty provisions subject to certain conditions and formalities. In this regard, “interest” includes (i) periodic interest income, (ii) any amount paid by the Issuer in excess of the issue price (upon full or partial redemption whether or not on the maturity date, or upon purchase by the Issuer) and, (iii) if the EFI Notes qualify as “fixed income securities” (in the meaning of article 2, §1, 8° of the Belgian Income Tax Code of 1992, the **BITC 1992**), in the case of a realisation of the EFI Notes between two interest payment dates, the *pro rata* of accrued interest corresponding to the detention period.

However, all payments by or on behalf of EFI of principal and interest on EFI Notes may be made without deduction of withholding tax for Notes if and as long as at the moment of payment or attribution of interest they are held by eligible investors (the “**Eligible Investors**”) in an exempt securities account (an “**X-Account**”) with the NBB Securities Settlement System or with a participant in such system (a “**Participant**”).

Participants to the NBB Securities Settlement System must enter the EFI Notes which they hold on behalf of Eligible Investors in an X-Account.

Holding the EFI Notes through the NBB Securities Settlement System enables Eligible Investors to receive the gross interest income on their EFI Notes and to transfer EFI Notes on a gross basis.

Eligible Investors are those entities referred to in article 4 of the Belgian Royal Decree of 26 May 1994 on the deduction of withholding tax (“*Arrêté royal du 26 mai 1994 relatif à la perception et à la bonification du précompte mobilier*”/“*Koninklijk besluit van 26 mei 1994 over de inhouding en de vergoeding van de roerende voorheffing*”) which include, *inter alia*:

- (i) Belgian corporations subject to Belgian corporate income tax as referred to in article 2, §1, 5°, b) of the BITC 1992;
- (ii) institutions, associations or companies specified in article 2, §3 of the law of 9 July 1975 on the control of insurance companies other than those referred to in (i) and (iii) without prejudice to the application of article 262, 1° and 5° of the BITC 1992;
- (iii) state regulated institutions (“*institutions parastatales*”/“*parastatalen*”) for social security, or institutions which are assimilated therewith provided for in article 105, 2° of the Belgian Royal Decree implementing the BITC 1992 (“*Arrêté royal d’exécution du code des impôts sur les revenus 1992*” / “*Koninklijk besluit tot invoering van het wetboek inkomstenbelastingen 1992*”, the **RD/BITC 1992**);
- (iv) non-resident savers provided for in article 105, 5° of the RD/BITC 1992;

- (v) investment funds recognised in the framework of pension savings provided for in article 115 of the RD/BITC 1992;
- (vi) non-resident tax payers provided for in article 227, 2° of the BITC 1992 which have used the income generating capital for the exercise of their professional activities in Belgium and which are subject to non-resident income tax pursuant to article 233 of the BITC 1992;
- (vii) the Belgian State, in respect of investments which are exempt from withholding tax in accordance with article 265 of the BITC 1992;
- (viii) investment funds governed by foreign law which are an indivisible estate managed by a management company for the account of the participants, provided the fund units are not offered publicly in Belgium nor traded in Belgium; and
- (ix) Belgian resident corporations not provided for under (i) when their activities exclusively or principally consist of the granting of credits and loans.

Eligible Investors do not include, *inter alia*:

- private individuals resident in Belgium for tax purposes;
- non-profit making organisations other than those mentioned under (ii) or (iii) above;
- non-incorporated Belgian collective investment schemes (“*fonds de placements*”/“*beleggingsfondsen*”) and similar foreign funds whose units are publicly offered or marketed in Belgium.

The above categories only summarise the detailed definitions contained in Article 4 of the Royal Decree of 26 May 1994, as amended, to which investors should refer for a precise description of the relevant eligibility rules.

Transfers of Notes between an X-Account and an N-Account give rise to certain adjustment of withholding tax:

- A transfer from an N-Account (to an X-Account or N-Account) gives rise to the payment by the transferor non-Eligible Investor to the NBB of withholding tax on the accrued fraction of interest calculated according to the rules laid down in the Belgian Royal Decree of 26 May 1994.
- A transfer (from an X-Account or N-Account) to an N-Account gives rise to the refund by the NBB to the transferee non-Eligible Investor of an amount equal to the withholding tax on the accrued fraction of interest calculated according to the rules laid down in the Belgian Royal Decree of 26 May 1994.
- Transfers of the EFI Notes between two X-Accounts do not give rise to any adjustment of withholding tax.

Upon opening of an X-Account with the NBB Securities Settlement System or with a Participant, an Eligible Investor is required to provide a statement of its eligible status on a form approved by the Belgian Minister of Finance. There are no ongoing declaration requirements for Eligible Investors save that they need to inform the Participants of any changes to the information contained in the statement of their tax eligible status. However, Participants are required to make annual declarations to the NBB Securities Settlement System as to the eligible status of each investor for whom they have held EFI Notes in an X-Account during the preceding calendar year. An X-Account may be opened with a Participant by an intermediary (an “**Intermediary**”) in respect of Notes that the Intermediary holds for the account of its clients (the “**Beneficial Owners**”), provided that each Beneficial Owner is an Eligible Investor. In such a case, the Intermediary must deliver to the Participant a statement on a form approved by the Minister of Finance

confirming that (i) the Intermediary is itself an Eligible Investor, and (ii) the Beneficial Owners holding their EFI Notes through it are also Eligible Investors. The Beneficial Owner is also required to deliver a statement of its eligible status to the Intermediary. These identification requirements do not apply to the EFI Notes held in central securities depositories as defined in Article 2, first paragraph, (1) of the Regulation (EU) N° 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012 (“**CSD**”) as Participants to the Securities Settlement System (each, a “**NBB-CSD**”), provided that the relevant NBB-CSD only holds X-Accounts and that they are able to identify the accountholders for whom they hold EFI Notes in such account. For the identification requirements not to apply, it is furthermore required that the contracts which were concluded by the relevant NBB-CSD as Participants include the commitment that all their clients, holder of an account, are Eligible Investors.

Hence, these identification requirements do not apply to Notes held in Euroclear, Clearstream, SIX SIS, Monte Titoli and Interbolsa or any other NBB-CSD, provided that (i) they only hold X-Accounts, (ii) they are able to identify the Noteholders for whom they hold Notes in such account and (iii) the contractual rules agreed upon by them include the contractual undertaking that their clients and accountholders are all Eligible Investors.

In accordance with the NBB-CSD, a Noteholder who is withdrawing Notes from an X-Account will, following the payment of interest on those Notes, be entitled to claim an indemnity from the Belgian tax authorities of an amount equal to the withholding on the interest payable on the Notes from the last preceding Interest Payment Date until the date of withdrawal of the Notes from the NBB-CSD.

## **Capital Gains and Income Tax**

### ***Belgian resident companies***

Interest attributed or paid to companies which are Belgian residents for tax purposes, i.e. which are subject to Belgian corporate income tax (“*impôt des sociétés*” / “*vennootschapsbelasting*”), as well as capital gains realised upon the disposal of Notes are taxable at the ordinary corporate income tax rate of in principle 25 per cent, or where the reduced corporate tax rate applies, 20 per cent. both applicable as from assessment year 2021 for financial years starting on or after 1 January 2020. Capital losses realised upon the disposal of the Notes are in principle tax deductible.

Different rules apply to companies subject to a special tax regime, such as investment companies within the meaning of article 185bis of the BITC 1992.

### ***Belgian resident legal entities***

Belgian legal entities subject to Belgian legal entities tax (“*impôts des personnes morales*” / “*rechtspersonenbelasting*”) and which do not qualify as Eligible Investors will generally be subject to the Belgian withholding tax at a rate of 30%. This tax constitutes the final levy for them and, in principle, fully discharges their income tax liability.

Belgian legal entities which qualify as Eligible Investors and which consequently have received gross interest income are required to declare and pay the 30 per cent. withholding tax to the Belgian tax authorities.

Capital gains realised on the sale of the Notes are in principle tax exempt, unless the capital gains qualify as interest. Capital losses are in principle not tax deductible.

### ***Organisations for Financing Pensions***

Interest and capital gains derived by Organisations for Financing Pensions in the meaning of the Law of 27 October 2006 on the activities and supervision of institutions for occupational retirement provision, are in principle exempt

from Belgian corporate income tax. Capital losses are in principle not tax deductible. Subject to certain conditions, any Belgian withholding tax that has been levied can be credited against any corporate income tax due and any excess amount is in principle refundable.

### ***Belgian non residents***

Noteholders who are not residents of Belgium for Belgian tax purposes, who do not hold the EFI Notes through a Belgian establishment and who do not invest in the Notes in the course of their Belgian professional activity, will not incur or become liable for any Belgian tax on income or capital gains or any similar taxes by reason only of the acquisition, ownership or disposal of the Notes provided that they qualify as Eligible investors and that they hold their EFI Notes in an X-Account.

### **Miscellaneous Taxes**

The sale and acquisition of the Notes on the secondary market is subject to the Belgian tax on stock exchange transactions ("*Taxe sur les opérations de bourse*" / "*Taks op de beursverrichtingen*") if (i) executed in Belgium through a professional intermediary, or (ii) deemed to be executed in Belgium, which is the case if the order is directly or indirectly made to a professional intermediary established outside of Belgium by legal entities for the account of a seat or establishment in Belgium.

The tax is generally due at a rate of 0.12 per cent. for debt securities (bonds) on each sale and acquisition separately, with a maximum of EUR 1,300 per taxable transaction. A separate tax is due by each party to the transaction, and both taxes are collected by the professional intermediary. However, if the intermediary is established outside of Belgium, the tax will in principle be due by the ordering legal entity, unless that entity can demonstrate that the tax has already been paid. In the latter case, the foreign professional intermediary also has to provide each client (which gives such intermediary an order) with a qualifying order statement (*borderel/ bordereau*), at the latest on the business day after the day on which the relevant transaction was realised. The qualifying order statements must be numbered in series and duplicates must be retained by the financial intermediary. A duplicate can be replaced by a qualifying day-to-day listing, numbered in a continuing numbering sequence. Alternatively, professional intermediaries established outside of Belgium can, subject to certain conditions and formalities, appoint a Belgian representative for tax purposes, which will be liable for the tax on stock exchange transactions in respect of the transactions executed through the professional intermediary.

A request for annulment has been introduced with the Constitutional Court in order to annul the application of the tax on stock exchange transactions to transactions carried out with professional intermediaries established outside of Belgium (as described above). The Constitutional Court has asked a preliminary question in that regard to the Court of Justice of the European Union. On 30 January 2020, the CJEU has delivered its preliminary ruling pursuant to which said application of the tax on stock exchange transactions would not amount to a violation of Article 56 of the Treaty on the Functioning of the European Union or Article 36 of the Agreement on the European Economic Area provided that the respective legislation provides certain facilities relating both to the declaration and payment of the tax which ensure that the restriction of the freedom to provide services is limited to what is necessary to achieve the legitimate objectives pursued by that legislation. On 4 June 2020, the Constitutional Court rejected the request to annul the application of the tax on stock exchange transactions to transactions carried out with professional intermediaries established in Belgium and confirmed the respective legislation is compatible with EU law and with the Belgian constitutional principle of equality.

A tax on repurchase transactions ("*Taxe sur les reports*" / "*Taks op reportverrichtingen*") at the rate of 0.085 per cent. will be due from each party to any such transaction entered into or settled in Belgium in which a stockbroker acts for either party (with a maximum amount of EUR 1,300 per transaction and per party).

However, neither of the taxes referred to above will be payable by exempt persons acting for their own account, including investors who are Belgian non-residents provided they deliver an affidavit to the financial intermediary in Belgium confirming their non-resident status and certain Belgian institutional investors, as defined in Article 126/1, 2° of the Code of various duties and taxes ("*Code des droits et taxes divers*", /"*Wetboek diverse rechten en taksen*") for the taxes on stock exchange transactions and Article 139, second paragraph, of the same code for the tax on repurchase transactions.

The European Commission has published a draft Directive for a financial transaction tax ("**FTT**"). The draft directive currently stipulates that once the FTT enters into force, the participating Member States shall not maintain or introduce taxes on financial transactions other than the FTT (or VAT as provided in the Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax). For Belgium, the tax on stock exchange transactions should thus be abolished once the FTT enters into force. The proposal is still subject to negotiation between the participating Member States and therefore may be changed at any time.

### **Common reporting standard**

Council Directive 2011/16/EU on administrative cooperation in the field of taxation, as amended by the Directive on Administrative Cooperation (2014/107/EU) of 9 December 2014 ("**DAC2**"), implemented the exchange of information based on the Common reporting Standard ("**CRS**") within the EU. On 3 September 2020, 109 jurisdictions had signed up to the Multilateral Competent Authority Agreement on automatic exchange of financial account information. The CRS has been transposed in Belgium by the law of 16 December 2015 (as amended).

Under CRS, financial institutions resident in a CRS country will be required to report, according to a due diligence standard, financial information with respect to reportable accounts, which includes interest, dividends, account balance or value, income from certain insurance products, sales proceeds from financial assets and other income generated with respect to assets held in the account or payments made with respect to the account. Reportable accounts include accounts held by individuals and entities (which includes trusts and foundations) with fiscal residence in another CRS country. The standard includes a requirement to look through passive entities that are non-participating jurisdiction financial institutions, to report on the relevant controlling persons.

## ITALIAN TAXATION

*The following is an overview of certain Italian tax consequences of the purchase, ownership and disposition of Eni Notes and EFI Notes (collectively, the “Notes”). It is an overview only and does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to purchase, own or dispose of the Notes. The following overview does not discuss the treatment of securities that are held in connection with a permanent establishment or fixed base through which a holder carries on business or a profession in Italy.*

*The overview is based upon the tax laws and practice of Italy as in force as at the date of the Base Prospectus, which are subject to change, potentially with retrospective effect. Prospective investors in the Notes should consult their own advisers as to the Italian or other tax consequences of the purchase, beneficial ownership and disposition of the Notes including, in particular, the effect of any state or local tax laws.*

### Interest

Interest, premium and other income (including the difference between the redemption amount and the issue price) (hereinafter collectively referred to as “**Interest**”) received outside the conduct of a business activity is deemed to be received for Italian tax purposes at each interest payment date (in the amount actually paid) and also when it is implicitly included in the selling price of the Notes.

Interest received by Italian resident companies, commercial partnerships or individual entrepreneurs within the context of a business enterprise is taxable on an accrual basis.

### Interest on the Eni Notes

Interest on the Eni Notes received by Italian resident companies, commercial partnerships or individual entrepreneurs within the context of a business enterprise is included in the taxable base for the purposes of corporate income tax (*imposta sul reddito delle società*, “**IRES**”), currently at 24 per cent. (increased by a 3.5 per cent. surtax applied to banks and other financial intermediaries), and individual income tax (*imposta sul reddito delle persone fisiche*, “**IRPEF**”, at progressive rates) and — under certain circumstances — of the regional tax on productive activities (*imposta regionale sulle attività produttive*, “**IRAP**”, at the generally applicable rate of 3.9 per cent.; banks or other financial institutions and insurance companies will be subject to IRAP at the special rate of 4.65 per cent. and 5.9 per cent. respectively. Regions may vary the IRAP rate of up to 0.92 per cent. Interest on the Eni Notes that are not deposited with an authorised intermediary, received by the above persons is subject to a 26 per cent. substitute tax levied as provisional tax.

Interest on the Eni Notes is subject to a 26 per cent. substitute tax if the recipient is included among the following categories of Italian residents: (a) individuals holding the Eni Notes not in connection with entrepreneurial activity (unless they have entrusted the management of the Notes to an authorised intermediary and have opted for the asset management regime (“*risparmio gestito*” regime) according to Article 7 of Italian Legislative Decree No. 461 of 21 November 1997, as amended (“**Decree No. 461**”)), (b) non-commercial partnerships, (c) a private or public institution not carrying out mainly or exclusively commercial activities or (d) investors that are exempt from IRES. Where the resident holders of the Eni Notes described above under (a) and (c) are engaged in an entrepreneurial activity to which the Notes are connected, the 26 per cent. substitute tax applies as a provisional income tax and may be recovered as deduction from Italian income tax due.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not acting in connection with an entrepreneurial activity may be exempt from any income taxation, including the *imposta sostitutiva*, on Interest if the Eni Notes are included in a long-term savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth in Article 1, paragraphs 100-114 of Law No. 232 of 11 December 2016 (“**Law No. 232**”), Article 1, paragraphs 211-215, of Law No.

145 of 30 December 2018 ("**Law No. 145**") and in Article 13-bis of Law Decree No. 124 of 26 October 2019 ("**Law Decree No. 124**"), as amended and applicable from time to time.

Italian resident individuals holding the Eni Notes not in connection with entrepreneurial activity who have opted for the asset management regime are subject to a 26 per cent. annual substitute tax on the increase in value of the managed assets (which increase would include Interest accrued on the Notes) accrued at the end of each tax year (the "**Asset Management Tax**"). Interest accrued on the Eni Notes held by Italian investment funds, foreign open-ended investment funds authorised to market their securities in Italy pursuant to the Law Decree No. 476 of 6 June 1956 converted into Law No. 786 of 25 July 1956 (the "**Funds**" and each a "**Fund**"), and *società di investimento a capitale variabile* ("**SICAV**") is not subject to such substitute tax but is included in the management result of the Fund or SICAV. The Fund or SICAV will not be subject to taxation on such results, but a withholding tax of 26 per cent. may apply on income of the Fund or SICAV derived by unitholders or shareholders through distribution and/or redemption or disposal of the units and shares.

Interest on the Eni Notes held by Italian real estate funds to which the provisions of Law Decree No. 351 of 25 September 2001, as subsequently amended, apply, or a SICAF is not subject to any substitute tax nor to any other income tax in the hands of the fund or SICAF. The income of the real estate fund or of the SICAF may be subject to tax, in the hands of the unitholder, depending on status and percentage of participation, or, when earned by the fund, through distribution and/or upon redemption or disposal of the units.

Interest on the Eni Notes held by Italian pension funds (subject to the regime provided for by Article 17 of the Italian Legislative Decree No. 252 of 5 December 2005) and deposited with an authorised intermediary, is not subject to substitute tax but is included in the aggregate income of the pension funds which is subject to a substitute tax at the rate of 20 per cent. on the increase in value of the managed assets accrued at the end of each tax year (which increase would include Interest accrued on the Eni Notes). Subject to certain limitations and requirements (including a minimum holding period), Interest in respect to the Eni Notes may be excluded from the taxable base of 20 per cent. substitute tax pursuant to Article 1, paragraph 92, of Law No. 232, if the Eni Notes are included in a long-term savings account (*piano individuale di risparmio a lungo termine*) pursuant to Article 1, paragraphs 100 – 114, of Law No. 232, Article 1, paragraphs 210 – 215, of the Law No. 145 and Article 13-bis of Law Decree No. 124, as amended and applicable from time to time.

According to Article 6, paragraph 1, of Legislative Decree No. 239 of 1 April 1996 ("**Decree 239**"), payments of Interest in respect of the Eni Notes are not subject to the 26 per cent. substitute tax if made to a beneficial owner who is a non-Italian resident beneficial owner of the Eni Notes with no permanent establishment in Italy to which the Notes are effectively connected, provided that:

- (a) such beneficial owners is resident for tax purposes in a country included a State or territory which allows for an adequate exchange of information with the Italian tax authorities included in the Ministerial Decree dated 4 September 1996, as amended and supplemented from time to time (the "**White List**"). According to Article 11, par. 4, let. c) of Decree 239, the White List will be updated every six months period. In absence of the issuance of the new White List, reference has to be made to the Italian Ministerial Decree dated 4 September, 1996 as amended from time to time;
- (b) the Eni Notes are deposited directly or indirectly (i) with a bank, fiduciary company, "*società di intermediazione mobiliare*" (so-called "**SIM**") and other qualified entities resident in Italy, (ii) with the Italian permanent establishment of a non-resident bank or brokerage company which is electronically connected with the Italian Ministry of Finance, or (iii) with a non-resident entity or company which has an account with a centralised clearance system (such as Euroclear or Clearstream, Luxembourg) which is in contact via computer with the Italian Ministry of Economy and Finance;
- (c) such beneficial owner file with the relevant depository a self-statement in due time stating, *inter alia*, that he or she is resident, for tax purposes, of a State or territory included in the White List. The self-statement,



which must comply with the requirements set forth by Ministerial Decree of 12 December 2001, is valid until withdrawn or revoked. The self-statement is not required for non-Italian resident investors that are international entities and organisations established in accordance with international agreements ratified in Italy and Central Banks or entities which manage, *inter alia*, the official reserves of a foreign state; and

- (d) the banks or brokers mentioned above receive all necessary information to identify the non-resident beneficial owner of the deposited Notes, and all the necessary information in order to determine the amount of Interest that such beneficial owner is entitled to receive.

Non-resident holders are subject to the 26 per cent. substitute tax on Interest if any of the above conditions (a), (b), (c) or (d) is not satisfied.

Decree 239 also provides for additional exemptions from the substitute tax for payments of Interest in respect of the notes made to (i) international entities and organisations established in accordance with international agreements ratified in Italy; (ii) certain foreign institutional investors established in countries which allow for an adequate exchange of information with Italy; and (iii) Central Banks or entities which manage, *inter alia*, the official reserves of a foreign State.

Non-resident holders of the Eni Notes who are subject to substitute tax might, nevertheless, be eligible for a total or partial relief under an applicable tax treaty between his or her country of residence and the Republic of Italy.

### **Interest on the EFI Notes**

Interest on the EFI Notes received by Italian resident companies, commercial partnerships or individual entrepreneurs holding the EFI Notes in connection with entrepreneurial activity is included in the taxable base for the purposes of IRES, IRPEF and at the rates and in the circumstances outlined in section “*Interest on the Eni Notes*” above.

Interest on the EFI Notes is subject to a 26 per cent. substitute tax if it is received by recipients who are included among the following categories of Italian residents: (a) individuals holding the EFI Notes not in connection with entrepreneurial activity (unless they have entrusted the management of the Notes to an authorised intermediary and have opted for the asset management regime according to Article 7 of Decree No. 461), (b) non-commercial partnerships, (c) private or public institutions not carrying out mainly or exclusively commercial activities, or (d) investors that are exempt from IRES. Where the resident holders of the EFI Notes described above under (a) and (c) are engaged in an entrepreneurial activity to which the Notes are connected, the 26 per cent. substitute tax applies as a provisional income tax and may be recovered as deduction from Italian income tax due.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not acting in connection with an entrepreneurial activity may be exempt from any income taxation, including the *imposta sostitutiva*, on Interest if the EFI Notes are included in a long-term savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth in Article 1, paragraphs 100-114 of Law No. 232, Article 1, paragraphs 210 – 215, of the Law No. 145 and Article 13-bis of Law Decree No. 124, as amended and applicable from time to time.

Interest accrued on the EFI Notes held by Funds and SICAVs is not subject to such substitute tax but is included in the management result of the Fund or SICAV. The Fund or SICAV will not be subject to taxation on such results, but a withholding tax of 26 per cent. may apply on income of the Fund or SICAV derived by unitholders or shareholders through distribution and/or redemption or disposal of the units and shares.

Interest on the EFI Notes held by Italian pension funds (subject to the regime provided for by Article 17 of the Italian Legislative Decree No. 252 of 5 December 2005) and deposited with an authorised intermediary is not

subject to substitute tax but is included in the aggregate income of the pension funds which is subject to a substitute tax at the rate of 20 per cent. on the increase in value of the managed assets accrued at the end of each tax year (which increase would include Interest accrued on the EFI Notes). Subject to certain limitations and requirements (including a minimum holding period), Interest in respect to the EFI Notes may be excluded from the taxable base of 20 per cent. substitute tax pursuant to Article 1, paragraph 92, of Law No. 232, if the EFI Notes are included in a long-term savings account (*piano individuale di risparmio a lungo termine*) pursuant to Article 1, paragraphs 100 – 114, of Law No. 232, Article 1, paragraphs 210 – 215, of the Law No. 145 and Article 13-bis of Law Decree No. 124, as amended and applicable from time to time.

Interest on the EFI Notes held by Italian real estate funds or SICAF is not subject to tax in the hands of the fund or SICAF. The income of the fund or SICAF may be subject to tax, in the hands of the unitholder, depending on status and percentage of participation, or, when earned by the fund, through distribution and/or upon redemption or disposal of the units.

Interest on the EFI Notes received by non-Italian resident beneficial owners is not subject to taxation in Italy.

If Notes issued by EFI and beneficially owned by non-Italian residents are deposited with an Italian bank or other resident intermediary (or permanent establishment in Italy of foreign intermediary) or are sold through an Italian intermediary (or permanent establishment in Italy of foreign intermediary) or in any case an Italian resident Intermediary (or permanent establishment in Italy of foreign Intermediary) intervenes in the payment of Interest on such EFI Notes, to ensure payment of Interest without application of Italian taxation a non-Italian resident Noteholder may be required to produce to the Italian bank or other intermediary a self-statement stating that he or she is not resident in Italy for tax purposes.

### **Capital gains**

A 26 per cent. substitute tax is applicable on capital gains realised on the disposal of Notes by Noteholders included among the following categories of Italian residents: (a) individuals holding the Notes not in connection with entrepreneurial activity (unless they have entrusted the management of the Notes to an authorised intermediary and have opted for the asset management regime (“*regime del risparmio gestito*”) according to Article 7 of Decree No. 461), (b) non-commercial partnerships, (c) private or public institutions not carrying out mainly or exclusively commercial activities or (d) investors that are exempt from IRES.

Subject to certain limitations and requirements (including a minimum holding period), capital gains in respect of Notes realised upon sale, transfer or redemption by Italian resident individuals holding the Notes not in connection with an entrepreneurial activity may be exempt from taxation, including the 26 per cent. *imposta sostitutiva*, if the Notes are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth in Article 1, paragraphs 100 – 114, of Law No. 232, Article 1, paragraphs 210 – 215, of the Law No. 145 and Article 13-bis of Law Decree No. 124, as amended and applicable from time to time.

Italian resident companies, commercial partnerships or individual entrepreneurs holding the Notes in connection with entrepreneurial activity are subject to two different tax regimes on capital gains arising on the disposal of Notes. If the Notes are accounted for as a fixed asset in the balance sheet of the investors, the gains will form part of the aggregate income subject to IRES. The gains are calculated as the difference between the acquisition cost and the sale price. The gains may be taxed in equal instalments over five fiscal years if the Notes have been accounted for as fixed assets in the balance sheets relating to the three tax years preceding the tax year during which the disposal is effected. If the Notes are accounted for as stock-intrade, corporate investors will be subject to IRES on an amount calculated with reference to the sale price and the variation of the stock. In this case, banks or other financial institutions and insurance companies will be subject to IRAP

at the special rate of 4.65 per cent. and 5.9 per cent., respectively. Regions may vary the IRAP rate of up to 0.92 per cent.

Capital gains realised on the Notes held by Funds and SICAV are not subject to such substitute tax but are included in the management result of the Fund or SICAV. The Fund or SICAV will not be subject to taxation on such results, but a withholding tax of 26 per cent. may apply on income of the Fund or SICAV derived by unitholders or shareholders through distribution and/or redemption or disposal of the units and shares.

Capital gains on the Notes held by Italian real estate funds to which the provisions of Law Decree No. 1 of 25 September 2001, as subsequently amended, apply, or SICAF is not subject to any substitute tax nor to any other income tax in the hands of the fund or SICAF. The income of the fund or SICAF may be subject to tax, in the hands of the unitholder, depending on status and percentage of participation, or, when earned by the fund, through distribution and/or upon redemption or disposal of the units.

Capital gains on the Notes held by Italian resident pension funds (subject to the regime provided for by article 17 of the Italian Legislative Decree No. 252 of 5 December 2005), are not subject to a 26 per cent. substitute tax, but will be included in the aggregate income of the pension funds which is subject to a substitute tax at the rate of 20 per cent. on the increase in value of the managed assets accrued at the end of each tax year (which increase would include Interest accrued on the Notes). Subject to certain limitations and requirements (including a minimum holding period), capital gains realised in respect to the Notes may be excluded from the taxable base of the 20 per cent. substitute tax pursuant to Article 1, paragraph 92, of Law No. 232, if the Notes are included in a long-term savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth in Article 1, paragraphs 100 – 114, of Law No. 232, Article 1, paragraphs 210 – 215, of Law No. 145 and Article 13-bis of Law Decree No. 124, as amended and applicable from time to time.

Capital gains realised by non-Italian residents without a permanent establishment in Italy to which the Notes are effectively connected through the sale for consideration or redemption of Notes are exempt from taxation in Italy to the extent that the Notes are traded on a regulated market in Italy or abroad and in certain cases subject to prompt filing of required documentation (in particular, a self-declaration of non-residence in Italy for tax purposes) with Italian qualified intermediaries (or permanent establishments in Italy of foreign intermediaries) with whom the Notes are deposited, even if the Notes are held in Italy and regardless of the provisions set forth by any applicable double tax treaty.

Where the Notes are not listed on a regulated market in Italy or abroad:

- (a) pursuant to the provisions of Decree No. 461 non-Italian resident beneficial owners of the Notes with no permanent establishment in Italy to which the Notes are effectively connected are exempt from the substitute tax in the Republic of Italy on any capital gains realised upon sale for consideration or redemption of the Notes if they are resident, for tax purposes, in a State or territory included in the White List. Under these circumstances, if non-Italian residents without a permanent establishment in Italy to which the Notes are effectively connected elect for the asset management regime or are subject to the administered savings regime (“*regime del risparmio amministrato*”) regime, exemption from Italian capital gains tax will apply upon condition that they file in time with the authorised financial intermediary an appropriate self-declaration stating that they meet the requirement indicated above. The same exemption applies where the beneficial owners of the Notes are (i) international entities or organisations established in accordance with international agreements ratified by Italy; (ii) certain foreign institutional investors established in countries which allow for an adequate exchange of information with Italy; or (iii) Central Banks or entities which manage, *inter alia*, the official reserves of a foreign State; and
- (b) in any event, non-Italian resident individuals or entities without a permanent establishment in Italy to which the Notes are effectively connected that may benefit from a double taxation treaty with Italy, providing that capital gains realised upon sale or redemption of Notes are to be taxed only in the country

of tax residence of the recipient, will not be subject to substitute tax in Italy on any capital gains realised upon sale for consideration or redemption of Notes.

Under these circumstances, if non Italian residents without a permanent establishment in Italy to which the Notes are effectively connected elect for the asset management regime or are subject to the administered savings regime, exemption from Italian capital gains tax will apply upon condition that they promptly file with the Italian authorised financial intermediary a self-statement attesting that all the requirements for the application of the relevant double taxation treaty are met.

### **Payments under the Guarantee**

There is no direct authority on the point regarding the Italian tax regime of payments made by Eni under the guarantee. Accordingly, there can be no assurance that the Italian revenue authorities will not assert an alternative treatment of such payments than that set forth herein or that the Italian court would not sustain such an alternative treatment.

With respect to payments made to certain Italian resident Noteholders by Eni as a Guarantor in respect of the Notes, in accordance with one interpretation of Italian tax law, any such payments may be subject to Italian withholding tax at the rate of 26 per cent., levied as provisional tax, pursuant to Presidential Decree No. 600 of 29 September 1973, as amended. Double taxation conventions entered into by Italy may apply allowing for a lower (or in certain cases nil) rate of withholding tax in case of payments to non-Italian residents.

In accordance with another interpretation, any such payment made by Eni as a Guarantor should be treated, in certain circumstances, as a payment by the issuer and made subject to the tax treatment described under section “*Interest on the EFI Notes*” above.

Eni will not be liable to pay any additional amounts to Noteholders under the Guarantee in relation to any such withholding tax if such tax were to apply to any amounts payable in respect of EFI Notes. Eni will not be liable to pay any amount in relation to stamp duty payable on transfers of any Notes within the Republic of Italy.

### **Transfer Tax**

Under certain circumstances, the transfer deed may be subject to registration tax at the euro 200.00 flat rate.

### **Inheritance and Gift Tax**

The transfer of any valuable assets (including the Notes) as a result of death or donation (or other transfers for no consideration) and the creation of liens on such assets for a specific purpose are taxed as follows:

- (a) 4 per cent. if the transfer is made to spouses and direct descendants or ancestors; in this case, the transfer is subject to tax on the value exceeding euro 1,000,000 (per beneficiary);
- (b) 6 per cent. if the transfer is made to brothers and sisters; in this case, the transfer is subject to the tax on the value exceeding euro 100,000 (per beneficiary);
- (c) 6 per cent. if the transfer is made to relatives up to the fourth degree, to persons related by direct affinity as well as to persons related by collateral affinity up to the third degree;
- (d) 8 per cent. in all other cases.

If the transfer is made in favour of persons with severe disabilities, the tax applies on the value exceeding euro 1,500,000.

Moreover, an anti-avoidance rule is provided by Law No. 383 of 18 October 2001 for any gift of assets (such as the Notes) which, if sold for consideration, would give rise to capital gains subject to the substitute tax (*imposta sostitutiva*) provided for by Decree No. 461 of 21 November 1997. In particular, if the donee sells

the Notes for consideration within five years from the receipt thereof as a gift, the donee is required to pay the relevant *imposta sostitutiva* on capital gains as if the gift has never taken place.

The mortis causa transfer of financial instruments (such as the Notes) included in a long-term savings account (*piano individuale di risparmio a lungo termine*), that meets the requirements set forth in Article 1, paragraphs 100 - 114 of Law No. 232, Article 1, paragraphs 211 – 215 of Law No. 145 and Article 13-bis of Law Decree No. 124, as amended and applicable from time to time, are exempt from inheritance taxes.

### **Stamp duty**

According to Article 19(1) of Decree No. 201 of 6 December 2011 (“**Decree No. 201/2011**”), a proportional stamp duty applies on an annual basis to any periodic reporting communications which may be sent by a financial intermediary to their clients in respect of any Notes which may be deposited with such financial intermediary in Italy. The stamp duty applies at a rate of 0.2 per cent. and it cannot exceed euro 14,000 for taxpayers which are not individuals. This stamp duty is determined on the basis of the market value or — if no market value figure is available — the nominal value or redemption amount of the Notes.

The statement is considered to be sent at least once a year, even for instruments for which is not mandatory nor the deposit nor the release or the drafting of the statement. In case of reporting periods of less than 12 months, the stamp duty is payable on a pro-rata basis.

Based on the wording of the law and the implementing decree issued by the Italian Ministry of Economy on 24 May 2012, the stamp duty applies to any investor who is a client (as defined in the regulations issued by the Bank of Italy on 9 February 2011) of an entity that exercises in any form a banking, financial or insurance activity within the Italian territory.

### **Wealth tax on financial assets deposited abroad**

According to Article 19 of Decree No. 201/2011, Italian resident individuals and, starting from fiscal year 2020, non-commercial entities, non-commercial partnerships and similar institutions, holding financial assets — including the Notes — outside of the Italian territory are required to pay a wealth tax at the rate of 0.2 per cent. Starting from fiscal year 2020, the wealth tax cannot exceed euro 14,000 for taxpayers which are not individuals. This tax is calculated on the market value at the end of the relevant year or — if no market value figure is available — on the nominal value or redemption value, or in the case the nominal or redemption values cannot be determined, on the purchase value of any financial asset (including the Notes) held outside of the Italian territory.

### **Tax monitoring obligations**

Pursuant to Law Decree No. 167 of 28 June 1990, converted by Law No. 227 of 4 August 1990, as amended by Law No. 97 of 6 August 2013 and subsequently amended by Law No. 50 of 28 March 2014, individuals, non-profit entities and certain partnerships (*società semplici* or similar partnerships in accordance with Article 5 of Presidential Decree No. 917 of 22 December 1986) resident in Italy who hold investments abroad or have financial activities abroad must, in certain circumstances, disclose the aforesaid to the Italian tax authorities in their income tax return (or, in case the income tax return is not due, in a proper form that must be filed within the same time as prescribed for the income tax return). The requirement applies also where the persons above, being not the direct holder of the financial instruments, are the actual owner of the instrument.

Furthermore, the above reporting requirement is not required to comply with respect to Notes deposited for management with qualified Italian financial intermediaries, with respect to contracts entered into through their intervention, upon condition that the items of income derived from the Notes have been subject to tax by the

same intermediaries and with respect to foreign investments which are only composed by deposits and/or bank accounts when their aggregate value never exceeds a euro 15,000 threshold throughout the year.

## LUXEMBOURG TAXATION

*The statements herein regarding withholding tax considerations in Luxembourg are based on the laws in force in the Grand Duchy of Luxembourg as of the date of this Base Prospectus and are subject to any changes in law. The following overview does not purport to be a comprehensive description of all the Luxembourg tax considerations which may be relevant to a decision to purchase, own or dispose of the Notes. Each prospective holder or beneficial owner of the Notes should consult its tax adviser as to the Luxembourg tax consequences of the ownership and disposition of the Notes.*

### **General**

Under Luxembourg tax law currently in effect and subject to the exceptions below, there is no Luxembourg withholding tax on payments of interest (including accrued but unpaid interest) or repayments of principal of the Notes.

In accordance with the law of 23 December 2005, as amended, interest payments made by Luxembourg paying agents to individual beneficial owners resident in Luxembourg are currently subject to a 20 per cent. withholding tax.

Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for withholding such tax will be assumed by the Luxembourg paying agent. Payments of interest under the Notes coming within the scope of the Luxembourg law of 23 December 2005, as amended, would currently be subject to a withholding tax of 20%.

Further, Luxembourg resident individuals acting in the course of the management of their private wealth, who are the beneficial owners of interest or similar income made or ascribed by a paying agent established outside Luxembourg in a Member State of the European Union or the European Economic Area (including the UK) may also opt for a final 20% levy, providing full discharge of Luxembourg income tax. In such case, the final levy is calculated on the same amounts as the withholding tax for payments made by Luxembourg resident paying agents. The option for the final levy must cover all interest payments made by the paying agents to the Luxembourg resident beneficial owner during the entire civil year. Responsibility for the declaration and the payment of the final levy is assumed by the individual resident beneficial owner of the interest or similar income.

## TAXATION — FATCA WITHHOLDING

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a “foreign financial institution” may be required to withhold on certain payments it makes (“foreign passthru payments”) to persons that fail to meet certain certification, reporting, or related requirements. A number of jurisdictions (including Italy and Belgium) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (“IGAs”), which modify the way in which FATCA applies in their jurisdictions. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to foreign passthru payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to foreign passthru payments on instruments such as the Notes, proposed regulations have been issued that provide that such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register. In the preamble to the proposed regulations, the U.S. Treasury Department indicated that taxpayers may rely on these proposed regulations until the issuance of final regulations. Additionally, Notes that are characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining “foreign passthru payments” are filed with the U.S. Federal Register generally would be “grandfathered” for purposes of FATCA withholding unless materially modified after such date. However, if additional notes (as described under “Terms and Conditions of the Notes – Further Issues”) that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.



## PLAN OF DISTRIBUTION

### Overview of Distribution Agreement

Subject to the terms and conditions (including certain conditions precedent) contained in a Distribution Agreement dated 2 October 2020 (as amended or supplemented) (the “**Distribution Agreement**”) between the Issuers, the Guarantor, the Permanent Dealers and the Arranger, the Notes will be offered on a continual basis by the Issuers to the Permanent Dealers. However, each Issuer has reserved the right to sell Notes directly on its own behalf to Dealers that are not Permanent Dealers. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the Issuers through the Dealers, acting as agents of the relevant Issuer. The Distribution Agreement also provides for Notes to be issued in syndicated Tranches that are jointly and severally underwritten by two or more Dealers.

The relevant Issuer will pay each relevant Dealer a commission as agreed between them in respect of Notes subscribed by it. Each Issuer and the Guarantor have agreed to reimburse the Arranger for certain of its expenses incurred in connection with the establishment and update of the Programme and the Dealers for certain of their activities in connection with the Programme. The commissions in respect of an issue of Notes on a syndicated basis will be stated in the relevant Final Terms.

Each Issuer and the Guarantor (as regards EFI and itself in its capacity as Issuer and Guarantor) have agreed jointly and severally to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Distribution Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

### Selling Restrictions

#### United States

Without prejudice to the section entitled “General” below, the Notes have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Bearer Notes having a maturity of more than one year are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a U.S. person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the Code and regulations thereunder.

Each Dealer has represented and agreed that, except as permitted by the Distribution Agreement, it will not offer, sell or deliver the Notes of any identifiable Tranche (i) as part of their distribution at any time or (ii) otherwise until 40 days after completion of the distribution of such Tranche as determined, and certified to the relevant Issuer, by the Fiscal Agent or, in the case of Notes issued on a syndicated basis, the Lead Manager, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each Dealer to which it sells Notes during the distribution compliance period as defined by Regulation S under the Securities Act a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

The Notes are being offered and sold outside the United States to non-U.S. persons in reliance upon Regulation S.

In addition, until 40 days after the commencement of the offering for any Tranche, an offer or sale of Notes within the United States by any Dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

This Base Prospectus has been prepared by the Issuers for use in connection with the offer and sale of the Notes outside the United States. The relevant Issuer and the Dealers reserve the right to reject any offer to purchase the Notes, in whole or in part, for any reason. This Base Prospectus does not constitute an offer to any person in the United States. Distribution of this Base Prospectus by any non-U.S. person outside the United States to any U.S. person or to any other person within the United States, is unauthorised and any disclosure without the prior written consent of the Issuer of any of its contents to any such U.S. person or other person within the United States, is prohibited.

### **Prohibition of Sales to EEA and UK Retail Investors**

Each Dealer has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area or in the United Kingdom.

For the purposes of this provision:

- a) the expression "**retail investor**" means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**");
  - (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
  - (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "**Prospectus Regulation**");
- b) the expression an "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

### **Prohibition of sales to Consumers**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold and it will not offer or sell the Notes to, consumers (*consumenten/consommateurs*) within the meaning of the Belgian Code of Economic Law (*Wetboek van economisch recht/Code de droit économique*).

### **United Kingdom**

Without prejudice to the section entitled "General" below, in relation to each Tranche of Notes, each Dealer subscribing for or purchasing such Notes has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that:

- (i) it has complied and will comply with all applicable provisions of the Financial Services and Markets Act 2000 (the "**FSMA**") with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom; and
- (ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of

section 21 of the FSMA) received by it in connection with the issue or sale of such Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer or the Guarantor.

### **Republic of Italy**

The offering of the Notes has not been registered with the *Commissione Nazionale per le Società e la Borsa* (“**CONSOB**”) pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of this Base Prospectus or of any other document relating to any Notes to be distributed in the Republic of Italy, except, in accordance with any Italian securities, tax and other applicable laws and regulations.

Without prejudice to the section entitled “General” below, each Dealer has represented, warranted and agreed that it has not offered, sold or delivered, and will not offer, sell or deliver any Notes nor distribute any copies of this Base Prospectus or any other document relating to the Notes in the Republic of Italy, except in circumstances falling within Article 1(4) of the Prospectus Regulation.

In any event, any such offer, sale or delivery of the Notes or distribution of copies of this Base Prospectus or any other document relating to the Notes in the Republic of Italy under the preceding paragraph must be:

- (i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Consolidated Law on Finance, Legislative Decree No. 385 of 1 September 1993 (the “**Banking Act**”) and CONSOB Regulation No. 20307 of 15 February 2018, all as amended from time to time;
- (ii) in compliance with Article 129 of the Banking Act, as amended from time to time, and the implementing guidelines of the Bank of Italy, as amended from time to time; and
- (iii) in compliance with any other applicable laws and regulations, including any limitation or requirement which may be imposed from time to time by CONSOB or the Bank of Italy or any other competent authority.

### **Belgium**

This Base Prospectus and any offering materials relating to the Notes have not been and will not be notified to, and have not been and will not be approved or reviewed by, the Belgian Financial Services and Markets Authority (*Autorité des Services et Marchés Financiers/Autoriteit voor Financiële Diensten en Markten*) (the “Belgian FSMA”). The Belgian FSMA has not and will not comment on the accuracy or adequacy of any such materials and has not and will not recommend the purchase of the Notes.

Without prejudice to the section entitled “General” below, the Notes may not be distributed, directly or indirectly, to any individual or legal entity, in Belgium by way of an offer of securities to the public, as defined in Article 4, 2° of the Belgian Law of 11 July 2018 on the offering of investment instruments to the public and the admission of investment instruments to the trading on a regulated market (*Loi du 11 juillet 2018 relative aux offres au public d’instruments de placement et admissions d’instruments de placement à la négociation sur des marchés réglementés/Wet van 11 juli 2018 op de aanbieding van beleggingsinstrumenten aan het publiek en de toelating van beleggingsinstrumenten tot de verhandeling op een gereguleerde markt*), as amended, or superseded from time to time (the “Belgian Prospectus Law”), save in those circumstances set out in Article 7 of the Belgian Prospectus Law and each of the Dealers has represented and agreed that it has not advertised, offered, sold or resold, transferred or delivered and will not advertise, offer, sell, resell, transfer or deliver the Notes, directly or indirectly, to any individual or legal entity in Belgium other than to qualified investors as defined in the Prospectus Regulation acting for their own account.

## **The Netherlands**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not make an offer of Notes other than Notes that are to be admitted to trading on a regulated market within the EEA or in the UK, to the public in the Netherlands in reliance on Article 1.4 of the Prospectus Regulation unless (i) such offer is made exclusively to persons or entities which are qualified investors as defined in the Dutch Financial Supervision Act or (ii) standard exemption wording and a logo is disclosed as required by Section 5:20(5) of the Dutch Financial Supervision Act, and provided in each case that no such offer of Notes shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 1 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

## **Japan**

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the “**Financial Instruments and Exchange Act**”). Without prejudice to the section entitled “General” below, each of the Dealers has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

## **General**

EFI Notes may only be held by or offered and sold to Qualifying Investors.

These selling restrictions may be modified by the agreement of the relevant Issuer, the Guarantor and the Dealers following a change in a relevant law, regulation or directive. Any such modification will be set out in the Final Terms issued in respect of the issue of Notes to which it relates or in a supplement to this Base Prospectus.

No action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of the Base Prospectus or any other offering material or any Final Terms, in any country or jurisdiction where action for that purpose is required.

Each Dealer has represented, warranted and agreed that it shall, to the best of its knowledge having made all reasonable enquiries, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes the Base Prospectus, any other offering material or any Final Terms and none of the Issuers, the Guarantor or any other Dealer shall have responsibility therefor.

## FORM OF FINAL TERMS

**PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the “EEA”) or the United Kingdom (the “UK”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “MiFID II”); (ii) a customer within the meaning of Directive (EU) 2016/97 (the “Insurance Distribution Directive”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the “Prospectus Regulation”). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the “PRIIPs Regulation”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA or the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or the UK may be unlawful under the PRIIPs Regulation.

**MiFID II product governance / Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, “MiFID II”)] [MiFID II]; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “distributor”) should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.

## FINAL TERMS DATED [●]

[Eni S.p.A./Eni Finance International SA]

LEI: [*in respect of Notes issued by Eni:*] [BUCRF72VH5RBN7X3VL35] [*in respect of Notes issued by EFI:*] [5493001XW6MSHRMFLU28]

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]

[Guaranteed by Eni S.p.A.]

**under the euro 20,000,000,000**

**Euro Medium Term Note Programme for the issuance of Notes**

**with a maturity of more than 12 months from the date of original issue**

## PART A — CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 2 October 2020 [and the Supplement(s) to the Base Prospectus dated [●]] which [together] constitute[s] a base prospectus for the purposes of Regulation (EU) 1129/2017 (the “Prospectus Regulation”).

This document constitutes the Final Terms of the Notes described herein for the purposes of Article 8 of the Prospectus Regulation and must be read in conjunction with such Base Prospectus [as so supplemented]. Full information on the Issuer [and the Guarantor] and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. [The Base Prospectus [and the Supplement(s) to the Base Prospectus] [is] [are] available for viewing at the offices of the Paying and Transfer Agent in Luxembourg.] The Base Prospectus and, in the case of Notes listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange in compliance with the requirements of the Luxembourg Stock Exchange, these Final Terms will also be published on the website of the Luxembourg Stock Exchange (*www.bourse.lu*).

*The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date.*

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “**Conditions**”) set forth in the Base Prospectus dated 3 October 2019. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 8 of Regulation (EU) 1129/2017 (the “**Prospectus Regulation**”) and must be read in conjunction with the Base Prospectus dated 2 October 2020 [and the Supplement(s) to the Base Prospectus dated [●]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation, save in respect of the Conditions which are extracted from the Base Prospectus dated 3 October 2019 and incorporated by reference in the Base Prospectus dated 2 October 2020. Full information on the Issuer [and the Guarantor] and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectuses dated 3 October 2019 and 2 October 2020 [and the Supplement(s) to the latter Base Prospectus dated [●] and [●]]. The Base Prospectuses [and the Supplement(s) to the Base Prospectuses] are available for viewing at the offices of the Paying and Transfer Agent in Luxembourg.] The Base Prospectus and, in the case of Notes listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange in compliance with the requirements of the Luxembourg Stock Exchange, these Final Terms will also be published on the website of the Luxembourg Stock Exchange (*www.bourse.lu*).

*(Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Final Terms.)*

*(When completing final terms consideration should be given as to whether such terms or information constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 23 of the Prospectus Regulation.)*

- |   |         |  |   |
|---|---------|--|---|
| 1 | [(i)]   | Series Number:   | [●]   |
|   | [(ii)]  | Tranche Number:  | [●]   |
|   | [(iii)] | Date on which the Notes will be consolidated and form a single Series: | [The Notes will be consolidated and form a single Series with [identify earlier Tranches] on [the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph [●] below, which is expected to occur on or about[ [date]]]/[Not Applicable] |
| 2 |         | Specified Currency or Currencies:                                      | [●]   |
| 3 |         | Aggregate Nominal Amount of Notes admitted to trading:                 | [●]   |
|   | [(i)]   | Series:  | [●]   |

	[(ii) Tranche:	[●]]
4	Issue Price:	[●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (if applicable)]
5	(i) Specified Denominations:	[●] [and integral multiples of [●] in excess thereof up to and including [●].] No Notes in definitive form will be issued with a denomination above [●] <i>(Not to be less than euro 100,000 or its equivalent in other currencies)</i>
	(ii) Calculation Amount:	[●]
6	[(i) Issue Date:	[●]
	[(ii) Interest Commencement Date:	[Specify/Issue Date/Not Applicable]
7	Maturity Date:	<i>(Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year)</i> <i>(Not to be less than 12 months from the Issue Date)</i>
8	Interest Basis:	[[●] per cent. Fixed Rate] [[Specify reference rate] +/- [●] per cent. Floating Rate] [Zero Coupon] [[●] per cent. Fixed Rate from [●] to [●], then [●] per cent. Fixed Rate from [●] to [●]]
9	Redemption/Payment Basis:	Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at 100 per cent. of their nominal amount
10	Change of Interest Basis:	[Applicable/Not Applicable] <i>(If applicable, specify the date when any fixed to floating rate or vice versa change occurs or cross refer to items 14 and 15 (as appropriate) below and identify there.)</i> <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i> <i>(N.B. To be completed in addition to items 14 and 15 (as appropriate) if any fixed to floating or fixed reset rate change occurs)</i>
	[(i) Reset Date(s):	[●]
	[(ii) Switch Options:	[Applicable – [specify change(s) in Interest Basis and the relevant Interest Periods to which the change(s) in Interest Basis applies]/[Not Applicable] <i>(N.B. The Issuer must give notice of the exercise of the Switch Option to Noteholders in accordance with Condition 13 (Notices) on or prior to the relevant Switch Option Expiry Date)<sup>(2)</sup></i>
	[(iii) Switch Option Expiry Date(s):	[●]

- [(iv)] Switch Option Effective Date(s): [●]
- 11 Put/Call Options: [Investor Put]  
[Issuer Call]
- 12 [Date [Board] approval for issuance of Notes [and Guarantee] obtained] [●] [and [●] respectively] *(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes or related Guarantee)*
- 13 Method of distribution: [Syndicated/Non-syndicated]

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

- 14 Fixed Rate Note Provisions [Applicable/Not Applicable]/(if a Change of Interest Basis applies): [Applicable for the period starting from [and including] [●] ending on [but excluding] [●]]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Rate[(s)] of Interest: [●] per cent. per annum payable in arrear on each Interest Payment Date
- (ii) Interest Payment Date(s): [●] in each year [adjusted in accordance with the Floating Rate Business Day Convention/ the Following Business Day Convention/ the Modified Following Business Day Convention/ the Preceding Business Day Convention] *(specify any applicable Business Centre(s) for the definition of "Business Day")*/not adjusted]
- (iii) Fixed Coupon Amount[(s)]: [●] per Calculation Amount
- (iv) Broken Amount(s): [●] per Calculation Amount payable on the Interest Payment Date falling [in/on] [●]
- (v) Day Count Fraction: [30/360/Actual/Actual(ICMA/ISDA)/other]<sup>(1)</sup>
- (vi) Determination Dates: [●] in each year *(insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual ICMA)*
- 15 Floating Rate Note Provisions [Applicable/Not Applicable]/(if a Change of Interest Basis applies): [Applicable for the period starting from [and including] [●] ending on [but excluding] [●]]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Interest Period(s): [●]
- (ii) Specified Interest Payment Dates: [●]
- (iii) First Interest Payment Date: [●]
- (iv) Interest Period Date: [Not Applicable]/ [[●] in each year[, subject to adjustment in accordance with the Business Day Convention set out in (v)



- below/, not subject to any adjustment[, as the Business Day Convention in (v) below is specified to be Not Applicable]]
- (v) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention][Not Applicable]
- (vi) Business Centre(s): [●]
- (vii) Manner in which the Rate(s) of interest is/are to be determined: [Screen Rate Determination/ISDA Determination]
- (viii) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Calculation Agent): [●]
- (ix) Screen Rate Determination:
- Reference Rate: [[●] month [LIBOR/EURIBOR]]
  - Interest Determination Date(s): [●]
  - Relevant Screen Page: [●]
- (x) ISDA Determination:
- Floating Rate Option: [●]
  - Designated Maturity: [●]
  - Reset Date: [●]
  - ISDA Definitions: 2006
- (xi) Margin(s): [+/-][●] per cent. per annum
- (xii) Minimum Rate of Interest: [●] per cent. per annum
- (xiii) Maximum Rate of Interest: [●] per cent. per annum
- (xiv) Day Count Fraction: [Actual / Actual / Actual / Actual — ISDA / Actual/365 (Fixed) / Actual/360 / 30/360 / 360/360 / Bond Basis / 30E/360 / Eurobond Basis / 30E/360 (ISDA) / Actual/Actual-ICMA]
- (xv) [Linear Interpolation: [Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Accrual Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)]]
- 16 Zero Coupon Note Provisions: [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Amortisation Yield: [●] per cent. per annum

- (ii) [Day Count Fraction in relation to Early Redemption Amounts: [Actual/Actual / Actual/Actual — ISDA / Actual/365 (Fixed) / Actual/360 / 30/360 / 360 / 360 / Bond Basis / 30E/360 / Eurobond Basis / 30E/360 (ISDA) / Actual/Actual-ICMA]
- (iii) Basis of determining amount payable: [Applicable/Not Applicable]

**PROVISIONS RELATING TO REDEMPTION**

- 17 Call Option [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
  - (i) Optional Redemption Date(s): [●]
  - (ii) Optional Redemption Amount(s) per Calculation Amount of each Note: [●]
  - (iii) If redeemable in part:
    - (a) Minimum Redemption Amount: [●] per Calculation Amount
    - (b) Maximum Redemption Amount: [●] per Calculation Amount
  - (iv) Notice period:<sup>3</sup> [●]
- 18 Put Option [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
  - (i) Optional Redemption Date(s): [●]
  - (ii) Optional Redemption Amount(s) of each Note: [●] per Calculation Amount
  - (iii) Notice period:<sup>3</sup> [●]
- 19 Final Redemption Amount: [●] per Calculation Amount
  - (i) Calculation Agent responsible for calculating the Final Redemption Amount: [●]
  - (ii) Minimum Final Redemption Amount: [●] per Calculation Amount
  - (iii) Maximum Final Redemption Amount: [●] per Calculation Amount
- 20 Early Redemption Amount [●]  
Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption:

**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

21 Form of Notes

[Bearer Notes]

[Temporary Global Note exchangeable [upon certification as to non-U.S. beneficial ownership] for a Permanent Global Note which is exchangeable for Definitive Notes on [●] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note]\*

[Temporary Global Note exchangeable [upon certification as to non-U.S. beneficial ownership] for Definitive Notes on [●] days' notice]\*

[Permanent Global Note exchangeable [upon certification as to non-U.S. beneficial ownership] for Definitive Notes on [●] days, notice/at any time/in the limited circumstances specified in the Permanent Global Note]\*

[Registered Note ([●] nominal amount) registered in the name of a nominee for [a common depositary for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg]]

*\*In relation to any issue of Notes exchangeable for Definitive Notes in accordance with this option, such Notes may only be issued in denominations equal to, or greater than, euro 100,000 (or equivalent) and integral multiples thereafter.*

[Global Certificate registered in the name of a nominee for [a common depositary for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg (that is, held under the NSS)]

[In the case of Bearer Notes whether Bearer Notes in definitive form may be exchanged for Registered Notes in accordance with Condition 2(a) (*Exchanges of Exchangeable Bearer Notes and Transfers of Registered Notes – Exchange of Exchangeable Bearer Notes*):]

[Yes][No]

22 New Global Note:

[Yes][No]<sup>2</sup>

23 Financial Centre(s) or other special provisions relating to payment dates:

[Not Applicable. (*Note that this paragraph relates to the date and place of payment, and not interest period end dates, to which subparagraph 15 (vi) relates*)]

24 Talons for future Coupons to be attached to Definitive Notes:

[Yes/No.]<sup>3</sup>

Signed on behalf of the Issuer:

By:

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Duly authorised

[Signed on behalf of the Guarantor:

By:

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Duly authorised]

## PART B — OTHER INFORMATION

- 1 Listing and admission to trading
- (i) Listing: [The Official List of the Luxembourg Stock Exchange/None]
- (ii) Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [●]/[the regulated market of the Luxembourg Stock Exchange] with effect from [●].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [●].] [Not Applicable.]
- [The Notes will be consolidated and form a single Series with the existing issue of [●] [●] [●] per cent. Notes due [●], [●] on [●], [●].]
- (iii) Estimate of total expenses related to admission to trading [●]
- 2 Ratings
- Ratings: The Notes to be issued have been rated:
- [Standard & Poor's: [●]]
- [Moody's: [●]]
- [Fitch: [●]]
- [[Other]: [●]]
- (The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)*
- [and endorsed by [insert details]]<sup>1</sup>
- (Include brief explanation of rating if this has previously been published by the rating provider)*
- [[Insert credit rating agency] is established in the [European Union]/[United Kingdom] and is registered under Regulation (EU) No 1060/2009 (the “**CRA Regulation**”).]
- [[Insert credit rating agency] is not established in the [European Union]/[United Kingdom] and has not applied for registration under Regulation (EU) No 1060/2009 (the “**CRA Regulation**”).]
- [[Insert credit rating agency] is established in the [European Union]/[United Kingdom] and has applied for registration under Regulation (EU) No 1060/2009 (the “**CRA Regulation**”), although notification of the corresponding registration decision has not yet been provided by the relevant competent authority.]

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<sup>1</sup> Insert this wording where one or more of the ratings included in the Final Terms has been endorsed by an EU registered credit rating agency for the purposes of Article 4(3) of the CRA Regulation.

[[Insert credit rating agency] is not established in the [European Union]/[United Kingdom] and has not applied for registration under Regulation (EU) No 1060/2009 (the “**CRA Regulation**”) but the rating issued by it is endorsed by [insert endorsing credit rating agency] which is established in the European Union and [is registered under the CRA Regulation] [has applied for registration under the CRA Regulation, although notification of the corresponding registration decision has not yet been provided by the relevant competent authority].]

[[Insert credit rating agency] is not established in the [European Union]/[United Kingdom] and has not applied for registration under Regulation (EU) No 1060/2009 (the “**CRA Regulation**”) but is certified in accordance with the CRA Regulation.]

[[Insert Credit Rating Agency] is not established in the [European Union]/[United Kingdom] and is not certified under Regulation (EU) No. 1060/2009 (the “**CRA Regulation**”) and the rating given by it is not endorsed by a Credit Rating Agency established in the [European Union]/[United Kingdom] and registered under the CRA Regulation.]

[Insert legal name of particular credit rating agency entity providing rating] is established in the [United Kingdom]/[insert] and is [registered with the Financial Conduct Authority in accordance with] / [the rating it has given to the Notes is endorsed by [UK-based credit rating agency] registered with the FCA in accordance with] / [certified under] [the UK Credit Rating Agencies Regulation, as amended by the Credit Rating Agencies (Amendment etc.) (EU Exit) Regulations 2019]]<sup>2</sup>

3 [Interests of Natural and Legal Persons involved in the [issue/offer]]

*(Need to include a description of any interest, including a conflicting interest, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:*

*“So far as the Issuer [and the Guarantor] is aware no member of the Group involved in the initial offer of the Notes has an interest material to such initial offer.” [Amend as appropriate if there are other interests])*

*(When adding any other description, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplemental to the Base Prospectus under Article 23 of the Prospectus Regulation)*

4 Reasons for the offer, estimated net proceeds and total expenses

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<sup>2</sup> Insert for Notes which are admitted to trading on a regulated market within the EU/UK and which have been assigned a rating.

	Reasons for the offer/use of proceeds:	[[●]/[See “Use of Proceeds” in Base Prospectus]
	Estimated net proceeds:	[●]
5	Fixed Rate Notes only — YIELD Indication of yield:	[●] / [Not Applicable]
6	Historic interest rates (Floating Rates Notes only)	
	[Not Applicable] / [Details of historic [LIBOR/EURIBOR] rates can be obtained from [Reuters].]	
	[Amounts payable under the Notes will be calculated by reference to [LIBOR / EURIBOR] which is provided by [●]. [As at [●], [●] [appears/does not appear] on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of the Regulation (EU) 2016/1011 (the “ <b>Benchmarks Regulation</b> ”).] [As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmarks Regulation apply, such that as at [●] is not required to obtain authorisation or registration (or, if located outside the European Union, recognition, endorsement or equivalence).]] / [Not Applicable]	
7	Operational information	
	Intended to be held in a manner which would allow Eurosystem eligibility:	[Yes] [No]
		[Yes. Note that the designation “yes” simply means that the Notes are intended upon issue to be [deposited with the National Bank of Belgium, immobilised in order to be transferable in book-entry form and settled through the NBB Securities Settlement System][deposited with one of the ICSDs as common safekeeper ][or registered in the name of a nominee of one of the ICSDs acting as common safekeeper (that is, held under the NSS)] and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.]
		[No. Whilst the designation is specified as “no” at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be [deposited with the National Bank of Belgium, immobilised in order to be transferable in book-entry form and settled through the NBB Securities Settlement System][deposited with one of the ICSDs as common safekeeper ][(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper)]. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such

recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

ISIN: [●]  
Common Code: [●]  
CFI: [[●], as set out on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN] / [Not Applicable]  
FISN: [[●] as set out on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN] / [Not Applicable]  
Any clearing system(s) other than Euroclear Bank SA/NV, Clearstream Banking S.A. and the NBB Securities Settlement System and the relevant identification number(s): [Not Applicable/give name(s) and number(s) *[and address(es)]*]  
Delivery: Delivery [against/free of] payment  
Names and addresses of additional Paying Agent(s) (if any): [Not Applicable/give name(s) and number(s) *[and address(es)]*]

## 7.

Distribution  
(i) Method of distribution: [Syndicated/Non-syndicated]  
(ii) If syndicated, names of Managers: [Not Applicable/give names]  
(iii) Date of [Subscription] Agreement [●]  
(iv) Stabilising Manager(s) (if any): [Not Applicable/give name]  
(v) If non-syndicated, name of relevant Dealer: [Not Applicable/give name]  
(vi) U.S. Selling Restrictions: [Reg. S Compliance Category 2; TEFRA D/TEFRA C/TEFRA Not Applicable]

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### Notes:

- (1) For the following types of Notes which are denominated in euro and which clear through the NBB Securities Settlement System, the Day Count Fraction must be:
- Fixed Rate Notes with a maturity of more than one year: the actual number of days elapsed divided by the actual number of days in the period from and including the immediately preceding Interest Payment Date (or, if none, the immediately preceding anniversary of the first Interest Payment Date) to but excluding the next scheduled Interest Payment Date.



- Floating Rate Notes or any Notes with a maturity of one year: the actual number of days in the Calculation Period divided by 360 (“Actual/360”).
- (2) If setting notice periods which are different to those provided in the terms and conditions, Issuers are advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Fiscal Agent.
  - (3) Talons should be specified if there will be more than 26 coupons or if the total interest payments may exceed the principal due on early redemption.

## **OVERVIEW OF CERTAIN SIGNIFICANT DIFFERENCES BETWEEN THE “RELAZIONE FINANZIARIA ANNUALE” AND THE “ANNUAL REPORT ON FORM 20-F”**

Certain significant differences exist between the annual report on Form 20-F of Eni expressed in the English language filed with the U.S. Securities and Exchange Commission (“SEC”) pursuant to the U.S. Securities Exchange Act of 1934 (the “**Annual Report on Form 20-F**”), and the Italian annual report of Eni expressed in the Italian language (the “**Relazione finanziaria annuale**”) filed in accordance with Italian laws and listing requirements.

### **Annual Report on Form 20-F**

The Annual Report on Form 20-F is prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by International Accounting Standards Board which may differ in some respect from IFRS as adopted by the EU. Such differences are described in the section “Basis of preparation” in the Annual Report and in the *Relazione finanziaria annuale*.

The Annual Report on Form 20-F does not contain the section of the *Relazione finanziaria annuale* relating to the separate financial statements of the parent company Eni.

The Annual Report on Form 20-F includes the Reports of the Independent Auditors on the consolidated financial statements and on internal control over financial reporting (based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organisation of the Treadway Commission (the “**COSO criteria**”)), both issued in accordance with the standards of the Public Company Accounting Oversight Board (United States).

The Annual Report on Form 20-F does not contain certain other information, such as the report of the *Collegio Sindacale* (the Board of Statutory Auditors) on the separate financial statements of the parent company and certain attachments to the consolidated financial statements, relating to the changes in Eni consolidation during the year.

### **Auditing Standards applied to Audit Reports to Eni’s Annual Report on Form 20-F**

EY S.p.A. with reference to the financial year ended on December 31, 2018 and PricewaterhouseCoopers SpA with reference to the financial year ended on December 31, 2019, conducted an integrated audit in accordance with the standards of the US Public Company Accounting Oversight Board (the “PCAOB”). Those standards require that the Independent Auditor obtain reasonable, rather than absolute, assurance that the consolidated financial statements are free of material misstatement, whether caused by error or fraud, and that the Company maintained, in all material respects, effective internal control over financial reporting as of the date specified in management’s assessment. Accordingly, EY S.p.A. and PricewaterhouseCoopers SpA also have audited, in accordance with the standards of the PCAOB, Eni’s internal control over financial reporting as of, respectively, December 31, 2018 and December 31, 2019, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework).

There are certain requirements in PCAOB standards that are not in the International Standard on Auditing (ISA) and vice versa. Principal differences relates to the following:

- documentation of audit procedures. PCAOB standards are more prescriptive compared to that of ISA.
- going concern considerations. PCAOB standards defines going concern period as one year from the date of fiscal year being audited. ISA’s going concern period is at least one year but not limited only to one year.

- internal control over financial reporting. PCAOB standards require that company management implement an effective internal controls over financial reporting as defined in Exchange Act Rules 13a-15(f). ISA do not have these requirements explicitly expressed in their standards, while still require the auditor to test internal controls to make sure they are sufficient and functional.
- use of another auditor. ISA does not permit the auditor's report on the group financial statements to make reference to a component auditor unless required by law or regulation to include such reference. PCAOB standards permit the auditor, in the auditor's report on the group financial statements, to make reference to the audit of a component auditor
- audit conclusion and reporting. Under ISA the auditor is required to communicate in its audit report those matters that, in the auditor's professional judgment, were of most significance in the audit of the financial statements (Key audit matters). PCAOB standards require the auditor to communicate critical audit matter effective for audits of fiscal years ending on or after June 30, 2019 for large accelerated filers as Eni.

## GENERAL INFORMATION

- (1) Each of the Issuers and the Guarantor has obtained all necessary consents, approvals and authorisations in connection with the amending and updating of the Programme and, in the case of EFI Notes, the giving of the Guarantee relating to the Programme. The establishment, amending and updating of the Programme, and the giving of the Guarantee relating to the Programme, was authorised by resolutions of the Board of Directors of Eni passed on 22 September 1999, 18 October 2000, 17 October 2001, 31 July 2002, 17 September 2003, 21 September 2005, 11 October 2006, 7 June 2007, 30 July 2009, 15 March 2012, 12 March 2015 and 5 April 2018. The establishment, amending and updating of the Programme was authorised by resolutions of the Board of Directors of EFI passed on 12 October 1999, 30 October 2000, 24 October 2001, 10 September 2002, 8 October 2003, 8 September 2005, 11 October 2007 and 12 October 2009, 23 March 2015, 28 September 2017, 24 September 2018, 23 September 2019 and 21 September 2020.
- (2) Save as disclosed in the section titled “Outlook” at pages 60 and 61 of the Eni’s Interim Consolidated Report as of 30 June 2020 and on pages 110 to 114 of this Base Prospectus, there has been no significant change in the financial performance or financial position of either of the Issuers, of the Guarantor or of the Group since 30 June 2020 and no material adverse change in the prospects of either of the Issuers, the Guarantor or of the Group since 31 December 2019.
- (3) Save as disclosed in the section entitled “Legal Proceedings” in each of the Annual Report ended 31 December 2019 of Eni and the Interim Financial Statements ended 30 June 2020 of Eni, each incorporated by reference herein, as set out respectively on pages 57 and 59 (respectively) of this Base Prospectus, neither Eni or any of its respective consolidated subsidiaries is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which Eni is aware) during the 12 months preceding this Base Prospectus which may have or have had significant adverse effects in the context of the issue of the Notes on the financial position of the Group. EFI is not or has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which EFI is aware) during the 12 months preceding this Base Prospectus which may have or have had significant adverse effects in the context of the issue of the Notes on the financial position of the Group.
- (4) Neither of the Issuers, the Guarantor or any of their respective consolidated subsidiaries has, since 31 December 2019, entered into any contracts outside the ordinary course of business that could have a material adverse effect on the ability of either of the Issuers or the Guarantor to meet their obligations under Notes issued under the Programme.
- (5) Certain of the Dealers and their respective affiliates, including parent companies, engage and may in the future engage in lending, advisory, investment banking, corporate finance services and other related transactions with the Issuers, the companies of the Group, the Guarantor and their affiliates and with companies involved directly or indirectly in the sectors in which the Issuer operates and may perform services for them, in each case in the ordinary course of business. Certain of the Dealers and their affiliates (including parent companies) may have positions, deal or make markets in the Notes issued under the Programme, related derivatives and reference obligations including (but not limited to) entering into hedging strategies on behalf of the Issuer and its affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities. In addition, in the ordinary course of their business activities, the Dealers and their affiliates, including parent companies, may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities

and/or instruments of the Issuers or the Guarantor, or the Issuers' or the Guarantor's affiliates. Certain of the Dealers or their affiliates (including parent companies) that have a lending relationship with the Issuers or the Guarantor routinely hedge their credit exposure to the Issuers or the Guarantor consistent with their customary risk management policies. Typically, such Dealers and their affiliates (including parent companies) would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates (including parent companies) may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

- (6) Each Bearer Note having a maturity of more than one year, and any Coupon or Talon with respect to such a Bearer Note will bear the following legend: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code".
- (7) Notes have been accepted for clearance through, in relation to the Notes issued by EFI, the NBB Securities Settlement System (and their participants, including Euroclear and Clearstream Banking AG, Frankfurt), and in relation to the Notes issued by Eni, the Euroclear and Clearstream, Luxembourg, systems. The Common Code and the International Securities Identification Number (ISIN) (and (when applicable) the identification number for any other relevant clearing system including the NBB Securities Settlement System) for each Series of Notes will be set out in the relevant Final Terms.

The issue price and the amount of the relevant Notes will be determined, before filing of the relevant Final Terms of each Tranche, based on then prevailing market conditions.

The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg, is 42 Avenue JF Kennedy, L-1855 Luxembourg, the address of Clearstream Banking AG, Frankfurt is Neue Börsestraße 8, 60487 Frankfurt am Main, Germany and the address of the National Bank of Belgium is 14 Boulevard de Berlaimont, B-1000, Brussels, Belgium. The address of any alternative clearing system will be specified in the applicable Final Terms.

- (8) Copies of this Base Prospectus may be obtained free of charge on the website of the Luxembourg Stock Exchange (<https://www.bourse.lu/programme-documents/Programme-ENI/12182>), of Eni (<https://www.eni.com/en-IT/investors/dcm-documents.html>) and of EFI ([https://www.enifinanceinternational.com/en\\_EN/funding/commercial-papers/euro-medium-term-note](https://www.enifinanceinternational.com/en_EN/funding/commercial-papers/euro-medium-term-note)). Copies of the English version of the consolidated audited annual financial statements, as contained in the Annual Report on Form 20-F of Eni as at 31 December 2018 and the Annual Report on Form 20-F of Eni as at 31 December 2019, copies of the English versions of the by-laws and articles of association of Eni, copies of the English language version of the Interim Financial Statements of Eni for the six months ended 30 June 2019 and 2020 may be obtained from the website of Eni at [https://www.eni.com/en\\_IT/](https://www.eni.com/en_IT/) and at the specified offices at the relevant addresses indicated on the back cover page of this Base Prospectus of each of the Paying Agents during normal business hours, so long as any of the Notes is outstanding; copies of the English version of the non-consolidated audited annual financial statements of EFI as of 31 December 2018 and 2019 and for the years then ended, copies of the English version of the unaudited non-consolidated interim financial statements for EFI as of and for the six months ended 30 June 2019 and 30 June 2020, including the exhibits thereto, may be obtained from the website of EFI at <https://www.enifinanceinternational.com> and at the specified offices at the relevant addresses indicated on the back cover page of this Base Prospectus of each of the Paying Agents during normal business hours, so long as any of the Notes is outstanding; copies of the English versions

of the by-laws and articles of association of EFI may be obtained from the website of EFI (<https://www.enifinanceinternational.com>) and copies of the Agency Agreement, the Deed of Covenant and the Guarantee may be obtained from the website of Eni ([https://www.eni.com/en\\_IT/](https://www.eni.com/en_IT/)), of EFI (<https://www.enifinanceinternational.com>) and at the specified offices at the relevant addresses indicated on the back cover page of this Base Prospectus of each of the Paying Agents during normal business hours, so long as any of the Notes is outstanding. The unaudited non-consolidated interim financial information of EFI included herein has been prepared only for the purposes of this Base Prospectus. EFI does not currently produce financial statements on a consolidated basis with its subsidiaries (as it currently has no subsidiaries).

- (9) EY S.p.A. (authorised and regulated by the Ministry of Economy and Finance registered on the special register of accounting firms held by the Ministry of Economy and Finance) succeeded PricewaterhouseCoopers SpA as independent auditors of Eni with effect from 29 April 2010, having been appointed at the shareholders' meeting of Eni held on 29 April 2010. They have audited and issued unqualified reports on the consolidated financial statements of Eni as of and for the year ended 31 December 2018, as incorporated by reference in this Base Prospectus. EFI's shareholder's meetings duly held on 5 April 2013 and 1 April 2016 appointed Ernst & Young, Réviseurs d'Entreprises SCRL (authorised and regulated by the Institut des Réviseurs d'Entreprises of Belgium) as auditors of EFI as of and for the years ending 31 December 2013, 31 December 2014, 31 December 2015, 31 December 2016, 31 December 2017 and 31 December 2018 of which the audit report for the year ended 31 December 2018 is incorporated by reference in this Base Prospectus.
- (10) PricewaterhouseCoopers SpA (authorised and regulated by the Ministry of Economy and Finance registered on the special register of accounting firms held by the Ministry of Economy and Finance) succeeded EY S.p.A. as independent auditors of Eni with effect from 14 May 2019, having been appointed at the shareholders' meeting of Eni held on 10 May 2018. They have audited and issued an unqualified report on the consolidated financial statements of Eni as of and for the year ended 31 December 2019, as incorporated by reference in this Base Prospectus. EFI's shareholder's meetings duly held on 25 June 2018 appointed PricewaterhouseCoopers Bedrijfsrevisoren BV represented by Roland Jeanquart (authorised and regulated by the Institut des Réviseurs d'Entreprises of Belgium) as auditors of EFI. They have audited and issued an unqualified report on the non-consolidated audited annual financial statements of EFI as of 31 December 2019, as incorporated by reference in this Base Prospectus.
- (11) EFI Notes may only be held by or for the account of a Qualifying Investor. Notes held by or for the account of an investor which is not a Qualifying Investor may be subject to early redemption.
- (12) In compliance with the requirements of the Luxembourg Stock Exchange, this Base Prospectus is and, in the case of Notes listed on the Official List and admitted to trading on the regulated market of the Luxembourg Stock Exchange, the relevant Final Terms will also be, available on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).
- (13) In relation to Fixed Rate Notes only, the yield indicated in the relevant Final Terms will be calculated at the relevant Issue Date on the basis of the relevant Issue Price. It will not be an indication of future yield.
- (14) The Legal Entity Identifier (LEI) of Eni is BUCRF72VH5RBN7X3VL35.
- (15) The Legal Entity Identifier (LEI) of EFI is 5493001XW6MSHRMFLU28.
- (16) As of the date of this Base Prospectus, Eni's long-term credit rating by Standard & Poor's is "A-", by Moody's is "Baa1" and by Fitch is "A-". As of the date of this Base Prospectus, EFI does not have a credit rating.

- (17) The website of Eni is [https://www.eni.com/en\\_IT/](https://www.eni.com/en_IT/) and the website of EFI is <https://www.enifinanceinternational.com>. The information on [https://www.eni.com/en\\_IT/](https://www.eni.com/en_IT/) and <https://www.enifinanceinternational.com> does not form part of this Base Prospectus, except where that information has been incorporated by reference into this Base Prospectus. Other than the information incorporated by reference, the content of the Eni website and EFI website has not been scrutinised or approved by the competent authority.
- (18) Any information contained in any other website specified in this Base Prospectus does not form part of this Base Prospectus, except where that information has been incorporated by reference into this Base Prospectus.

## REGISTERED OFFICE

### **Eni S.p.A.**

Piazzale Enrico Mattei, 1  
00144 Rome  
Italy

### **Eni Finance International SA**

Rue Guimard, 1A  
B-1040 Brussels  
Belgium

## ARRANGER

### **Goldman Sachs International**

Plumtree Court, 25 Shoe Lane,  
London EC4A 4AU  
United Kingdom

## DEALERS

### **Barclays Bank Ireland PLC**

One Molesworth Street  
Dublin 2  
D02RF29  
Ireland

### **BNP Paribas**

10 Harewood Avenue  
London NW1 6AA  
United Kingdom

### **Credit Suisse Securities (Europe) Limited**

One Cabot Square  
London E14 4QJ  
United Kingdom

### **Deutsche Bank Aktiengesellschaft**

Mainzer Landstr. 11-17  
60329 Frankfurt am Main  
Germany

### **Goldman Sachs International**

Plumtree Court, 25 Shoe Lane,  
London EC4A 4AU  
United Kingdom

### **HSBC Bank plc**

8 Canada Square  
London E14 5HQ  
United Kingdom

### **Intesa Sanpaolo S.p.A.**

#### **Divisione IMI Corporate & Investment Banking**

Via Manzoni 4  
20121 Milan  
Italy

### **J.P. Morgan Securities plc**

25 Bank Street, Canary Wharf  
London E14 5JP  
United Kingdom

### **Morgan Stanley & Co. International plc**

25 Cabot Square  
London E14 4QA  
United Kingdom

### **NatWest Markets N.V.**

Claude Debussylaan 94,  
1082 MD Amsterdam,  
The Netherlands

### **UBS AG London Branch**

5 Broadgate  
London EC2M 2QS  
United Kingdom

### **UniCredit Bank AG**

Arabellastrasse 12  
D-81925 Munich  
Germany



**FISCAL AGENT, PRINCIPAL PAYING AGENT,  
CALCULATION AGENT AND TRANSFER AGENT**

**The Bank of New York Mellon, London Branch**

One Canada Square  
London E14 5AL  
United Kingdom

**PAYING AND TRANSFER AGENT AND REGISTRAR**

**The Bank of New York Mellon SA/NV, Luxembourg Branch**

Vertigo Building  
Polaris 2-4 rue Eugène Ruppert  
L-2453 Luxembourg

**BELGIAN PAYING AGENT**

**Banque Eni SA**

Rue Guimard, 1A  
B-1040 Brussels  
Belgium

**LUXEMBOURG LISTING AGENT**

**Banque Internationale à Luxembourg SA**

69, route d'Esch Office PLM -101F  
L-29553Luxembourg

**INDEPENDENT AUDITORS**

**To Eni S.p.A.**

*from 29 April 2010 to 13 May 2019*

**EY S.p.A.**

Via Lombardia, 31  
00187 Roma Via  
Italy

*from 14 May 2019 to the date of this Base Prospectus*

**PricewaterhouseCoopers SpA**

Via Monte Rosa, 91  
20149 Milan  
Italy

**To Eni Finance International SA**

*from 5 April 2013 to 4 April 2019*

**Ernst & Young Réviseurs d'Enterprises SCRL**

De Kleetlaan, 2  
1831 Diegem (Brussels)  
Belgium

*from 5 April 2019 to the date of this Base Prospectus*

**PricewaterhouseCoopers Bedrijfsrevisoren BV**

Woluwedal 18,  
1932 Sint-Stevens-Woluwe  
Belgium

**LEGAL ADVISERS TO THE ISSUERS AND THE GUARANTOR**

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**TO THE DEALERS**

*in respect of English and Italian law*

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**Linklaters LLP**  
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