



Eni S.p.A.

(incorporated with limited liability in the Republic of Italy)

# €1,500,000,000 Perpetual Subordinated Non-Call 5.25 Fixed Rate Reset Securities

# €1,500,000,000 Perpetual Subordinated Non-Call 9 Fixed Rate Reset Securities

Eni S.p.A. (the “**Issuer**” or “**Eni**”) will issue €1,500,000,000 Perpetual Subordinated Non-Call 5.25 Fixed Rate Reset Securities (the “**NC 5.25 Securities**”) and €1,500,000,000 Perpetual Subordinated Non-Call 9 Fixed Rate Reset Securities (the “**NC 9 Securities**”, and, together with the NC 5.25 Securities, the “**Securities**”, and each a “**Series of Securities**”) on 13 October 2020 (the “**Issue Date**”).

The NC 5.25 Securities will bear interest on their principal amount (i) from, and including, 13 October 2020 (the Issue Date) to, but excluding, 13 January 2026 (the “**NC 5.25 Securities First Reset Date**”) at an interest rate of 2.625 per cent. per annum; and (ii) from, and including, the NC 5.25 Securities First Reset Date at an interest rate per annum equal to the relevant Reset Interest Rate (as defined in “*Terms and Conditions of the NC 5.25 Securities*”). Interest on the NC 5.25 Securities will be payable annually in arrears on 13 January in each year (each an Interest Payment Date (as defined in “*Terms and Conditions of the NC 5.25 Securities*”).

The NC 9 Securities will bear interest on their principal amount (i) from, and including, 13 October 2020 (the Issue Date) to, but excluding, 13 October 2029 (the “**NC 9 Securities First Reset Date**”) at an interest rate of 3.375 per cent. per annum; and (ii) from, and including, the NC 9 Securities First Reset Date at an interest rate per annum equal to the relevant Reset Interest Rate (as defined in “*Terms and Conditions of the NC 9 Securities*”). Interest on the NC 9 Securities will be payable annually in arrears on 13 October in each year (each an Interest Payment Date (as defined in “*Terms and Conditions of the NC 9 Securities*”).

References in this Offering Circular to the “**relevant Securities**” are to the NC 5.25 Securities or the NC 9 Securities, respectively, references to the “**relevant Terms and Conditions of the Securities**” are to the Terms and Conditions of the NC 5.25 Securities or the Terms and Conditions of the NC 9 Securities, respectively and references to the “**relevant Securityholders**” are to the holders of the relevant Securities.

Payment of interest on the Securities may be deferred at the option of the Issuer in certain circumstances, as set out under “*Terms and Conditions of the NC 5.25 Securities*” in respect of the NC 5.25 Securities and “*Terms and Conditions of the NC 9 Securities*” in respect of the NC 9 Securities.

The Securities will be issued in bearer form, with interest coupons appertaining to the Securities (the “**Coupons**”) and one talon for further interest coupons (the “**Talon**”) attached on issue, each pursuant to a fiscal agency agreement dated 13 October 2020 between the Issuer and The Bank of New York Mellon, London Branch as fiscal agent (the “**Fiscal Agent**”) and the other agents named in the agency agreement (the “**Agency Agreement**”) and each with the benefit of a deed of covenant dated 13 October 2020 executed by the Issuers in relation to the Securities (the “**Deed of Covenant**”). The Securities will be issued in denominations of €100,000 and integral multiples of €1,000 in excess thereof.

The Securities are perpetual securities and have no fixed date for redemption. Unless previously redeemed or purchased and cancelled as provided below, the Securities will mature on the date on which voluntary or involuntary winding up, dissolution, liquidation or bankruptcy (including in connection with any Insolvency Proceedings (as defined relevant Terms and Conditions of the Securities)) proceedings are instituted in respect of the Issuer (the “**Liquidation Event Date**”), (i) in accordance with any provision on the duration of the Issuer as set out in the by-laws of the Issuer from time to time (which, as of the Issue Date, sets out the duration of the Issuer at 31 December 2100), or, if earlier, (ii) in accordance with (x) a resolution of the shareholders’ meeting of the Issuer; or (y) any applicable legal provision or any decision of any judicial or administrative authority. Upon having maturity occurred according to the provisions above, the Securities will become due and payable at an amount equal to their outstanding principal amount, together with any outstanding interest accrued up to (but excluding) the Liquidation Event Date and any outstanding Arrears of Interest (as defined in the relevant Terms and Conditions of the Securities).

The Issuer may redeem all, but not some only, of the NC 5.25 Securities on any Call Date, in each case at their principal amount together with any interest up to, but excluding, the relevant Call Date and any outstanding Arrears of Interest.

The Issuer may redeem all, but not some only, of the NC 9 Securities on any Call Date, in each case at their principal amount together with any interest up to, but excluding, the relevant Call Date and any outstanding Arrears of Interest.

In addition the Issuer will have the right to: (i) redeem the relevant Securities upon the occurrence of an Accounting Event, a Tax Deduction Event, a Rating Agency Event, a Gross-Up Event or a Substantial Repurchase Event or (ii) exchange or vary the terms of the relevant Securities so that they remain or become Qualifying Securities upon the occurrence of an Accounting Event, a Tax Deduction Event, a Rating Agency Event or a Gross-Up Event, each as defined and described in Condition 5 of the relevant Terms and Conditions of the Securities.

In the event that at least 75 per cent. of the aggregate principal amount of the relevant Securities issued on the Issue Date has been purchased by or on behalf of the Issuer or a Subsidiary (as defined in the relevant Terms and Conditions of the Securities) and cancelled, the Issuer may redeem all, but not some only, of the outstanding Securities at the Early Redemption Price. See “*Terms and Conditions of the Securities of the NC 5.25 Securities – Redemption and Purchase – Purchases and Substantial Repurchase Event*” in respect of the NC 5.25 Securities and “*Terms and Conditions of the Securities of the NC 9 Securities – Redemption and Purchase – Purchases and Substantial Repurchase Event*” in respect of the NC 9 Securities.

The Securities and the Coupons constitute direct, unsecured and subordinated obligations of the Issuer and rank and will at all times rank *pari passu* without any preference among themselves and with Parity Securities and senior only to the Issuer’s payment obligations in respect of any Junior Securities (each as defined in the relevant Terms and Conditions of the Securities). The Securities constitute *obbligazioni* pursuant to Article 2410 et seq. of the Italian Civil Code. The Securities will not be guaranteed.

**An investment in the Securities involves certain risks. For a discussion of risks, see “Risk Factors” beginning on page 12.**

This Offering Circular has been approved by the CSSF, as competent authority under Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”). Such approval only relates to Securities, which are to be admitted to trading on a regulated market for the purposes of Directive 2014/65/EU, as amended and supplemented (“**MiFID II**”) and/or which are to be offered to the public in any member state of the European Economic Area. The CSSF only approves this Offering Circular 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 Issuer or the quality of the Securities that are the subject of this Offering Circular and investors should make their own assessment as to the suitability of investing in the Securities. Application has been made to the Luxembourg Stock Exchange (the “**Luxembourg Stock Exchange**”) for the Securities to be admitted to the Official List (the “**Official List**”) and to trading on its regulated market (the “**Market**”). Reference in this Offering Circular to being “**listed**” (and all date references) shall mean that such Securities have been admitted to the Official List and have been admitted to trading on the Market. The Market is a regulated market for the purposes of MiFID II.

This Offering Circular will be valid for 12 months from 9 October 2020 until 9 October 2021. The obligation to supplement the Offering Circular in the event of significant new factors, material mistakes or material inaccuracies will not apply when the Offering Circular is no longer valid. For this purpose, “**valid**” means valid for making offers to the public or admissions to trading on a regulated market by or with the consent of the Issuer and the obligation to supplement the Offering Circular is only required within its period of validity between the time when the Offering Circular is approved and the closing of the offer period for the Securities or the time when trading on a regulated market begins, whichever occurs later.

This Offering Circular is available for viewing on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

Subject to and as set out in “*Terms and Conditions of the NC 5.25 Securities – Taxation*”, in respect of the NC 5.25 Securities and “*Terms and Conditions of the NC 9 Securities – Taxation*”, in respect of the NC 9 Securities, the Issuer shall not be liable to pay any Additional Amounts to holders of the Securities in relation to any withholding or deduction required pursuant to Italian Legislative Decree No. 239 of 1 April, 1996 (as the same may be amended or supplemented from time to time, “**Decree No. 239**”) and in any other circumstances described in “*Terms and Conditions of the NC 5.25 Securities – Taxation*”, in respect of the NC 5.25 Securities and “*Terms and Conditions of the NC 9 Securities – Taxation*”, in respect of the NC 9 Securities.

The Securities are expected to be rated “**Baa3**” by Moody’s Deutschland GmbH (“**Moody’s**”), “**BBB**” by S&P Global Ratings Europe Limited (“**S&P**”) and “**BBB**” by Fitch Ratings Ireland Limited (“**Fitch**”). According to the definitions published by Moody’s on its website as of the date of this Offering Circular, obligations rated ‘Baa’ are subject to moderate credit risk. They are considered medium-grade and as such may possess speculative characteristics. In addition, Moody’s appends numerical modifiers 1, 2 and 3 to each generic rating classification from ‘Aa’ to ‘Caa’; the modifier ‘3’ indicates that the obligation ranks in the lower end of its generic rating category. According to the definitions published by Standard & Poor’s on its website as of the date of this Offering Circular, an obligation rated ‘BBB’ exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to weaken the obligor’s capacity to meet its financial commitments on the obligation. In addition, ratings from ‘AA’ to ‘CCC’ may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the rating categories. According to the definitions published by Fitch on its website as of the date of this Offering Circular, ‘BBB’ ratings denote expectations of low credit risk. The capacity for payment of financial commitments is considered adequate, but adverse business or economic conditions are more likely to impair this capacity than is the case for higher ratings. In addition, within rating categories, Fitch may use modifiers; the modifiers ‘+’ or ‘-’ may be appended to a rating to denote relative status within major rating categories.

Each of Moody's, S&P and Fitch is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended) (the "CRA Regulation"). As such, each of Moody's, S&P and Fitch is included in the list of credit rating agencies published by the European Securities and Markets Authority ("ESMA") on its website ([www.esma.europa.eu/page/List-registered-and-certified-CRAs](http://www.esma.europa.eu/page/List-registered-and-certified-CRAs)) in accordance with the CRA Regulation. **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. A suspension, reduction or withdrawal of the rating assigned to any Securities may adversely affect the market price of the Securities.**

Each of the NC 5.25 Securities and the NC 9 Securities will initially be represented by a temporary global security (the "Temporary Global Security"), without interest coupons, which will be deposited on or about the Issue Date with a common depository for Euroclear Bank SA/NV ("Euroclear") and Clearstream Banking, S.A. ("Clearstream"). Interests in such Temporary Global Security will be exchangeable for interests in a permanent global security (the "Permanent Global Security" and, together with the Temporary Global Security, the "Global Securities"), without interest coupons, after 40 days after the commencement of this offering, upon certification as to non-U.S. beneficial ownership. Interests in the Permanent Global Security will be exchangeable for definitive Securities only in certain limited circumstances. See "Overview of the Terms of the Securities".

Barclays Bank Ireland PLC, BNP Paribas and Goldman Sachs International (the "Global Coordinators and Structuring Advisors") and Banco Santander, S.A., Citigroup Global Markets Limited, HSBC Bank plc, SMBC Nikko Capital Markets Limited and UniCredit Bank AG (the "Bookrunners" and, together with the Global Coordinators and Structuring Advisors, the "Joint Lead Managers"), expect to deliver the Securities to purchasers in bearer form on or about 13 October 2020.

**The Securities have not been and will not be registered under the U. S. Securities Act of 1933, as amended (the "Securities Act"), or with any securities regulatory authority of any state or other jurisdiction of the United States, and are bearer securities that are subject to U.S. tax law requirements. The Securities may not be offered, sold or delivered within the United States or for the account or benefit of U.S. Persons (as defined in Regulation S under the Securities Act). For a description of these and certain further restrictions on offers, sales and transfers of Securities and distribution of this Offering Circular, see "Subscription and Sale".**

*Global Coordinators and Structuring Advisors*

Barclays Bank Ireland PLC

BNP Paribas

Goldman Sachs International

*Bookrunners*

Citigroup

HSBC Bank plc

Santander Corporate & Investment Banking

SMBC Nikko Capital Markets Limited

UniCredit Bank

*The date of this Offering Circular is 9 October 2020.*

## NOTICE TO INVESTORS

This Offering Circular comprises a prospectus for the purposes of Article 6 of the Prospectus Regulation.

The Issuer (whose address of the registered office appears on page 140 of this Offering Circular) accepts responsibility for the information contained in this Offering Circular. To the best of the knowledge of the Issuer, the information contained in this Offering Circular is in accordance with the facts and does not omit anything likely to affect the import of such information in any material respect in the context of the issue of the Securities. Certain Information has been extracted from or is the result of the Issuer's elaboration on information provided by third-party sources, such as company filings, National Regulators Annual Reports and leading information providers, which the Issuer deems to be the most reliable. The Issuer confirms that such information has been accurately reproduced and, as far as it is aware and is able to ascertain from published information, no facts have been omitted which would render the reproduced information inaccurate or misleading.

No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Joint Lead Managers as to the accuracy or completeness of the information contained in this Offering Circular or any other information provided by the Issuer in connection with the offering of the Securities.

To the fullest extent permitted by law, none of the Joint Lead Manager accepts any responsibility for the contents of this Offering Circular or for any acts or omissions of the Issuer or any other person in connection with this Offering Circular or the issue and offering of the Securities. Each Joint Lead Managers accordingly disclaim all and any liability whether arising in tort or contract which it might otherwise have in respect of the contents of this Offering Circular or for any acts or omissions of the Issuer or any other person in connection with this Offering Circular or the issue and offering of Securities. None of this Offering Circular 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 the Issuer or the Joint Lead Managers that any recipient of this Offering Circular or any other financial statements should purchase the Securities. Each potential purchaser of Securities should determine for itself the relevance of the information contained in this Offering Circular and its purchase of Securities should be based upon such investigation as it deems necessary.

None of the Joint Lead Manager undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Offering Circular nor to advise any investor or potential investor in the Securities of any information coming to the attention of any of the Joint Lead Manager. This Offering Circular 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 Offering Circular in connection with the issue or sale of the Securities and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Joint Lead Managers or the Fiscal Agent or the Calculation Agent (each as defined in the relevant Terms and Conditions of the Securities).

Neither the delivery of this Offering Circular 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 Issuer since the date hereof or the date upon which this Offering Circular has been most recently supplemented or that there has been no adverse change in the financial position of the Issuer since the date hereof or the date upon which this Offering Circular has been most recently supplemented or that any other information supplied in connection with the offering 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 Joint Lead Managers expressly do not undertake to review

the financial condition or affairs of the Issuer during the life of the Securities or to advise any investor in the Securities of any information coming to their attention.

This Offering Circular does not constitute an offer to sell or the solicitation of an offer, or an invitation, to buy the Securities in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Offering Circular and the offer or sale of the Securities may be restricted by law in certain jurisdictions. None of the Issuer or the Joint Lead Managers represents that this Offering Circular may be lawfully distributed, or that the Securities may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assumes any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or the Joint Lead Managers that would permit a public offering of the Securities or the distribution of this Offering Circular in any jurisdiction where action for that purpose is required. Accordingly, no Securities may be offered or sold, directly or indirectly, and neither this Offering Circular nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Offering Circular or any Securities may come must inform themselves about, and observe, any such restrictions on the distribution of this Offering Circular and the offering and sale of the Securities. In particular, there are restrictions on the distribution of this Offering Circular and the offer or sale of the Securities in the EEA, the United States, the United Kingdom, Singapore, Switzerland and Italy. See “Subscription and Sale”.

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

- (a) have sufficient knowledge and experience to make a meaningful evaluation of the Securities, the merits and risks of investing in the Securities and the information contained or incorporated by reference in this Offering Circular or any applicable supplement;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Securities and the impact the Securities will have on its overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Securities, including where the currency for principal and interest payments is different from the potential investor’s currency;
- (d) understand thoroughly the terms of the Securities and be familiar with the behaviour of any relevant financial markets; and
- (e) 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.

The Securities are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments 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 the Securities unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Securities will perform under changing conditions, the resulting effects on the value of the Securities and the impact this investment will have on the potential investor’s overall investment portfolio.

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

In compliance with the requirements of the Luxembourg Stock Exchange, this Offering Circular is available on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

For the avoidance of doubt, the contents of any websites referred to herein do not form part of this Offering Circular.

**MIFID II product governance / professional investors and ECPs only target market – Solely for the purposes of each manufacturer’s product approval process, the target market assessment in respect of the Securities (as defined herein) has led to the conclusion that: (i) the target market for the Securities is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Securities to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Securities (a “distributor”) should take into consideration the manufacturers’ target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Securities (by either adopting or refining the manufacturers’ target market assessment) and determining appropriate distribution channels.**

**PRIIPS REGULATION / PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS – The Securities 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 EEA and 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 MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, 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. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the “PRIIPs Regulation”) for offering or selling the Securities or otherwise making them available to retail investors in the EEA or UK has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.**

**Singapore SFA Product Classification: In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the “SFA”) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “CMP Regulations 2018”), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Securities are ‘prescribed capital markets products’ (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).**

IN CONNECTION WITH THE OFFERING OF THE SECURITIES, GOLDMAN SACHS INTERNATIONAL (OR PERSONS ACTING ON ITS BEHALF) (TOGETHER THE “STABILISING MANAGER”) MAY OVER-ALLOT SECURITIES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE SECURITIES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, STABILISATION ACTION 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 SECURITIES 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 SECURITIES AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE SECURITIES. ANY STABILISATION ACTION OR OVER-ALLOTMENT MUST BE CONDUCTED BY THE STABILISATION MANAGER (OR PERSON(S) ACTING ON BEHALF OF THE STABILISATION MANAGER) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

## TABLE OF CONTENTS

	<b>Page</b>
OVERVIEW OF THE TERMS OF THE SECURITIES .....	1
RISK FACTORS .....	12
INCORPORATION BY REFERENCE.....	51
USE AND ESTIMATED AMOUNT OF PROCEEDS.....	58
TERMS AND CONDITIONS OF THE NC 5.25 SECURITIES .....	59
TERMS AND CONDITIONS OF THE NC 9 SECURITIES.....	84
DESCRIPTION OF THE ISSUER.....	109
OVERVIEW OF THE ITALIAN INSOLVENCY LAW REGIME .....	110
OVERVIEW OF PROVISIONS RELATING TO THE SECURITIES WHILE REPRESENTED BY THE GLOBAL SECURITIES.....	122
CERTAIN TAX CONSIDERATIONS.....	126
SUBSCRIPTION AND SALE.....	132
GENERAL INFORMATION.....	136

## OVERVIEW OF THE TERMS OF THE SECURITIES

*This Overview of the Terms of the NC 5.25 Securities and Terms of the NC 9 Securities must be read in conjunction with and is qualified in its entirety by reference to “Terms of the NC 5.25 Securities” and “Terms of the NC 9 Securities” appearing elsewhere in this Offering Circular. References to the “relevant Terms and Conditions of the Securities” and “Conditions” are references to Conditions under “Terms of the NC 5.25 Securities” and “Terms of the NC 9 Securities”, respectively. Capitalised terms used but not otherwise defined herein have the meaning ascribed to them under the caption “Terms of the NC 5.25 Securities” in respect of the NC 5.25 Securities and “Terms of the NC 9 Securities” in respect of the NC 9 Securities*

<b>Issuer</b>	Eni S.p.A. (“ <b>Eni</b> ”)
<b>Legal Entity Identifier (LEI)</b>	BUCRF72VH5RBN7X3VL35
<b>Issuer’s website</b>	<a href="https://www.eni.com/en_IT/">https://www.eni.com/en_IT/</a>
<b>Securities Offered</b>	€1,500,000,000 Perpetual Subordinated Non-Call 5.25 Fixed Rate Reset Securities (the “ <b>NC 5.25 Securities</b> ”) and €1,500,000,000 Perpetual Subordinated Non-Call 9 Fixed Rate Reset (the “ <b>NC 9 Securities</b> ” and, together with the “ <b>NC 5.25 Securities</b> ”, the “ <b>Securities</b> ”).
<b>Date fixed for redemption</b>	The Securities are perpetual securities and have no fixed date for redemption. Unless previously redeemed or purchased and cancelled as provided below, the Securities will mature on the date on which voluntary or involuntary winding up, dissolution, liquidation or bankruptcy (including in connection with any Insolvency Proceedings) proceedings are instituted in respect of the Issuer (the “ <b>Liquidation Event Date</b> ”), (i) in accordance with any provision on the duration of the Issuer as set out in the by-laws of the Issuer from time to time (which, as of the Issue Date, sets out the duration of the Issuer at 31 December 2100), or, if earlier, (ii) in accordance with (x) a resolution of the shareholders’ meeting of the Issuer; or (y) any applicable legal provision or any decision of any judicial or administrative authority. Upon having maturity occurred according to the provisions above, the Securities will become due and payable at an amount equal to their outstanding principal amount, together with any outstanding interest accrued up to (but excluding) the Liquidation Event Date and any outstanding Arrears of Interest.
<b>Interest</b>	Each Series of Securities shall entitle the relevant Securityholder to receive cumulative interest. Interest on the NC 5.25 Securities will accrue (i) from, and including, the Issue Date (but excluding) the NC 5.25 Securities First Reset Date at an interest rate of 2.625 per cent. per annum, payable annually in arrear on each Interest Payment Date; and (ii) from (and including) the NC 5.25 Securities First Reset Date to (but excluding) the date fixed for redemption, at, in respect of each Reset Period, the relevant the EUR 5 year Swap Rate plus: (A) in respect of the Reset Period commencing on the NC 5.25



Securities First Reset Date to (but excluding) 13 January 2031, 3.167 per cent. annum; (B) in respect of each Reset Period which falls in the period commencing on 13 January 2031 and ending on (but excluding) the Reset Date falling on 13 January 2046, 3.417 per cent. annum; and (C) in respect of each subsequent Reset Period, 4.167 per cent. per annum, all as determined by the Calculation Agent for annual payment in arrear on each Interest Payment Date, commencing 13 January 2021.

Interest on the NC 9 Securities will accrue (i) from, and including, the Issue Date (but excluding) the NC 9 Securities First Reset Date at an interest rate of 3.375 per cent. per annum, payable annually in arrear on each Interest Payment Date; and (ii) from (and including) the NC 9 Securities First Reset Date to (but excluding) the date fixed for redemption, at, in respect of each Reset Period, the relevant the EUR 5 year Swap Rate plus: (A) in respect of the Reset Period commencing on the NC 9 Securities First Reset Date to (but excluding) 13 October 2034, 3.641 per cent. annum; (B) in respect of each Reset Period which falls in the period commencing on 13 October 2034 and ending on (but excluding) the Reset Date falling on 13 October 2049, 3.891 per cent. annum; and (C) in respect of each subsequent Reset Period, 4.641 per cent. per annum, all as determined by the Calculation Agent for annual payment in arrear on each Interest Payment Date, commencing 13 October 2021.

#### ***Interest Payment Dates***

Each Security will bear interest from the date of original issuance. Interest on the NC 5.25 Securities will be payable (subject to deferral as described herein) annually in arrear on 13 January in each year and interest on the NC 9 Securities will be payable (subject to deferral as described herein) annually in arrear on 13 October in each year, each commencing on, and including, 13 October 2020, to, and including the date fixed for redemption (each an “**Interest Payment Date**”).

#### ***Optional Interest Deferral and Arrears of Interest***

The Issuer may, at its sole discretion, elect to defer in whole (or in part), any payment of interest accrued on the relevant Securities in respect of any Interest Period by giving notice of such election to the Securityholders and to the Fiscal Agent and Paying Agents at least 5, but not more than 30, Business Days prior to the relevant Interest Payment Date. If the Issuer makes such an election, it shall have no obligation to make such payment and any such non-payment of interest shall not constitute a default by the Issuer or any other breach of obligations under the relevant Securities or for any other purpose, unless such Arrears of Interest (as defined below) becomes due and payable in accordance with the relevant Conditions.

Any such interest which the Issuer duly elects to defer will be deferred and shall constitute “**Arrears of Interest**”. Any Arrears

***Optional Settlement of Arrears of Interest***

of Interest will remain outstanding until paid in full by the Issuer, but Arrears of Interest shall not themselves bear interest.

The Issuer will be entitled to pay outstanding Arrears of Interest (in whole or in part) at any time upon giving notice to the relevant Securityholders and to the Fiscal Agent and Paying Agents not less than 10 Business Days before such voluntary payment and specifying (i) the amount of Arrears of Interest to be paid and (ii) the date fixed for such payment.

***Mandatory Settlement of Arrears Interest***

The Issuer must pay all outstanding Arrears of Interest (in whole but not in part) on the earliest of the following (each, a “**Mandatory Settlement Date**”):

- (A) the tenth business day following the date on which a Compulsory Arrears of Interest Payment Event occurs;
- (B) the next scheduled Interest Payment Date in respect of which the Issuer does not elect to defer the interest accrued in respect of the relevant Interest Period;
- (C) the date on which the relevant Securities are redeemed or repaid in accordance with their conditions, including at the Liquidation Event Date (unless otherwise required by mandatory provisions of applicable law).

The Issuer shall give notice of the impending occurrence of any Mandatory Settlement Date to the Securityholders in accordance with the relevant Terms and Conditions and to the Fiscal Agent and Paying Agents, promptly upon becoming aware thereof and, in any event, at least five Business Days prior to the relevant Mandatory Settlement Date. “**Compulsory Arrears of Interest Payment Event**” means:

- (D) the Issuer has, directly or indirectly, resolved to pay, declared, paid or made a dividend (either interim or final) or any other distribution, or any other payment on any of its Junior Securities, other than (i) in the form of the issuance (or transfer from treasury) of any ordinary shares, (ii) a dividend, distribution or payment declared by the Issuer before the earliest notice given by the Issuer in accordance with Condition 4(b)(i) of the relevant Terms and Conditions of the Securities in respect of the then outstanding Arrears of Interest under the Securities or (iii) where such dividend, distribution or payment was contractually required to be declared, paid or made under the terms of such Junior Securities;
- (E) subject as provided below, the Issuer has, directly or indirectly, resolved to pay, declared, paid or made a dividend (either interim or final) or any other distribution, or any other payment, on any of its Parity Securities, other than (i) a dividend, distribution or payment declared by the Issuer before the earliest notice given by the Issuer in

accordance with Condition 4(b)(i) of the relevant Terms and Conditions of the Securities in respect of the then outstanding Arrears of Interest under the Securities or (ii) where such dividend, distribution or payment was contractually required to be declared, paid or made under the terms of such Parity Securities (including where such payment occurs at maturity of Parity Securities);

(F) the Issuer or any Subsidiary, directly or indirectly, redeems, purchases or otherwise acquires or any Parity Securities, except where (x) such redemption, purchase or acquisition is effected as a public cash tender offer or public exchange offer at a redemption or purchase price per security which is below its par value or (y) such redemption is contractually required to be made under the terms of such Parity Securities;

(G) the Issuer or any Subsidiary, directly or indirectly, redeems, purchases, or otherwise acquires any Junior Securities, except where (i) such redemption, purchase, or acquisition is undertaken in connection with the satisfaction by the Issuer of its obligations under any stock option plan or free share allocation plan reserved for directors, officers and/or employees of the Issuer or any associated hedging transaction, (ii) such purchase results from the hedging of convertible securities issued by or guaranteed by the Issuer (whether physically or cash settled) or, (iii) any purchase of ordinary shares of the Issuer by or on behalf of the Issuer as part of an intra-day transaction that does not result in an increase in the aggregate number of ordinary shares of the Issuer held by or on behalf of the Issuer as treasury shares after the closing of such intra-day transaction as compared with the number of ordinary shares of the Issuer held by or on behalf of the Issuer as treasury shares at 8:30 a.m. (Central European time) on the Interest Payment Date on which any outstanding Arrears of Interest was first deferred; or (iv) such purchase, redemption or acquisition is contractually required to be made under the terms of such Junior Securities; or

(H) the Issuer or any Subsidiary, directly or indirectly, repurchases any of the Securities,

provided that, a Compulsory Arrears of Interest Payment Event shall not occur pursuant to paragraph (B) above in respect of any pro rata payment of deferred or arrears of interest on any Parity Securities which is made simultaneously with a pro rata payment of any Arrears of Interest provided that such pro rata payment of deferred or arrears of interest on a Parity Security is not

proportionately more than the pro rata settlement of any such Arrears of Interest.

***Purchases***

The Issuer or any Subsidiary may at any time purchase Securities (provided that all unmatured Coupons appertaining to the Securities are purchased with the Securities) in any manner and at any price. Such Securities may be held, reissued, resold or, at the option of the Issuer, surrendered to any Paying Agent for cancellation.

***Further Issuances***

The Issuer may, without the consent of the Securityholders or Couponholders, create and issue further Securities having the same terms and conditions as the Securities and so that the same shall be consolidated and form a single series with such Securities, and references in the Conditions to “**Securities**” shall be construed accordingly.

***Status of the Securities***

The Securities and Coupons relating to them constitute direct, unsecured and subordinated obligations of the Issuer and rank and will at all times rank (i) senior only to the Issuer’s payment obligations in respect of any Junior Securities; (ii) *pari passu* and without any preference among themselves and with the Issuer’s payment obligations in respect of any Parity Securities and (iii) junior to all other payment obligations of the Issuer, present and future, whether subordinated (including any claims pursuant to Article 2411, first paragraph, of the Italian Civil Code) or unsubordinated, except for Parity Securities and Junior Securities as otherwise required by mandatory provisions of applicable law. The Securities constitute obbligazioni pursuant to Articles 2410 et seq. of the Italian Civil Code.

***Use of Proceeds***

The estimated net proceeds of the issuance of the Securities, after deduction of commissions, fees, and estimated expenses, will be used by the Issuer for general corporate purposes

***Ratings***

The Securities are expected to be rated BBB by S&P, Baa3 by Moody’s and BBB by Fitch. According to the definitions published by Standard & Poor’s on its website as of the date of this Offering Circular, an obligation rated ‘BBB’ exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to weaken the obligor’s capacity to meet its financial commitments on the obligation. In addition, ratings from ‘AA’ to ‘CCC’ may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the rating categories. According to the definitions published by Moody’s on its website as of the date of this Offering Circular, obligations rated ‘Baa’ are subject to moderate credit risk. They are considered medium-grade and as such may possess speculative characteristics. In addition, Moody’s appends numerical modifiers 1, 2 and 3 to each generic rating classification from ‘Aa’ to ‘Caa’; the modifier ‘3’ indicates

that the obligation ranks in the lower end of its generic rating category. According to the definitions published by Fitch on its website as of the date of this Offering Circular, ‘BBB’ ratings denote expectations of low credit risk. The capacity for payment of financial commitments is considered adequate, but adverse business or economic conditions are more likely to impair this capacity than is the case for higher ratings. In addition, within rating categories, Fitch may use modifiers; the modifiers ‘+’ or ‘-’ may be appended to a rating to denote relative status within major rating categories.

Each of Moody’s, S&P and Fitch is established in the European Union and is registered under the CRA Regulation. As such, each of Moody’s, S&P and Fitch is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website ([www.esma.europa.eu/page/List-registered-and-certified-CRAs](http://www.esma.europa.eu/page/List-registered-and-certified-CRAs)) in accordance with the CRA Regulation. A 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. A suspension, reduction or withdrawal of the rating assigned to any Securities may adversely affect the market price of the Securities.

### ***Optional Redemption***

(i) The Issuer may, on giving not less than 10 and not more than 60 calendar days’ notice to the Securityholders, redeem all of the NC 5.25 Securities (but not some only) on any date during the period commencing on (and including) the NC 5.25 First Call Date and ending on (and including) the NC 5.25 Securities First Reset Date or upon any Interest Payment Date thereafter (each such date, a “**NC 5.25 Securities Call Date**”) in each case at their principal amount together with any accrued interest up to (but excluding) the relevant NC 5.25 Call Date and any outstanding Arrears of Interest.

(ii) The Issuer may, on giving not less than 10 and not more than 60 calendar days’ notice to the Securityholders, redeem all, but not some only, of the NC 9 Securities at any time from (and including) the NC 9 First Call Date to (and including) the NC 9 Securities First Reset Date, and thereafter on each Interest Payment Date (each such date, a “**NC 9 Securities Call Date**”) at their principal amount together with any accrued and unpaid interest up to (but excluding) the redemption date and any outstanding Arrears of Interest.

In the event that at least 75 per cent. of the aggregate principal amount of the relevant Securities issued on the Issue Date has been purchased by or on behalf of the Issuer or a Subsidiary (as defined in the relevant Terms and Conditions of the Securities) and has been cancelled (a “**Substantial Repurchase Event**”), the Issuer may redeem all (but not some only) of the outstanding

Securities at any time, at the applicable Early Redemption Price. See “Terms and Conditions of the NC 5.25 Securities – Redemption, Purchase and Options” in relation to the NC 5.25 Securities and “Terms and Conditions of the NC 9 Securities – Redemption, Purchase and Options” in relation to the NC 9 Securities.

The “**Early Redemption Price**” will be determined as follows:

- (a) in the case of a Gross-Up Event or a Substantial Repurchase Event at any time, 100 per cent. of the principal amount of the relevant Securities then outstanding,
- (b) in the case of an Accounting Event, a Rating Agency Event or a Tax Deduction Event,
  - a) 101 per cent. of the principal amount of the relevant Securities then outstanding if the Early Redemption Date falls (i) prior to 13 October 2025, in the case of the NC 5.25 Securities (being the date falling three months prior to the NC 5.25 Securities First Reset Date), or (ii) prior to 13 July 2029, in the case of the NC 9 Securities (being the date falling three months prior to the NC 9 Securities First Reset Date); or
  - b) 100 per cent. of the principal amount of the relevant Securities then outstanding if the of the relevant Securities then outstanding if the Early Redemption Date falls (i) on or after 13 October 2025, in the case of the NC 5.25 Securities, or (ii) on or after 13 July 2029, in the case of the NC 9 Securities;

in each case together with any accrued interest to, but excluding, the relevant Early Redemption Date and any outstanding Arrears of Interest. See Condition 5 (*Redemption, Purchase and Options*) of the NC 5.25 Terms and Conditions of the Securities in respect of the NC 5.25 and Condition 5 (*Redemption, Purchase and Options*) of the NC 9 Terms and Conditions of the Securities in respect of the NC 9.

### ***Enforcement Events***

If the Issuer shall not make payment, for a period of 30 days or more, of any principal or interest (including any Arrears of Interest) in respect of the relevant Securities which is due and payable, then the Issuer shall be deemed to be in default under the Securities and the Coupons and the holders of at least one-quarter in principal amount of the Securities then outstanding may, (a) institute actions, steps or proceedings, including Insolvency Proceedings, against the Issuer and/or (b) file a proof of claim and participate in any Insolvency Proceedings or proceedings for the liquidation, dissolution or winding-up of the Issuer, (in which Insolvency Proceedings, liquidation, dissolution or winding-up, the Securities shall immediately become due and payable at their principal amount together with any accrued but unpaid interest up to (but excluding) the date on

which the Securities become so due and payable and any outstanding Arrears of Interest).

Following the occurrence of any of the events described in Condition 5(a) with respect to the NC 5.25 Securities and Condition 5(a) with respect to the NC 9 Securities, on the relevant Liquidation Event Date, the Securities will, automatically and without any requirement for the giving of notice, become due and payable at an amount equal to their principal amount, together with any outstanding interest accrued up to (but excluding) the Liquidation Event Date and any outstanding Arrears of Interest.

On or following the Liquidation Event Date, no payments will be made in relation to the Junior Securities of the Issuer before all amounts due, but unpaid, on the Securities have been paid by the Issuer.

On or following the Liquidation Event Date, each Securityholder may, at its discretion and without further notice, institute steps in order to obtain a judgment against the Issuer for any amounts due in respect of the Securities, including the institution of Insolvency Proceedings against the Issuer or the filing of a proof of claim and participation in any Insolvency Proceedings or proceedings for the liquidation, dissolution or winding-up of the Issuer.

#### ***Meetings of Securityholders***

Each Agency Agreement and the relevant Terms and Conditions of the relevant Securities contain provisions for convening meetings of the relevant Securityholders to consider any matter affecting their interests. These provisions permit defined majorities to bind all relevant Securityholders, whether or not they are present at the meeting, and all relevant Couponholders.

#### ***Modification and Waiver***

Each of the NC 5.25 Securities and the NC 9 Securities and the relevant Terms and Conditions and each Deed of Covenant of the Securities may be amended without the consent of the Securityholders of the relevant Securities in accordance with Condition 4(d) (*Benchmark discontinuation*) and Condition 6 (*Exchange or Variation upon a Gross-Up event, Tax Deduction Event, Rating Agency Event or Accounting Event and Preconditions to such Exchange or Variation*). No other modification may be made to each of the NC 5.25 Securities and the NC 9 Securities and the relevant Terms and Conditions of the Securities and each Deed of Covenant except with the sanction of a resolution of the relevant Securityholders.

In addition, the Issuer 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 Securityholders and in giving such permission, waiver or authorisation the Issuer shall have regard to interests of the

Securityholders as a class and shall not have regard to the consequences of such permission, waiver or authorisation for individual Securityholders or Couponholders.

***Exchange or Variation***

If a Gross-Up Event, Tax Deduction Event, Rating Agency Event or an Accounting Event has occurred and is continuing and the Issuer has provided the Fiscal Agent with the relevant certificate and opinion, then the Issuer may, subject to certain conditions and having given not less than 10 nor more than 60 Business Days' notice to the Fiscal Agent, the Calculation Agent and the Securityholders (which notice shall be irrevocable and shall specify the date for the relevant exchange or, as the case may be, variation of the Securities) but without any requirement for the consent or approval of the Securityholders or Couponholders, as an alternative to an early redemption of the Securities at any time: (i) exchange all, but not some only, the Securities for new securities (such securities, the "**Exchanged Securities**"), or (ii) vary the terms of the Securities (the Securities, as so varied, the "**Varied Securities**").

***Transfer and Selling Restrictions***

There are restrictions on the offer, sale and transfer of the Securities in the EEA, the United States, the United Kingdom, Singapore, Switzerland and Italy and such other restrictions as may be required in connection with the offering and sale of the Securities. See "Subscription and Sale".

***Taxation; Additional Amounts***

All payments of principal and interest in respect of the relevant Securities and Coupons by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by a Tax Jurisdiction or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer will pay such additional amounts (the "**Additional Amounts**") as shall result in receipt by the relevant Securityholders and relevant 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 relevant Security or Coupon:

- (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; or (ii) liable to such taxes, duties, assessments or governmental charges in respect of such Security or Coupon by reason of his having some connection with the



Tax Jurisdiction other than the mere holding of the Security or Coupon; or

- (b) 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 Security or Coupon on account of *imposta sostitutiva* pursuant to Italian Legislative Decree No. 239 of 1 April 1996, as amended or any secondary legislation implementing the same (each as amended and/or supplemented from time to time);
- (d) in relation to any payment or deduction of any interest, principal or other proceeds of any Security or Coupon presented for payment in the Tax Jurisdiction.

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

***Form and Denomination***

The Securities will be issued in bearer form in denominations of €100,000 and integral multiples of €1,000 in excess thereof, up to and including €199,000.

***Governing Law***

The relevant Securities, the Coupons and the Talons (and any non-contractual obligations arising out of or in connection with them) are governed by, and shall be construed in accordance with, English law, except for Conditions 3(a) and 3(b), concerning status and subordination of the relevant Securities and the Coupons, which shall each be governed by Italian law. Condition 12 and the provisions of the relevant Agency Agreement concerning the meeting of relevant Securityholders and the appointment of a Securityholders’ representative are subject to mandatory provisions of Italian law.

***Fiscal Agent, Paying Agent and  
Calculation Agent***

The Bank of New York Mellon, London Branch.

***Listing***

This Offering Circular has been approved by the CSSF, as competent authority under the Prospectus Regulation, as meeting the requirements imposed under European Union law pursuant to the Prospectus Regulation. Application has been made to the Luxembourg Stock Exchange to be admitted to the Official List and trading on its regulated market.

***Security Codes***

The ISIN is XS2242929532 and the Common Code is 224292953 for the NC 5.25 Securities and the ISIN is XS2242931603 and the Common Code is 224293160 for the NC 9 Securities.

***Risk Factors***

Investing in the Securities involves substantial risks. In evaluating an investment in the Securities, you should carefully consider all of the information provided in this Offering Circular and, in particular, the specific factors set out under “Risk Factors” beginning on page 12.

## RISK FACTORS

*The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Securities. Most of these factors are contingencies which may or may not occur.*

*In addition, factors which are material for the purpose of assessing the market risks associated with the Securities are also described below.*

*The Issuer believes that the factors described below represent the principal risks inherent in investing in the Securities, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with the Securities may occur for other reasons which may not be considered significant risks by the Issuer based on information currently available to it and which it may not currently be able to anticipate. In addition, if any of the following risks, or any other risk not currently known, actually occur, the trading price of the Securities could decline and Securityholders may lose all or part of their investment. Prospective investors should also read the detailed information set out elsewhere in this Offering Circular including any document incorporated by reference hereto and reach their own views, based upon their own judgement and upon advice from such financial, legal and tax advisers as they have deemed necessary, prior to making any investment decision.*

*References to the “relevant Securities” are to the NC 5.25 Securities and the NC 9 Securities, respectively and references to the “relevant Terms and Conditions of the Securities” and the “relevant Conditions” are references to Conditions under “Terms of the NC 5.25 Securities” and “Terms of the NC 9 Securities”, respectively. Words and expressions defined in the relevant Terms and Conditions of the Securities or elsewhere in this Offering Circular have the same meanings in this section.*

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

Due to the nature of its business, the Group is exposed to a variety of risks, including, inter alia, market risks, credit risk, liquidity risk, industrial and environmental risks and regulatory risk, which are discussed herein below.

#### ***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 CO2 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 PetroJunin 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 incurrence 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 counterparty 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.

## **Risks related to the Securities**

### **1. Risks relating to the specific characteristics of the Securities**

#### ***The Issuer's payment obligations in respect of the Securities are subordinated***

The Securities will be unsecured and subordinated obligations of the Issuer and will rank junior to the claims of unsubordinated and other subordinated creditors of the Issuer, except for subordinated creditors whose claims are expressed to rank *pari passu* with the Securities. See Condition 3 (*Status and Subordination*) of the relevant Terms and Conditions of the Securities. By virtue of such subordination, upon the occurrence of a winding-up, insolvency, dissolution or liquidation of the Issuer, payments on the Securities will be subordinated in right of payment to the prior payment in full of all other liabilities of the Issuer, except for payments in respect of any Parity Securities or Junior Securities. The obligations of the Issuer under the Securities are intended to be senior only to its obligations to the holders of (i) any class of the Issuer's share capital and (ii) any other securities issued by the Issuer or any securities issued by a company other than the Issuer which have the benefit of a guarantee or similar instrument from the Issuer, which securities of the Issuer, or guarantee or similar instrument granted by the Issuer, rank or are expressed to rank *pari passu* with any class of the Issuer's

share capital and/or junior to the Securities. A Securityholder may therefore recover less than the holders of unsubordinated or other subordinated liabilities of the Issuer.

Subject to applicable law, no Securityholder may exercise or claim any right of set-off in respect of any amount owed to it by the Issuer arising under or in connection with the Securities and each Securityholder shall, by virtue of being a Securityholder, be deemed to have waived all such rights of set-off.

Securityholders are advised that unsubordinated liabilities of the Issuer may also arise out of obligations that are not reflected in the financial statements of the Issuer, including, without limitation, the issuance of guarantees on an unsubordinated basis. Claims made under such guarantees will become unsubordinated liabilities of the Issuer which, in a winding-up, insolvency, dissolution or liquidation of the Issuer, will need to be paid in full before the obligations under the Securities may be satisfied.

Although subordinated debt securities may pay a higher rate of interest than comparable debt securities which are not subordinated, there is a real risk that an investor in subordinated securities such as the Securities will lose all or some of his investment should the Issuer become insolvent.

***The Securities are perpetual securities; holders of the Securities may be required to bear the financial risks of an investment in the Securities for a long period***

The Securities are perpetual securities and have no fixed date for redemption, and unless previously redeemed or purchased and cancelled by the Issuer as provided in the relevant Terms and Conditions, the Securities will mature on the Liquidation Event Date (including in connection with any Insolvency Proceedings) (i) in accordance with any provision on duration of the Issuer set out in the by-laws of the Issuer from time to time (which, as of the date of this Offering Circular sets the duration of at 31 December 2100), or, if earlier, (ii) in accordance with (x) a resolution of the shareholders' meeting of the Issuer, or (y) any applicable legal provision, or any decision of any judicial or administrative authority. The Issuer is under no obligation to redeem or repurchase the Securities, although it may elect to do so in certain circumstances. Securityholders have no right to call for the redemption of the Securities and the Securities will only become due and payable in certain circumstances relating to payment default and a winding-up, dissolution, liquidation or restructuring of the Issuer (see Condition 10 (*Enforcement Events*) of the relevant Terms and Conditions of the Securities). Securityholders should therefore be aware that they may be required to bear the financial risks associated with an investment in long-term securities and that they may not recover their investment in the foreseeable future.

***Deferral of interest payments***

The Issuer may, at its sole discretion, elect to defer in whole (or in part) any payment of interest in respect of the Securities in respect of any Interest Period by giving a by giving notice of such election to the Securityholders and to the Fiscal Agent and Paying Agents at least five, but not more than 30, Business Days prior to the relevant Interest Payment Date. If the Issuer makes such an election, the Issuer shall have no obligation to make such payment and any such non-payment of interest will not constitute a default by the Issuer for any purpose. Any interest in respect of the Securities the payment of which is deferred will, so long as the same remains outstanding, constitute Arrears of Interest. Arrears of Interest will be payable as outlined in Condition 4 of relevant Terms and Conditions of the Securities. No interest will accrue on any outstanding Arrears of Interest. While the deferral of payment of interest continues, the Issuer is not prohibited from making payments on any instrument ranking senior to the Securities and in such event, the Securityholders are not entitled to claim immediate payment of interest so deferred.



As a result, any deferral of interest payments, or perception that the Issuer will exercise its deferral right, will likely have an adverse effect on the market price of the Securities. In addition, as a result of the interest deferral provisions of the Securities, the market price of the Securities may be more volatile than the market prices of other debt securities on which original issue discount or interest accrues that are not subject to such deferrals and may be more sensitive generally to adverse changes in the financial condition of the Issuer.

***Early redemption risk***

The Issuer may redeem all (but not some only) of the NC 5.25 Securities on any NC 9 Securities Call Date at their principal amount together with accrued interest to, but excluding, the redemption date and any outstanding Arrears of Interest. The Issuer may redeem all (but not some only) of the NC 5.25 Securities on any NC 9 Securities Call Date at their principal amount together with accrued interest to, but excluding, the redemption date and any outstanding Arrears of Interest.

The Issuer may also redeem all (but not some only) of the relevant Securities at the applicable Early Redemption Price at any time following the occurrence of a Gross-Up Event, a Tax Deduction Event, an Accounting Event a Rating Agency Event or an Accounting Event , as outlined in Conditions 6(c) (*Early Redemption following a Gross-Up Event*), , 6(d) (*Early Redemption following a Tax Deduction Event*) 6(e) (*Early Redemption following a Rating Agency Event*) and 6(f) (*Early Redemption following an Accounting Event*) of the relevant Terms and Conditions of the Securities. In addition, as outlined in Condition 6(g) (*Purchases and Substantial Repurchase Event*) , in the event that at least 75 per cent. of the aggregate amount of the relevant Securities issued on the Issue Date has been purchased by or on behalf of the Issuer or a Subsidiary and cancelled, the Issuer may redeem all (but not some only) of the outstanding Securities at the applicable Early Redemption Price. The Early Redemption Price may be less than the then current market value of the relevant Securities.

During any period when the Issuer may elect to redeem or is perceived to be able to redeem the relevant Securities, the market value of such Securities 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 Issuer may be expected to redeem the relevant Securities when its cost of borrowing for similar securities is lower than the interest rate on such relevant Securities, or if it no longer requires the relevant Securities as part of its capital structure. An investor may not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the relevant Securities being redeemed and may only be able to reinvest the redemption proceeds at a significantly lower rate. Potential investors should consider their reinvestment risk in light of other investments available at that time.

***There is no limitation on the Issuer issuing senior or pari passu securities***

There is no restriction on the amount of securities or other liabilities which the Issuer may issue or incur and which rank senior to, or *pari passu* with, the Securities. The issue of any such securities or the incurrence of any such other liabilities may reduce the amount (if any) recoverable by Securityholders on an insolvency of the Issuer and/or may increase the likelihood of a deferral of interest payments under the relevant Securities.

***Resettable fixed rate securities carry a market risk***

A holder of fixed rate securities is particularly exposed to the risk that the price of such securities falls as a result of changes in market interest rates. While the interest rate of the relevant Securities is fixed until the relevant NC 5.25 Securities First Reset Date or NC 9 Securities First Reset Date, as the case may be, (with a reset of the initial fixed rate on every relevant Reset Date as set out in the Conditions

of the relevant Securities), market interest rates typically change on a daily basis. As the market interest rate changes, the price of the Securities also changes, but in the opposite direction. If the market interest rate increases, the price of the Securities would typically fall. If the market interest rate falls, the price of the Securities would typically increase. Securityholders should be aware that movements in these market interest rates can adversely affect the price of the Securities and can lead to losses for the Securityholders if they sell the Securities.

***Interest rate reset may result in a decline of yield***

A holder of securities with a fixed interest rate that will be reset during the term of the securities (as will be the case for the Securities on each relevant Reset Date if not previously redeemed) is exposed to the risk of fluctuating interest rate levels and uncertain interest income.

***After the relevant NC 5.25 Securities First Reset Date or NC 9 Securities First Reset Date, as the case may be, the interest rate in respect of the relevant Securities will be reset periodically by reference to a mid-swap rate, which may be affected by changes in benchmark regulation***

After the NC 5.25 Securities First Reset Date in respect of the NC 5.25 Securities, the interest rate will (if the NC 5.25 Securities are not redeemed) be reset on the NC 5.25 Reset Date by reference to a prevailing EUR 5 year Swap Rate plus (A) for the NC 5.25 Reset Period ending on (but excluding) the NC 5.25 Reset Date falling on 13 January 2031, 3.167 per cent. per annum, (B) for each NC 5.25 Reset Period which falls in the period commencing on (and including) the NC 5.25 Reset Date falling on 13 January 2031 and ending on (but excluding) the NC 5.25 Reset Date falling on 13 January 2046, 3.417 per cent. per annum, and (C) for each subsequent NC 5.25 Reset Period, 4.167 per cent. per annum.

After NC 9 Securities First Reset Date in respect of the NC 9 Securities, the interest rate will (if the NC 9 Securities are not redeemed) be reset on the NC 9 Reset Date by reference to a prevailing EUR 5 year Swap Rate plus (A) for the NC 9 Reset Period ending on (but excluding) the NC 9 Reset Date falling on 13 October 2034, 3.641 per cent. per annum, (B) for each NC 9 Reset Period which falls in the period commencing on (and including) the NC 9 Reset Date falling on 13 October 2034 and ending on (but excluding) the NC 9 Reset Date falling on 13 October 2049, 3.891 per cent. per annum, and (C) for each subsequent NC 9 Reset Period, 4.641 per cent. per annum.

The relevant Terms and Conditions of the Securities include fall-back provisions as set out in Condition 4(d) (*Benchmark discontinuation*) which apply in the event the EUR 5 year Swap Rate does not appear on the EUR Reset Screen Page on the relevant Reset Interest Determination Date. Applying such fall-back provisions will result in the relevant Securities performing differently (which may include payment of a lower Prevailing Interest Rate) than they would if the EUR 5 year Swap Rate were available.

As at the time of pricing of the initial issue of the relevant Securities, the current market practice is to derive the EUR 5 year Swap Rate in part from the Euro interbank offered rate (“EURIBOR”) calculated by the European Money Markets Institute (as administrator of EURIBOR). The EUR 5 year Swap Rate, EURIBOR and other interest rates or other types of rates and indices which are deemed to be “benchmarks” are the subject of ongoing national and international regulatory reform. Following the implementation of any such potential reforms, the manner of administration of benchmarks may change, with the result that they may perform differently than in the past, or benchmarks could be eliminated entirely, or there could be other consequences which cannot be predicted. Any such consequence could affect the manner in which interest determinations are required to be made pursuant to the relevant Conditions, as set out in Condition 4(b) (*Interest Deferral*) of the relevant Conditions, and have a material adverse effect on the value of and return on any the Securities.

Key international reforms of “benchmarks” include the International Organization of Securities Commission’s (“**IOSCO**”) proposed Principles for Financial Market Benchmarks (July 2013) (the “**IOSCO Benchmark Principles**”) 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, while there has been a significant market reaction to the publication of the IOSCO Benchmark Principles and widespread efforts by administrators to voluntarily implement the principles, further steps may need to be taken by IOSCO in the future to reach to changes in the benchmarks industry, but that it is too early to determine what those steps should be.

On 17 May 2016, the Council of the European Union adopted the Benchmarks Regulation, which was published in the Official Journal of the EU on 29 June 2016 and entered into force on 30 June 2016. Subject to various transitional provisions, the Benchmarks Regulation has applied since 1 January 2018, except that the regime for “critical benchmarks” which 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, among other things, (i) requires Benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regulatory regime or otherwise recognised or endorsed) and to comply with extensive requirements in relation to the administration of “benchmarks” and (ii) bans the use of benchmarks of unauthorised administrators.

As at the date of this Offering Circular, the European Money Markets Institute appears on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority (“**ESMA**”) pursuant to article 36 of the Benchmark Regulation.

It is not possible to predict with certainty whether, and to what extent a Benchmark will continue to be supported going forwards. This may cause certain Benchmarks, including EURIBOR, to perform differently than they have done in the past, and may have other consequences which cannot be predicted. The reform of EURIBOR to adopt a hybrid methodology and to provide a 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), or the elimination of any other Benchmark, or changes in the manner of administration of any Benchmark, could require an adjustment to the conditions of the Securities or result in other consequences in respect of the Securities.

If a Benchmark Event (which, amongst other events, includes the permanent discontinuation of the EUR 5 year Swap Rate) occurs, the Issuer shall use its reasonable endeavours to appoint and consult with an Independent Adviser as soon as reasonably practicable. The Independent Adviser shall act in good faith and in a commercially reasonable manner as an expert and in consultation with the Issuer and shall endeavour to determine a Successor Rate or Alternative Rate to be used in place of the EUR 5 year Swap Rate. The use of any such Successor Rate or Alternative Rate to determine the Prevailing Interest Rate will result in the Securities performing differently (which may include payment of a lower Prevailing Interest Rate) than they would do if the EUR 5 year Swap Rate were to continue to apply in its current form.

If a Successor Rate or Alternative Rate is determined by the Independent Adviser, the Conditions also provide that an Adjustment Spread shall be determined by the Independent Adviser and applied to such Successor Rate or Alternative Rate. The use of any Successor Rate or Alternative Rate (including with the application of the applicable Adjustment Spread) will still result in the Securities performing differently (which may include payment of a lower Prevailing Interest Rate) than they would if the EUR 5 year Swap Rate were to continue to apply in its current form.

Furthermore, if any Successor Rate or Alternative Rate and, in each case, the applicable Adjustment Spread is determined by the Independent Adviser, the Conditions provide that the Issuer shall vary the Conditions, if determined by the Independent Adviser, to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread, without any requirement for consent or approval of the Securityholders.

Accordingly, while any Adjustment Spread may be expected to be designed to eliminate or minimise any potential transfer of value between counterparties, the application of the Adjustment Spread to the Securities may not do so and may result in the Securities performing differently (which may include payment of a lower interest rate) than they would do if the EUR 5 year Swap Rate were to continue to apply in its current form.

***The 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 relevant terms and conditions of the Securities***

Where the Issuer is unable to appoint an Independent Adviser in a timely manner, or the Independent Adviser is unable to determine a Successor Rate or Alternative Rate before the relevant IA Determination Cut-off Date in accordance with the Conditions, the Issuer 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 Reset Interest Determination Date relating to the next Reset Period for which the Prevailing Interest Rate (or any component part thereof) is to be determined by reference to the EUR 5 year Swap Rate.

Applying the last available EUR 5 year mid swap rate for euro swap transactions, expressed as an annual rate, on the EUR Reset Screen Page will result in the Securities performing differently (which may include payment of a lower Prevailing Interest Rate) than they would do if the EUR 5 year Swap Rate were to continue to apply, or if a Successor Rate or Alternative Rate could be determined.

Where the Issuer has been unable to appoint an Independent Adviser or the Independent Adviser is unable to determine a Successor Rate or Alternative Rate in respect of any given Reset Interest Determination Date, it will continue to attempt to appoint an Independent Adviser in a timely manner before the next succeeding Reset Interest Determination Date, and/or the Independent Adviser will continue to attempt to determine a Successor Rate or Alternative Rate to apply to the next succeeding and any subsequent Reset Periods, as necessary.

If the 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 Securities, the initial Prevailing Interest Rate, or the last available EUR 5 year mid swap rate for euro swap transactions, expressed as an annual rate, on the EUR Reset Screen Page, will continue to apply to the date on which the Securities will become due and payable and will be redeemed in accordance with the relevant Terms and Conditions.

***The Securities are subject to provisions relating to modification, waivers, substitution of the Issuer and modification or variation of the Securities***

Each Agency Agreement contains provisions for convening meetings of the Securityholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Securityholders including Securityholders who did not attend and vote at the relevant meeting and Securityholders who voted in a manner contrary to the majority.

Furthermore, the Issuer may, subject to the fulfilment of certain requirements as set out in the Conditions, without the consent of the Securityholders, vary or the exchange of the relevant Securities upon an Accounting Event, a Tax Deduction Event, a Rating Agency Event or a Gross-Up Event.

There is a risk that, after the issue of the relevant Securities, an Accounting Event, a Tax Deduction Event, a Rating Agency Event or a Gross-Up Event may occur which would entitle the Issuer, without any requirement for the consent or approval of the Securityholders, to exchange or vary the relevant Securities, subject to certain conditions intended to protect the interests of the Securityholders, so that after such exchange or variation the relevant Securities remain or become, as the case may be, eligible for the same or (from the perspective of the Issuer) more favourable tax, accounting or ratings treatment than the treatment to which they were entitled prior to the relevant event occurring. Any such exchange or variation may have an adverse impact on the price of, and/or the market for, the relevant Securities.

Whilst the Exchanged Securities or Varied Securities, as the case may be, are required to have terms which are not materially less favourable to the Securityholders (as a class) than the terms of the relevant Securities, there can be no assurance that the Exchanged Securities or Varied Securities, as the case may be, will not have a significant adverse impact on the price of, and/or market for, the Securities or the circumstances of individual Securityholders.

***There are limited Events of Default and remedies available to Securityholders***

The Terms and Conditions of each series of Securities do not provide for events of default allowing acceleration of the Securities if certain events occur. Accordingly, if the Issuer fails to meet any obligations under the Securities, including the payment of any interest, investors will not have the right to require the early redemption of the Securities. If the Issuer fails to make payment of any principal when due, the holders of at least one-quarter in principal amount of the Securities then outstanding may, (a) institute actions, steps or proceedings, including Insolvency Proceedings, against the Issuer and/or (b) file a proof of claim and participate in any Insolvency Proceedings or proceedings for the liquidation, dissolution or winding-up of the Issuer, as further described in Condition 10(a) of the relevant Terms and Conditions of the Securities. Notwithstanding the foregoing, in no event shall the Issuer, by virtue of the institution of any such proceedings, be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it.

In addition, in the event of a winding-up, insolvency, dissolution or liquidation of the Issuer, the claims of relevant Securityholders will be subordinated as further described in Condition 10 (*Enforcement Events*) of the relevant Terms and Conditions of the Securities. Accordingly, the claims of holders of all obligations to which the Securities are subordinated will first have to be satisfied in any winding-up or analogous proceedings before the relevant Securityholders may expect to obtain any recovery in respect of the Securities and prior thereto relevant Securityholders will have only limited ability to influence the conduct of such winding-up or analogous proceedings.

## 2. Risks relating to changes of law and the Italian insolvency law regime

### ***Changes of law may affect the terms and conditions of the relevant Securities***

Each Agency Agreement, the Securities, the Coupons and the Talons (and any non-contractual obligations arising out of or in connection with them) are governed by, and shall be construed in accordance with, English law, except for Conditions 3(a) (*Status*) and 3(b) (*Subordination*) of the Terms and Conditions of the relevant Securities which shall each be governed by Italian law. The provisions of each Agency Agreement concerning the meeting of Securityholders and the appointment of a joint representative of Securityholders (a *rappresentante comune*) in respect of the relevant Securities are subject to mandatory provisions of Italian law. See Condition 17 (*Governing Law, Jurisdiction and Service of Process*) of the relevant Terms and Conditions of the Securities. No assurance can be given as to the impact of any possible judicial decision or change to English or Italian law or administrative practice after the date of this Offering Circular.

### ***Italian insolvency laws are applicable to the Issuer and may not be as favourable to holders of Securities as those of other jurisdictions with which investors may be more familiar***

Under Italian law, if certain requirements are met, the Issuer could become subject to certain insolvency proceedings, as described in the section “Overview of the Italian Insolvency Law Regime” of this Offering Circular. The Italian insolvency laws may not be as favourable to Securityholders’ interests as creditors as the laws of other jurisdictions with which the Securityholders may be familiar.

For instance, if the Issuer becomes subject to certain bankruptcy proceedings, payments made by the Issuer in favour of the Securityholders prior to the commencement of the relevant proceeding may be liable to claw-back by the relevant court-appointed receiver (*curatore fallimentare*).

Furthermore, under Italian law, Securityholders would not have a right as a class to appoint a representative to a creditors’ committee. Consequently, Securityholders should be aware that they will generally have limited ability to influence the outcome of any insolvency proceedings which may apply to the Issuer under Italian law, especially in light of the current capital structure of the Issuer.

## 3. Risks relating to the credit rating of the Securities

### ***Credit Rating***

On or around the Issue Date, the Securities are expected to be assigned a rating of BBB by S&P, Baa3 by Moody's and BBB by Fitch. According to the definitions published by Standard & Poor's on its website as of the date of this Offering Circular, an obligation rated ‘BBB’ exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to weaken the obligor's capacity to meet its financial commitments on the obligation. In addition, ratings from ‘AA’ to ‘CCC’ may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the rating categories. According to the definitions published by Moody's on its website as of the date of this Offering Circular, obligations rated ‘Baa’ are subject to moderate credit risk. They are considered medium-grade and as such may possess speculative characteristics. In addition, Moody's appends numerical modifiers 1, 2 and 3 to each generic rating classification from ‘Aa’ to ‘Caa’; the modifier ‘3’ indicates that the obligation ranks in the lower end of its generic rating category. According to the definitions published by Fitch on its website as of the date of this Offering Circular, ‘BBB’ ratings denote expectations of low credit risk. The capacity for payment of financial commitments is considered adequate, but adverse business or economic conditions are more likely to impair this capacity than is the case for higher ratings. In addition, within rating categories, Fitch may use modifiers; the modifiers ‘+’ or ‘-’ may be appended to a rating to denote relative status within major rating categories.

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. A suspension, reduction or withdrawal of the rating assigned to any Securities may adversely affect the market price of the Securities. Any adverse change in an applicable credit rating could adversely affect the trading price for the Securities.

In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the EEA or in the UK and registered under the CRA Regulation unless (1) the rating is provided by a credit rating agency not established in the EEA or in the UK but is endorsed by a credit rating agency established in the EEA or in the UK and registered under the CRA Regulation or (2) the rating is provided by a credit rating agency not established in the EEA or in the UK which is certified under the CRA Regulation. S&P, Moody's and Fitch appear on the latest update of the list of registered credit rating agencies on the ESMA website <http://www.esma.europa.eu>.

#### **4. Risks relating to the trading market for the Securities**

***There is no active trading market for the Securities, and if a market does develop, it may be volatile***

Although application has been made to admit the Securities to trading on the Luxembourg Stock Exchange, the Securities will have no secondary market when issued, and one may never develop. If a market does develop, it may not be liquid. Therefore, investors may not be able to sell their Securities 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 securities that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been prepared to meet the investment requirements of limited categories of investors. These types of securities generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of the Securities.

#### ***Delisting of the Securities***

Application may be made for the Securities to be listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange. If the listing of the Securities on such market becomes unduly burdensome, the Securities may subsequently be delisted despite the best efforts of the Issuer to maintain such listing and, although no assurance is made as to the liquidity of the Securities as a result of listing, any delisting of the Securities may have a material effect on a Securityholder's ability to resell the Securities on the secondary market.

#### **5. Risks relating to taxation and accounting treatment of the Securities Taxation**

The tax regime in Italy and in any other relevant jurisdiction (including, without limitation, the jurisdiction in which each Securityholder is resident for tax purposes) may be relevant to the acquiring, holding and disposing of the Securities and the receiving of payments of interest, principal and/or other income under the Securities. Prospective investors in the Securities should consult their own tax advisers as to which countries' tax laws could be relevant and the consequences of such actions under the tax laws of those countries.

***Payments in respect of the Securities may in certain circumstances be made subject to withholding or deduction of tax***

All payments in respect of the Securities will be made free and clear of withholding or deduction of Italian taxation, unless the withholding or deduction is required by law. In that event, the Issuer will

pay such additional amounts as will result in the Securityholders receiving such amounts as they would have received in respect of such Securities had no such withholding or deduction been required. The Issuer's obligation to gross-up is, however, subject to a number of exceptions, including withholding or deduction of *imposta sostitutiva* (Italian substitute tax), pursuant to Italian Legislative Decree No. 239 of 1 April 1996 a brief description of which is set out below.

Prospective purchasers of Securities should consult their tax advisers as to the overall tax consequences of acquiring, holding and disposing of Securities and receiving payments of interest, principal and/or other amounts under the Securities, including in particular the effect of any state, regional or local tax laws of any country or territory. See also the section headed "Certain Tax Considerations" below.

### ***Imposta sostitutiva***

*Imposta sostitutiva* (Italian substitute tax) is applied to payments of interest and other income (including the difference between the redemption amount and the issue price) at a rate of 26 per cent. to (i) certain Italian resident Securityholders and (ii) non-Italian resident Securityholders who have not filed in due time with the relevant depository a declaration (*autocertificazione*) stating, inter alia, that he or she is resident for tax purposes in a country which allows for an adequate exchange of information with the Italian tax authorities. See also the section headed "Certain Tax Considerations" below.

### ***Qualification of the Securities under Italian tax law***

The statements contained in the section headed "Certain Tax Considerations" regarding the applicability of the tax regime provided for by Decree No. 239 to the Securities are based on the interpretation of the applicable legislation as confirmed by clarifications given by the Italian tax authority in Circular No. 4/E of 18 January 2006, Circular No. 4/E of 6 March 2013 and reply to Ruling No. 291 of 31 August 2020, according to which (i) bonds may have a maturity which is not scheduled at a specific date, but which instead is linked (as is the case with the Securities) either to the duration of the issuing company or to certain events that would lead to the liquidation of the issuer (e.g. a resolution of the shareholders' meeting or a decision of a judicial or administrative authority), and that (ii) the accounting of bonds as equity instruments by the issuer does not affect the classification of the instruments for tax purposes. Prospective purchasers and holders of the Securities should be aware that the above clarifications (as well as the Italian tax provisions in effect as of the date of this Preliminary Offering Circular) are subject to changes, which could even apply retrospectively.

If the Securities were not classified as "bonds" or "debentures similar to bonds" for tax purposes, they would be classified as "atypical securities" pursuant to Article 5 of Law Decree No. 512 of 30 September 1983. In such case, interest and other proceeds in respect of the Securities could be subject to Italian withholding tax at a rate of 26 per cent. if owed to beneficial owners that are not resident in Italy for tax purposes or to certain categories of Italian resident beneficiaries, depending on the legal status of the beneficiary owner of such interest and other proceeds. The applicability of such a withholding tax in relation to interest and other proceeds paid to non-Italian resident beneficiaries would give rise to an obligation of the Issuer to pay additional amounts pursuant to Condition 8 (*Taxation*), and would, as a consequence, allow the Issuer to redeem the Securities pursuant to Condition 5(c) (*Redemption, Purchase and Options*).

### ***The current IFRS accounting classification of financial instruments such as the Securities as equity instruments may change, which may result in the occurrence of an Accounting Event.***

In June 2018, the IASB (International Accounting Standards Board) published the discussion paper DP/2018/1 on "Financial Instruments with Characteristics of Equity" (the "**DP/2018/1 Paper**") and a public meeting was recently held on this matter. If the proposals set out in the DP/2018/1 Paper are



implemented in their current form, the current IFRS accounting classification of financial instruments such as the Securities as equity instruments may change and this may result in the occurrence of an “Accounting Event” (as described in the relevant Terms and Conditions of the Securities). In such an event, the Issuer may have the option to redeem, in whole but not in part, the Securities pursuant to the relevant Terms and Conditions of the Securities or exchange or vary them so that they remain or become Qualifying Securities. The implementation of any of the proposals set out in the DP/2018/1 Paper or any other similar such proposals that may be made in the future, including the extent and timing of any such implementation, if at all, is still uncertain.

During the 23 October 2019 meeting of the IASB, the potential scope and indicative timetable of the project plan regarding the DP/2018/1 Paper were discussed but no decisions were made. Accordingly, no assurance can be given as to the future classification of the Securities from an accounting perspective or whether any such change may result in the occurrence of an Accounting Event, thereby providing the Issuer with the option to redeem the Securities pursuant to the relevant Terms and Conditions of the Securities. The occurrence of an Accounting Event may result in Securityholders receiving a lower than expected yield.

The redemption of the Securities by the Issuer or the perception that the Issuer will exercise its optional redemption right might negatively affect the market value of the Securities. During any period when the Issuer may elect to redeem the Securities, the market value of the Securities generally will not rise substantially above the price at which they can be redeemed.

## INCORPORATION BY REFERENCE

The following documents, which have previously been published and have been filed with the CSSF, shall be incorporated in and form part of this Offering Circular:

- (i) the annual consolidated audited financial statements of the Issuer as at and for the years ended 31 December 2018 and 31 December 2019 (the “**Annual Reports**”), as further described below: the 2018 Annual Report shall be the 2018 Annual Report on Form 20-F, which includes the Independent Auditors’ Report 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/docs/en\\_IT/enicom/publications-archive/publications/reports/reports-2018/Annual-Report-On-Form-20-F-2018.pdf](https://www.eni.com/docs/en_IT/enicom/publications-archive/publications/reports/reports-2018/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
- (ii) the unaudited condensed consolidated interim financial statements of the Issuer as at and for the six months ended 30 June 2019 and 30 June 2020, as published subsequently to the Annual Reports of the Issuer (the “**unaudited Interim Financial Statements**”), as further described below: 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;
- (iii) the sections headed (i) “Eni” on pages 106 to 135 and (ii) “Overview of certain significant differences between the “Relazione Finanziaria Annuale” and the “Annual Report on form 20-F” on pages 170 to 171 of the €20,000,000,000 Euro Medium Term Note Programme Base Prospectus dated 2 October 2020 (the “**EMTN Base Prospectus**”), which can be found on Eni’s website at <https://eni.com/assets/documents/investitori/Eni-MTN-Base-Prospectus-2020.pdf>;

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

Such documents shall be incorporated by reference in and form part of this Offering Circular, save that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Offering Circular 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 Offering Circular.

Copies of documents incorporated by reference in this Offering Circular may be obtained from the offices of the Paying Agent in Luxembourg (as set out herein) and will also be available on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)). 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 incorporated by reference in this Offering Circular is either not relevant to investors or is covered elsewhere in this Offering Circular (in line with Article 19 of Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”). 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 Offering Circular.

### **Consolidated Financial Statements for the fiscal year ended 31 December 2018**

1	Significant business and portfolio developments	pages 30-33
2	Recent developments	page 116
	Consolidated financial statements	
3	.....	pages F3-F10
	Consolidated Balance sheet	
	.....	page F3
	Consolidated Profit and loss account	
	.....	page F4
	Consolidated Statements of comprehensive income (loss)	
	.....	page F5
	Consolidated Statements of changes in shareholders' equity	
	.....	pages F6-F8
	Consolidated Statements of cash flows	
	.....	pages F9-F10
	Report of Independent Registered Public Accounting Firm	
4	.....	pages F1-F2
	Notes on consolidated financial statements	
5	.....	pages F11-F141
	Basis of preparation	
	.....	page F11
	Significant accounting, estimates and judgements	
	.....	pages F11-F30
	Financial Statements	
	.....	pages F30-F31
	Changes in accounting policies	
	.....	pages F31-F33

IFRSs not yet adopted .....	pages F33-F37
Legal proceedings .....	pages F85-F98
Other information about investments .....	pages F113-F-135

### **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
	Consolidated financial statements	
3	.....	pages F5-F12
	Consolidated Balance sheet	
	.....	page F5
	Consolidated Profit and loss account	
	.....	page F6
	Consolidated Comprehensive income	
	.....	page F7
	Consolidated Statements of Changes in Shareholders' equity	
	.....	pages F8-F10
	Consolidated Statement of Cash flows	
	.....	pages F11-F12
	Report of independent registered public accounting firm (PwC SpA)	
4	.....	pages F1-F3
	Report of independent registered public accounting firm (EY SpA)	
5	.....	page F4
	Notes on consolidated financial statements	
6	.....	pages F13-F146
	Significant accounting, estimates and judgements	
	.....	pages F13-F35
	Primary financial statements	
	.....	pages F35-F36

IFRSs not yet adopted	pages F39-F40
Legal proceedings	Pages F90-F103
Other information about investments	pages F120-F142
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 2020 and 30 June 2019. 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 Offering Circular.

### **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
	Balance Sheet	page 59
	Profit and Loss Account	page 60
	Statement of Comprehensive Income	page 61
	Statement of Changes in Shareholders' Equity	pages 62-63
	Statement of Cash Flows	pages 64-65
3	Notes to the Condensed Consolidated Interim Financial Statements	pages 66-114

	Basis of presentation	pages 66-67
	.....	
	Changes in accounting policies	pages 67-70
	.....	
	Significant accounting estimates or judgements	pages 70-71
	.....	
	International Financial Reporting Standards not yet adopted	page 71
	.....	
	Legal proceedings	pages 95-102
	.....	
	Subsequent events	page 114
	.....	
4	Review report on the condensed consolidated interim financial statements	pages 116-117
	.....	
5	List of companies owned by Eni S.p.A. as of 30 June 2019	pages 120-145
	.....	

**Unaudited Condensed Consolidated Interim Financial Statements for the six months ended 30 June 2020**

1	Alternative performance measures (Non-GAAP measures)	pages 30-32
2	Outlook	pages 60-61
3	Condensed consolidated interim financial statements.	pages 64-69
	.....	
	Consolidated Balance Sheet	page 64
	.....	
	Profit and Loss Account	page 65
	.....	

	Statement of Comprehensive Income	page 66
	.....	
	Statement of Changes in Shareholders' Equity	pages 67-68
	.....	
	Statement of Cash Flows	pages 69
	.....	
4	Notes to the Condensed Consolidated Interim Financial Statements	pages 70-118
	.....	
	Basis of presentation	pages 70
	.....	
	Changes in accounting policies	pages 70
	.....	
	Significant accounting estimates or judgements	pages 70-71
	.....	
	International Financial Reporting Standards not yet adopted	page 71-72
	.....	
	Legal proceedings	pages 97-105
	.....	
	Subsequent events	page 118
	.....	
5	Review report of PricewaterhouseCoopers SpA, independent auditors	pages 120
	.....	
6	List of companies owned by Eni S.p.A. as of 30 June 2020	pages 122-147
	.....	

For ease of reference, the tables below set out the relevant page references for the EMTN Base Prospectus. 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 Offering Circular.

### **EMTN Base Prospectus**

1	Description of Eni	pages 106 - 135
---	--------------------	-----------------

1.	Introduction and Business overview – Principal activities	pages 106 - 107
2.	Results of operations for the first half of 2020	pages 107-110
3.	Recent Developments	pages 110-111
4.	Administrative, Management and Supervisory bodies	pages 111-135
5.	Major Shareholders	page 135
2	Overview of certain significant differences between the “ <i>Relazione Finanziaria Annuale</i> ” and the “Annual Report on form 20-F	pages 170-171

.....



## **USE AND ESTIMATED AMOUNT OF PROCEEDS**

The estimated net proceeds of the issuance of the Securities, after deduction of commissions, fees, and estimated expenses (expected to amount to €2,974,545,000), will be used by the Issuer for general corporate purposes.

## TERMS AND CONDITIONS OF THE NC 5.25 SECURITIES

*The following is the text of the Terms and Conditions of the NC 5.25 Securities which (subject to modification) will be endorsed on each NC 5.25 Security in definitive form (if issued).*

*Text set out within the Terms and Conditions of the NC 5.25 Securities in italics is provided for information only and does not form part of the Terms and Conditions of the NC 5.25 Securities.*

*For as long as the Securities are represented by Global Securities, the Terms and Conditions set out below must be read together with the terms of such Global Securities. See “Overview of provisions relating to the Securities while in global form”.*

The €1,500,000,000 Perpetual Subordinated Non-Call 5.25 Fixed Rate Reset Securities (the “**Securities**”, which expression shall in these Conditions, unless the context otherwise requires, include any further securities issued pursuant to Condition 13 and forming a single series with the Securities) of Eni S.p.A. (the “**Issuer**”). A Fiscal Agency Agreement dated 13 October 2020 (as amended and supplemented from time to time, the “**Agency Agreement**”) has been entered into in relation to the Securities between the Issuer, The Bank of New York Mellon, London Branch as fiscal agent and calculation agent and the other agents named in the Agency Agreement. The fiscal agent, the paying agents and the calculation agent for the time being are referred to below respectively as the “**Fiscal Agent**”, the “**Paying Agents**” (which expression shall include the Fiscal Agent) and the “**Calculation Agent**”. The holders of the Securities (the “**Securityholders**”) and, the holders of the interest coupons (the “**Coupons**”) relating to the Securities and of the talons for further Coupons (the “**Talons**”) (the “**Couponholders**”) are deemed to have notice of all of the provisions of the Agency Agreement applicable to them.

Copies of the Agency Agreement are available for inspection at the Specified Offices of each of the Paying Agents.

### 1 **Form, Denomination and Title**

#### (a) **Form and Denomination**

The Securities are in bearer form, serially numbered, in the denominations of €100,000 and integral multiples of €1,000 in excess thereof, up to and including €199,000, with Coupons and one Talon attached on issue.

#### (b) **Title**

Title to the Securities, Coupons and Talons shall pass by delivery. Each Securityholder and Couponholder will (except as otherwise required by applicable law or regulatory requirement) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it, any writing on it, or its theft or loss) and no person shall be liable for so treating such Securityholder or Couponholder, as the case may be.

### 2 **Definitions and Interpretation**

As used in these Conditions:

An “**Accounting Event**” shall occur if as a result of (i) a change in the accounting principles which has been officially adopted on or after the Issue Date or (ii) a change in the interpretation thereof (such change an “**Accounting Event Change**”), but not otherwise, the obligations of the Issuer under the Securities following the official adoption, if applicable, of such Accounting Event Change, which may fall before the date on which the Accounting Event Change comes into effect, must not, or may no longer, be recorded as “equity” in the

audited annual or interim consolidated financial statements of the Issuer, in each case prepared in accordance with IFRS or any other accounting standards that the Issuer may adopt in the future for the preparation of its audited annual or interim consolidated financial statements in accordance with Italian company law.

“**Additional Amounts**” has the meaning given to it in Condition 8.

“**Arrears of Interest**” has the meaning given to it in Condition 4(b)(i).

“**Business Day**” means a day which is both a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and Milan and is a TARGET2 Settlement Day.

“**Calculation Amount**” means €1,000.

“**Call Date**” has the meaning given to it in Condition 5(b).

“**Code**” has the meaning given to it in Condition 7(b).

A “**Compulsory Arrears of Interest Payment Event**” shall be deemed to have occurred in relation to Arrears of Interest if:

- (A) the Issuer has, directly or indirectly, resolved to pay, declared, paid or made a dividend (either interim or final) or any other distribution, or any other payment, on any of its Junior Securities, other than (i) in the form of the issuance (or transfer from treasury) of any ordinary shares, (ii) a dividend, distribution or payment declared by the Issuer before the earliest notice given by the Issuer in accordance with Condition 4(b)(i) in respect of the then outstanding Arrears of Interest under the Securities or (iii) where such dividend, distribution or payment was contractually required to be declared, paid or made under the terms of such Junior Securities;
- (B) subject as provided below, the Issuer has, directly or indirectly, resolved to pay, declared, paid or made, a dividend (either interim or final) or any other distribution, or any other payment, on any of its Parity Securities, other than (i) a dividend, distribution or payment declared by the Issuer before the earliest notice given by the Issuer in accordance with Condition 4(b)(i) in respect of the then outstanding Arrears of Interest under the Securities or (ii) where such dividend, distribution or payment was contractually required to be declared, paid or made under the terms of such Parity Securities (including where such payment occurs at the maturity of Parity Securities);
- (C) the Issuer or any Subsidiary, directly or indirectly, redeems, purchases or otherwise acquires or any Parity Securities, except where (x) such redemption, purchase or acquisition is effected as a public cash tender offer or public exchange offer at a redemption or purchase price per security which is below its par value or (y) such redemption is contractually required to be made under the terms of such Parity Securities;
- (D) the Issuer or any Subsidiary, directly or indirectly, redeems, purchases, or otherwise acquires any Junior Securities, except where (i) such redemption, purchase, or acquisition is undertaken in connection with the satisfaction by the Issuer of its obligations under any stock option plan or free share allocation plan reserved for directors, officers and/or employees of the Issuer or any associated hedging transaction; (ii) such purchase results from the hedging of convertible securities issued by or guaranteed by the Issuer (whether physically or cash settled); (iii) any purchase of ordinary shares of the Issuer by or on behalf of the Issuer as part of an intra-day transaction that does not result in an increase in the aggregate number of ordinary shares of the Issuer held by or on behalf of the Issuer as treasury shares after the closing of such intra-day transaction as compared with the number of ordinary shares of the Issuer held by or on behalf of the Issuer as treasury shares at 8:30 a.m. (Central European time) on the Interest Payment Date on which any outstanding Arrears of Interest was first deferred; or

(iv) such purchase, redemption or acquisition is contractually required to be made under the terms of such Junior Securities; or

(E) the Issuer or any Subsidiary, directly or indirectly, repurchases any of the Securities;

provided that, a Compulsory Arrears of Interest Payment Event shall not occur pursuant to paragraph (B) above in respect of any pro rata payment of deferred or arrears of interest on any Parity Securities which is made simultaneously with a pro rata payment of any Arrears of Interest provided that such pro rata payment of deferred or arrears of interest on a Parity Security is not proportionately more than the pro rata settlement of any such Arrears of Interest.

**“Early Redemption Date”** means the date of redemption of the Securities pursuant to Conditions 5(b) to 5(g).

**“Early Redemption Price”** means:

- (A) in the case of a Gross-Up Event or a Substantial Repurchase Event at any time, 100 per cent. of the principal amount of the Securities then outstanding; or
- (B) in the case of an Accounting Event, a Rating Agency Event or a Tax Deduction Event, either:
  - (i) 101 per cent. of the principal amount of the Securities then outstanding if the Early Redemption Date falls prior to the NC 5.25 First Call Date; or
  - (ii) 100 per cent. of the principal amount of the Securities then outstanding if the Early Redemption Date falls on or after the NC 5.25 First Call Date,

and in each case together with any accrued interest to, but excluding, the relevant Early Redemption Date and any outstanding Arrears of Interest.

**“equity credit”** shall include such other nomenclature as any Rating Agency may use from time to time to describe the degree to which an instrument exhibits the characteristics of an ordinary share.

**“EUR 5 year Swap Rate”** has the meaning given to it in Condition 4(a)(ii).

**“EUR 5 year Swap Rate Quotation”** means, in relation to a Reset Period, the arithmetic mean of the bid and offered rates for the annual fixed leg (calculated on a 30/360 day count basis) of a fixed-for-floating euro interest rate swap transaction which (i) has a term of 5 years commencing on the relevant Reset Interest Determination Date, (ii) is in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market, and (iii) has a floating leg based on the 6-month EURIBOR rate (calculated on an Actual/360 day count basis);

**“EUR Reset Reference Bank Rate”** means the percentage rate determined by the Calculation Agent on the basis of the EUR 5 year Swap Rate Quotations provided by the EUR Reset Reference Banks to the Issuer and notified to the Calculation Agent at approximately 11:00 a.m. (CET) on the relevant Reset Interest Determination Date.

**“EUR Reset Reference Banks”** means five major banks in the Euro-zone interbank market selected by the Issuer.

**“EUR Reset Screen Page”** means the Reuters screen “ICESWAP2/EURSFIXA” (or such other page as may replace it on Reuters or, as the case may be, on such other information service that may replace Reuters providing or sponsoring the information appearing there for the purpose of displaying rates comparable to the EUR 5 year Swap Rate).

**“EURIBOR”** means the Euro-zone interbank offered rate.

“**Exchanged Securities**” has the meaning given to it in Condition 6(a).

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

“**Financial Statements**” means either of:

- (A) audited annual consolidated financial statements of the Issuer; or
- (B) unaudited condensed consolidated half-year financial statements of the Issuer which are subject to a formal “review” from an independent auditor,

in each case prepared in accordance with IFRS or any successor accounting standards applicable to the Issuer.

“**NC 5.25 First Call Date**” means 13 October 2025.

“**NC 5.25 Securities First Reset Date**” means 13 January 2026.

“**Fitch**” means Fitch Ratings Ireland Limited or any of its subsidiaries or any successor in business thereto from time to time.

A “**Gross-Up Event**” shall be deemed to have occurred if, as a result of a Tax Law Change, the Issuer determines (in its reasonable opinion having consulted with a recognised independent tax adviser) that it has or will become obliged to pay Additional Amounts (as defined in Condition 8) in respect of the Securities and such obligation cannot be avoided by the Issuer taking reasonable measures available to it.

“**IFRS**” means the International Financial Reporting Standards (as amended or replaced from time to time).

“**Independent Adviser**” means an independent financial institution of international repute or other independent financial adviser experienced in the international debt capital markets, in each case appointed by the Issuer.

“**Insolvency Proceedings**” means any insolvency proceedings (*procedura concorsuale*) or proceedings equivalent or analogous thereto under the laws of any applicable jurisdiction, including, but not limited to, bankruptcy (*fallimento*), composition with creditors (*concordato preventivo*) (including *pre concordato* pursuant to Article 161(6) of the Italian Bankruptcy Law), forced administrative liquidation (*liquidazione coatta amministrativa*), extraordinary administration (*amministrazione straordinaria*) and extraordinary administration of large companies in insolvency (*amministrazione straordinaria delle grandi imprese in stato di insolvenza*), debt restructuring agreements (*accordo di ristrutturazione*) pursuant to Article 182-bis of the Italian Bankruptcy Law (including the procedure described under Article 182-bis(6) of the Italian Bankruptcy Law) and Articles 57 ff. of the Italian Bankruptcy Law Reform, reorganisation plans pursuant to Article 67(3)(d) of the Italian Bankruptcy Law and Article 56 of the Italian Bankruptcy Law Reform, judicial liquidation pursuant to articles 121 ff. of the Italian Bankruptcy Law Reform, the undertaking of any court approved restructuring with creditors or the making of any application (or filing of documents with a court) for the appointment of an administrator or other receiver (*curatore*), manager administrator (*commissario straordinario o liquidatore*) or other similar official under any applicable law.

“**Interest Payment Date**” means 13 January in each year.

“**Interest Period**” means the period from (and including) the Issue Date to (but excluding) the first Interest Payment Date and each successive period from (and including) an Interest Payment Date to (but excluding) the next succeeding Interest Payment Date ending on the date fixed for redemption.

“**Issue Date**” means 13 October 2020.

“**Italian Bankruptcy Law**” means Royal Decree no. 267 of 16 March 1942, as amended from time to time.

“**Italian Bankruptcy Law Reform**” means the crisis and insolvency code set out under the Legislative Decree No. 14 of 2019, as amended from time to time.

“**Junior Securities**” means:

- (A) the ordinary shares (*azioni ordinarie*) of the Issuer;
- (B) any other class of the Issuer’s share capital (including savings shares (*azioni di risparmio*) and preferred shares (*azioni privilegiate*)); and
- (C)
  - (i) any securities of the Issuer (including *strumenti finanziari* issued under Article 2346 of the Italian Civil Code); and
  - (ii) any securities issued by a company or entity other than the Issuer which have the benefit of a guarantee or similar instrument from the Issuer,

which securities (in the case of (C)(i)) or guarantee or similar instrument (in the case of (C)(ii)) rank or are expressed to rank *pari passu* with the claims described under (A) and (B) above and/or junior to the Securities.

“**Liquidation Event Date**” has the meaning given to it in Condition 5(b).

“**Mandatory Settlement Date**” means the earliest of:

- (A) the tenth Business Day following the date on which a Compulsory Arrears of Interest Payment Event occurs;
- (B) the next scheduled Interest Payment Date in respect of which the Issuer does not elect to defer the interest accrued in respect of the relevant Interest Period; and
- (C) the date on which the Securities are redeemed or repaid in accordance with Condition 5, including at the Liquidation Event Date (unless otherwise required by mandatory provisions of applicable law).

“**Moody’s**” means Moody’s Deutschland GmbH (or any of its subsidiaries or any successor in business thereto from time to time).

“**Parity Securities**” means:

- (A) any securities or other instruments issued by the Issuer which rank, or are expressed to rank, *pari passu* with the Issuer’s obligations under the Securities; and
- (B) any securities or other instruments issued by a company or entity other than the Issuer which have the benefit of a guarantee or similar instrument from the Issuer, which guarantee or similar instrument ranks or is expressed to rank *pari passu* with the Issuer’s obligations under the Securities.

“**Prevailing Interest Rate**” means the rate of interest payable on the Securities applicable from time to time pursuant to Condition 4.

“**Rating Agency**” means any of Moody’s, S&P, Fitch or in each case, any successor to the rating agency business thereof.

“**Rating Agency Confirmation**” means a written confirmation from a Rating Agency which has assigned ratings to the Issuer on a basis sponsored by the Issuer which is either received by the Issuer directly from the relevant Rating Agency or indirectly via publication by such Rating Agency.

A “**Rating Agency Event**” shall be deemed to occur if the Issuer has received a Rating Agency Confirmation stating that, due to any amendment to, clarification of, or change in the assessment criteria under its hybrid capital methodology or in the interpretation thereof, in each case occurring or becoming effective after the Issue Date (or, if “equity credit” is not assigned to the Securities by the relevant Rating Agency on the Issue Date, the

date on which “equity credit” is assigned by such Rating Agency for the first time), any or all of the relevant Securities will no longer be eligible (or if the Securities have been partially or fully re-financed since the Issue Date and are no longer eligible for “equity credit” from such Rating Agency in part or in full as a result thereof, any or all of the relevant Securities would no longer have been eligible as a result of such amendment to, clarification of or, change in the assessment criteria or in the interpretation thereof had they not been re-financed) for the same or a higher amount of “equity credit” as was attributed to the Securities as at the Issue Date (or, if “equity credit” is not assigned to the Securities by the relevant Rating Agency on the Issue Date, the date on which “equity credit” is assigned by such Rating Agency for the first time).

“**Relevant Date**” means the date on which any payment first becomes due but, if the full amount payable has not been received by the Fiscal Agent or the Securityholders on or before the due date, it means the date on which, the full amount of the money having been so received, notice to that effect has been duly given to the Securityholders by the Issuer in accordance with Condition 14.

“**Reset Date**” means the NC 5.25 Securities First Reset Date and each date falling on the fifth anniversary thereafter.

“**Reset Interest Determination Date**” means, in respect of any Reset Period, the day falling two Business Days prior to the beginning of the relevant Reset Period.

“**Reset Period**” means each period from and including the NC 5.25 Securities First Reset Date to but excluding the next following Reset Date and thereafter from and including each Reset Date to but excluding the next following Reset Date.

“**S&P**” means S&P Global Ratings Europe Limited or any of its subsidiaries or successor in business thereto from time to time.

“**Specified Office**” has the meaning given to such term in the Agency Agreement.

“**Subsidiary**” means any entity which is a subsidiary (*società controllata*) of the Issuer within the meaning of Article 2359 of the Italian Civil Code and Article 93 of Legislative Decree No. 58 of 24 February 1998, as amended.

A “**Substantial Repurchase Event**” shall be deemed to have occurred if, prior to the giving of the relevant notice of redemption, at least 75 per cent. of the aggregate principal amount of the Securities issued on the Issue Date has been purchased by or on behalf of the Issuer or a Subsidiary and has been cancelled.

“**TARGET2 Settlement Day**” means any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System is open.

A “**Tax Deduction Event**” shall be deemed to occur if, as a result of a Tax Law Change, interest paid by the Issuer on the Securities would no longer, or within 90 days of such change will no longer be, fully deductible (or the entitlement to make such deduction shall be materially reduced or materially delayed) by the Issuer for corporate income tax purposes, and the Issuer cannot avoid the foregoing by taking reasonable measures available to it; provided, however, that a Tax Deduction Event shall not occur if payments of interest by the Issuer in respect of the Securities are not deductible in whole or in part for Italian corporate income tax purposes solely as a result of the application of the general tax deductibility thresholds set forth by Article 96 of Italian Presidential Decree No. 917 of 22 December 1986, as amended, as at (and on the basis of the general tax deductibility limits calculated in the manner applicable as at) the Issue Date.

“**Tax Jurisdiction**” means the Republic of Italy and/or such other taxing jurisdiction to which the Issuer becomes subject or any political subdivision or any authority thereof or therein having power to tax.

“**Tax Law Change**” means: (i) any amendment to, clarification of, or change in, the laws or treaties (or any regulations thereunder) of a Tax Jurisdiction affecting taxation; (ii) any governmental action or (iii) any amendment to, clarification of, or change in the official position or the interpretation of such governmental action (including an amendment, clarification or change resulting from a publicly available reply to a ruling or a circular letter issued by a governmental authority) that differs from the previously generally accepted official position or interpretation resulting from a publicly available reply to a ruling or a circular letter, in each case, by any legislative body, court, governmental authority or regulatory body, which amendment, clarification, change or governmental action is effective, on or after the Issue Date.

“**Taxes**” means any present or future taxes or duties, assessments or governmental charges of whatever nature.

“**Varied Securities**” has the meaning given to it in Condition 6(b).

### **3 Status and Subordination**

#### **(a) Status**

The Securities and Coupons relating to them constitute direct, unsecured and subordinated obligations of the Issuer and rank and will at all times rank *pari passu* and without any preference among themselves and with the Issuer’s payment obligations in respect of any Parity Securities. The Securities constitute *obbligazioni* pursuant to Articles 2410 *et seq.* of the Italian Civil Code. The obligations of the Issuer in respect of the Securities and the Coupons are subordinated as described in Condition 3(b).

#### **(b) Subordination**

The obligations of the Issuer to make payment in respect of principal and interest on the Securities and the Coupons, including its obligations in respect of any Arrears of Interest, will, in the event of the winding-up, insolvency, dissolution or liquidation of the Issuer, rank:

- (a) senior only to the Issuer’s payment obligations in respect of any Junior Securities;
- (b) *pari passu* and without any preference among themselves and with the Issuer’s payment obligations in respect of any Parity Securities; and
- (c) junior to all other payment obligations of the Issuer, present and future, whether subordinated (including any claims pursuant to Article 2411, first paragraph, of the Italian Civil Code) or unsubordinated, except for Parity Securities and Junior Securities,

in each case except as otherwise required by mandatory provisions of applicable law.

#### **(c) No Set-off**

To the extent and in the manner permitted by applicable law, no Securityholder or Couponholder may exercise, claim or plead any right of set-off, counterclaim, compensation or retention in respect of any amount owed to it by the Issuer in respect of, or arising from, the Securities or the Coupons and each Securityholder and Couponholder will, by virtue of his holding of any Security or Coupon, be deemed to have waived all such rights of set-off, counterclaim, compensation or retention. The Issuer may not set off any claims it may have against the Securityholders or Couponholders against any of its obligations under the Securities or the Coupons.



## 4 Interest and Interest Deferral

### (a) Interest

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

Unless previously redeemed or repurchased and cancelled in accordance with these Conditions and subject to the further provisions of this Condition 4(a)(i), the Securities will bear interest on their principal amount as follows:

- (i) from (and including) the Issue Date to (but excluding) the NC 5.25 Securities First Reset Date, at the rate of 2.625 per cent. per annum, payable annually in arrear on each Interest Payment Date; and
- (ii) from (and including) the NC 5.25 Securities First Reset Date to (but excluding) the date fixed for redemption, at, in respect of each Reset Period, the relevant EUR 5 year Swap Rate plus:
  - (A) in respect of the Reset Period commencing on the NC 5.25 Securities First Reset Date to (but excluding) 13 January 2031, 3.167 per cent. per annum;
  - (B) in respect of each Reset Period which falls in the period commencing on 13 January 2031 and ending on (but excluding) the Reset Date falling on 13 January 2046, 3.417 per cent. per annum; and
  - (C) in respect of each subsequent Reset Period, 4.167 per cent. per annum;all as determined by the Calculation Agent for annual payment in arrear on each Interest Payment Date, commencing on the First Interest Payment Date.

#### (ii) *Determination of EUR 5 year Swap Rate*

- (i) For the purposes of these Conditions, the relevant “**EUR 5 year Swap Rate**”, in respect of a Reset Period, shall be the annual mid-swap rate as displayed on the EUR Reset Screen Page as at 11:00 a.m. (CET) on the relevant Reset Interest Determination Date.
- (ii) If the relevant EUR 5 year Swap Rate does not appear on the EUR Reset Screen Page on the relevant Reset Interest Determination Date, other than as a result of a Benchmark Event, the Issuer shall request each of the EUR Reset Reference Banks to provide it with its EUR 5 year Swap Rate Quotation (such EUR 5 year Swap Rate Quotation to be notified by the Issuer to the Calculation Agent) and the Calculation Agent will determine the EUR 5 year Swap Rate as the EUR Reset Reference Bank Rate on the relevant Reset Interest Determination Date.
- (iii) If at least three quotations are provided by the EUR Reset Reference Banks, the EUR 5 year Swap Rate will be determined by the Calculation Agent on the basis of the arithmetic mean of the quotations provided, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest).
- (iv) If only two quotations are provided, the EUR 5 year Swap Rate will be the arithmetic mean of the quotations provided.

- (v) If only one quotation is provided, the EUR 5 year Swap Rate will be the quotation provided.
  - (vi) If no quotations are provided, the EUR Reset Reference Bank Rate for the relevant period will be: (i) in the case of each Reset Period other than the Reset Period commencing on the NC 5.25 Securities First Reset Date, the EUR 5 year Swap Rate in respect of the immediately preceding Reset Period, or (ii) in the case of the Reset Period commencing on the NC 5.25 Securities First Reset Date, -0.426 per cent. per annum.
- (iii) *Calculation of Interest*

The interest payable on each Security on any Interest Payment Date shall be calculated per Calculation Amount. The amount of interest payable per Calculation Amount for any period shall be equal to the product of the Prevailing Interest Rate for the Interest Period ending immediately prior to such Interest Payment Date, the Calculation Amount and, where it is necessary to compute an amount of interest in respect of any Security for a period which is less than a complete year, the day-count fraction for the relevant period, rounding the resulting figure to the nearest cent (half a cent being rounded upwards).

The relevant day-count fraction will be calculated on the basis of the number of days in the relevant period, from and including the date from which interest begins to accrue but excluding the date on which it falls due divided by the actual number of days in the Interest Period in which the relevant period falls.

**(b) Interest Deferral**

Subject to the provisions of the following paragraphs, on each Interest Payment Date, the Issuer shall pay interest on the Securities accrued to (but excluding) that date in respect of the Interest Period ending immediately prior to such Interest Payment Date.

(i) *Optional Interest Deferral*

The Issuer may, at its sole discretion, elect to defer in whole (or in part) any payment of interest accrued on the Securities in respect of any Interest Period by giving notice of such election to the Securityholders in accordance with Condition 14 and to the Fiscal Agent and Paying Agents at least ten, but not more than 30, Business Days prior to the relevant Interest Payment Date. If the Issuer makes such an election, the Issuer shall have no obligation to make such payment and any such non-payment of interest shall not constitute a default of the Issuer or any other breach of obligations under the Securities or for any other purpose, unless such Arrears of Interest becomes due and payable in accordance with these Conditions.

Any such interest which the Issuer duly elects to defer shall constitute “**Arrears of Interest**”. Any Arrears of Interest will remain outstanding until paid in full by the Issuer, but Arrears of Interest shall not themselves bear interest.

(ii) *Optional Settlement of Arrears of Interest*

The Issuer will be entitled to pay outstanding Arrears of Interest (in whole or in part) at any time upon giving notice to the Securityholders in accordance with Condition 14 (which notice shall be irrevocable and will oblige the Issuer to pay the relevant Arrears of Interest on the payment date specified in such notice) and to the Fiscal Agent and Paying Agents not less than 10 Business

Days before such voluntary payment and specifying (i) the amount of Arrears of Interest to be paid and (ii) the date fixed for such payment.

(iii) *Mandatory Settlement of Arrears of Interest*

All (but not some only) of any outstanding Arrears of Interest from time to time in respect of all Securities for the time being outstanding shall become due and payable in full and shall be paid by the Issuer on the first occurring Mandatory Settlement Date.

The Issuer shall give notice of the impending occurrence of any Mandatory Settlement Date to the Securityholders in accordance with Condition 14 and to the Fiscal Agent and Paying Agents, promptly upon becoming aware thereof and, in any event, at least five Business Days prior to the relevant Mandatory Settlement Date.

(c) **Accrual of Interest**

Interest shall cease to accrue on each Security 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 Prevailing Interest Rate in the manner provided in this Condition 4 to the Relevant Date (as defined in Condition 8).

(d) **Benchmark discontinuation**

(i) *Independent Adviser*

If a Benchmark Event occurs in relation to the EUR 5 year Swap Rate on any Reset Interest 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 4(d)(ii)) and, in either case, an Adjustment Spread and any Benchmark Amendments (in accordance with Condition 4(d)(iv)), by no later than five Business Days prior to the Reset Interest Determination Date relating to the next Reset Period for which the Prevailing Interest Rate (or any component part thereof) is to be determined by reference to the EUR 5 year Swap Rate (the “**IA Determination Cut-off Date**”).

In making such determination, the Independent Adviser appointed pursuant to this Condition 4(d)(i) 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 or the Securityholders or the Couponholders for any determination made by it pursuant to this Condition 4(d)(i).

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 4(d)(i), 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 Reset Interest Determination Date relating to the next Reset Period for which the Prevailing Interest Rate (or any component part thereof) is to be determined by reference to the EUR 5 year Swap Rate. For the avoidance of doubt, this paragraph shall apply to the relevant next succeeding Reset Period only and any subsequent Reset Periods are subject to the subsequent operation of, and to adjustment as provided in, the first paragraph of this Condition 4(d)(i).

(ii) *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 EUR 5 year Swap Rate to determine the Prevailing Interest Rate (or the relevant component part thereof) for payments of interest on the Securities in the next succeeding Reset Period (subject to the operation of this Condition 4(d)(ii)); 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 EUR 5 year Swap Rate to determine the Prevailing Interest Rate (or the relevant component part thereof) for payments of interest in the next succeeding Reset Period on the Securities (subject to the operation of this Condition 4(d)(ii)).

(iii) *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 is unable to determine the quantum of, or a formula or methodology for determining, such Adjustment Spread, then the Successor Rate or Alternative Rate (as applicable) will apply without an Adjustment Spread.

(iv) *Benchmark Amendments*

If any Successor Rate or Alternative Rate and, in either case, the applicable Adjustment Spread is determined in accordance with this Condition 4(d) 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 4(d)(iv), without any requirement for the consent or approval of Securityholders, 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 4(d), 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 4(d) 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 4(d)(iv), the Issuer shall comply with the rules of any stock exchange on which the Securities 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 “EUR 5 year Swap Rate”, including the “EUR Reset Screen Page” and/or the method for determining the fallback rate in relation to the EUR 5 year Swap Rate; (B) amendments to the day-count fraction and the definitions of “Business Day”, “Interest Payment Date”, “Reset Date”, “Reset Interest Determination Date”, and/or “Interest Period”

(including the determination whether the Alternative Rate will be determined in advance on or prior to the relevant Reset Period or in arrear on or prior to the end of the relevant Reset Period); and/or (C) any change to the business day convention.

(v) *Notices etc.*

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 4(d) will be notified promptly by the Issuer to the Calculation Agent, the Fiscal Agent, the Paying Agents and, in accordance with Condition 14, the Securityholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

No later than notifying the Securityholders of the same, the Issuer shall deliver to the Calculation Agent, the Fiscal Agent and the Paying Agents a certificate signed by two Authorised Signatories 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 Securityholders.

Notwithstanding any other provision of this Condition 4(d), if 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 4(d), 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.

(vi) *Survival of EUR 5 year Swap Rate*

Without prejudice to the obligations of the Issuer under Condition 4(d)(i), (ii), (iii), (iv), the EUR 5 year Swap Rate and the fallback provisions provided for in Condition 4(a)(ii) will continue to apply unless and until a Benchmark Event has occurred.

As used in this Condition 4(d):

**“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 EUR 5 year Swap 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 EUR 5 year Swap 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 EUR 5 year Swap 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 4(d)(ii) is customarily applied in international debt capital markets transactions for the purposes of determining rates of interest (or the relevant component part thereof) in Euro and with an interest period of a comparable duration to the relevant Reset Period.

**“Benchmark Amendments”** has the meaning given to it in Condition 4(d)(iv).

**“Benchmark Event”** means:

- (1) EUR 5 year Swap Rate ceasing to be published for a period of at least 5 Business Days or ceasing to exist or to be administered; or
- (2) a public statement by the administrator of the EUR 5 year Swap Rate that it has ceased or that it will, by a specified date on or prior the next Reset Interest Determination Date, cease publishing the EUR 5 year Swap Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the EUR 5 year Swap Rate); or
- (3) a public statement by the supervisor of the administrator of the EUR 5 year Swap Rate, that the EUR 5 year Swap Rate has been or will be permanently or indefinitely discontinued; or
- (4) a public statement by the supervisor of the administrator of the EUR 5 year Swap Rate as a consequence of which the EUR 5 year Swap Rate will be prohibited from being used either generally, or in respect of the Securities; 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 Securityholder using the EUR 5 year Swap Rate; or
- (6) the making of a public statement by the supervisor of the administrator of the EUR 5 year Swap Rate announcing that such EUR 5 year Swap 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 EUR 5 year Swap Rate or the discontinuation of the EUR 5 year Swap Rate, as the case may be, (b) in the case of paragraph (4) above, on the date of prohibition of use of the EUR 5 year Swap Rate and (c) in the case of sub-paragraph (5) above, on the date with effect from which the EUR 5 year Swap 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.

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

- (i) the European Central Bank, 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 European Central Bank, (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 EUR 5 year Swap Rate which is formally recommended by any Relevant Nominating Body.

## **5 Redemption, Purchase and Options**

### **(a) No fixed Redemption**

Unless previously redeemed or purchased and cancelled as provided below, the Securities will mature on the date on which voluntary or involuntary winding up, dissolution, liquidation or bankruptcy (including in connection with any Insolvency Proceedings) proceedings are instituted in respect of the Issuer (the “**Liquidation Event Date**”), (i) in accordance with any provision on duration of the Issuer set out in the by-laws of the Issuer from time to time (which as of 9 October 2020, sets out the duration of the Issuer at 31 December 2100), or, if earlier, (ii) in accordance with (x) a resolution of the shareholders’ meeting of the Issuer; or (y) any applicable legal provision, or any decision of any judicial or administrative authority. Upon having maturity occurred according to the provisions above, the Securities will become due and payable at an amount equal to their outstanding principal amount, together with any outstanding interest accrued up to (but excluding) the Liquidation Event Date and any outstanding Arrears of Interest.

### **(b) Optional Redemption**

The Issuer may, on giving not less than 10 and not more than 60 calendar days’ notice to the Securityholders in accordance with Condition 14, redeem all of the Securities (but not some only) on any date during the period commencing on (and including) the NC 5.25 First Call Date and ending on (and including) the NC 5.25 Securities First Reset Date or upon any Interest Payment Date thereafter (each such date, a “**Call Date**”), in each case at their principal amount together with any accrued interest up to (but excluding) the relevant Call Date and any outstanding Arrears of Interest.

### **(c) Early Redemption following a Gross-Up Event**

- (i) If a Gross-Up Event occurs, the Issuer may redeem all (but not some only) of the Securities at any time at the applicable Early Redemption Price upon giving not less than 10 and not more than 60 calendar days’ notice to the Fiscal Agent, the Paying Agents and the Securityholders in accordance with Condition 14, provided that no such notice shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such Additional Amounts were a payment in respect of the Securities then due.
- (ii) Prior to giving a notice to the Securityholders pursuant to this Condition 5(c), the Issuer will deliver to the Fiscal Agent:

- (x) a certificate signed by two duly authorised representatives of the Issuer stating that the Issuer is entitled to effect such redemption and setting out a statement of facts showing that the conditions precedent to the right of the Issuer to redeem the Securities in accordance with this Condition 5(c) have been satisfied; and
- (y) an opinion of independent legal or tax advisers, appointed by the Issuer at its own expense, of recognised standing in the relevant Tax Jurisdiction to the effect that the Issuer has or will become obliged to pay Additional Amounts as a result of a Tax Law Change.

The documents referred to above shall be available for inspection by Securityholders during normal business hours at the Specified Office of the Fiscal Agent.

**(d) Early Redemption following a Tax Deduction Event**

- (i) If a Tax Deduction Event occurs, the Issuer may redeem all (but not some only) of the Securities at any time at the applicable Early Redemption Price upon giving not less than 10 and not more than 60 calendar days' notice of redemption to the Fiscal Agent, Paying Agents and the Securityholders in accordance with Condition 14.
- (ii) Prior to giving a notice to the Securityholders pursuant to this Condition 5(d), the Issuer will deliver to the Fiscal Agent:
  - (x) a certificate signed by two duly authorised representatives of the Issuer 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 to redeem the Securities in accordance with this Condition 5(d) have been satisfied; and
  - (y) an opinion of an independent legal or tax adviser, appointed by the Issuer at its own expense, of recognised standing in the relevant Tax Jurisdiction to the effect that payments of interest by the Issuer in respect of the Securities are no longer, or within 90 calendar days of the date of that opinion will no longer be, deductible in whole or in part as a result of a Tax Law Change.

The documents referred to above shall be available for inspection by Securityholders during normal business hours at the Specified Office of the Fiscal Agent.

**(e) Early Redemption following a Rating Agency Event**

- (i) If a Rating Agency Event occurs, the Issuer may redeem all (but not some only) of the Securities at any time at the applicable Early Redemption Price upon giving not less than 10 and not more than 60 calendar days' notice of redemption to the Fiscal Agent, Paying Agents and the Securityholders in accordance with Condition 14.
- (ii) Prior to giving a notice to the Securityholders pursuant to this Condition 5(e), the Issuer will deliver to the Fiscal Agent:
  - (x) a certificate signed by two duly authorised representatives of the Issuer stating that the Issuer is entitled to effect such redemption and setting out a statement of facts showing that the conditions precedent to the right of the Issuer to redeem the Securities in accordance with this Condition 5(e) have been satisfied; and
  - (y) a copy of the Rating Agency Confirmation relating to the applicable Rating Methodology Event unless the delivery of such Rating Agency Confirmation would constitute a breach of the terms on which such confirmation is delivered to the Issuer.



The documents referred to above shall be available for inspection by Securityholders during normal business hours at the Specified Office of the Fiscal Agent.

**(f) Early Redemption upon the occurrence of an Accounting Event**

- (i) If an Accounting Event occurs, the Issuer may redeem all (but not some only) of the Securities at any time at the applicable Early Redemption Price upon giving not less than 10 and not more than 60 calendar days' notice of redemption to the Fiscal Agent, Paying Agents and the Securityholders in accordance with Condition 14.
- (ii) Prior to giving a notice to the Securityholders pursuant to this Condition 5(f), the Issuer will deliver to the Fiscal Agent:
  - (x) a certificate signed by two duly authorised representatives of the Issuer stating that the Issuer is entitled to effect such redemption and setting out a statement of facts showing that the conditions precedent to the right of the Issuer to redeem the Securities in accordance with this Condition 5(f) have been satisfied; and
  - (y) a copy of the opinion, letter or report of a recognised accountancy firm of international standing, appointed by the Issuer at its own expense, as set forth in the definition of "Accounting Event".

The documents referred to above shall be available for inspection by Securityholders during normal business hours at the Specified Office of the Fiscal Agent.

**(g) Purchases and Substantial Repurchase Event**

- (i) The Issuer or any Subsidiary may at any time purchase Securities (provided that all unmatured Coupons and Talons appertaining to the Securities are purchased with the Securities) in any manner and at any price. Such Securities may be held, reissued, resold or, at the option of the Issuer, surrendered to any Paying Agent for cancellation.
- (ii) If a Substantial Repurchase Event occurs, the Issuer may redeem all (but not some only) of the outstanding Securities at any time at the applicable Early Redemption Price, subject to the Issuer having given the Fiscal Agent, Paying Agents and the Securityholders not less than 10 and not more than 60 calendar days' notice in accordance with Condition 14.
- (iii) Prior to giving a notice to the Securityholders pursuant to this Condition 5(g), the Issuer will deliver to the Fiscal Agent a certificate signed by two duly authorised representatives of the Issuer stating that the Issuer is entitled to effect such redemption and setting out a statement of facts showing that the conditions precedent to the right of the Issuer to redeem the Securities in accordance with this Condition 5(g) have been satisfied.

Such certificate shall be available for inspection by Securityholders during normal business hours at the Specified Office of the Fiscal Agent.

**(h) Cancellations**

All Securities which are redeemed or exchanged pursuant to Condition 6 will forthwith be cancelled, together with all unmatured Coupons attached to the Securities or surrendered with the Securities at the time of redemption. All Securities so cancelled and any Securities purchased and cancelled pursuant to Condition 5(g) above shall be forwarded to the Paying Agent and accordingly may not be held, reissued or resold.

(i) **Notices Final**

A notice of redemption given pursuant to any of Conditions 5(b), 5(c), 5(d), 5(e), 5(f) or 5(g) shall be irrevocable and upon the expiry of any such notice, the Issuer shall be bound to redeem the Securities in accordance with the terms of the relevant Condition.

**6 Exchange or Variation upon a Gross-Up Event, Tax Deduction Event, Rating Agency Event or Accounting Event and Preconditions to such Exchange or Variation**

(a) If a Gross-Up Event, Tax Deduction Event, Rating Agency Event or an Accounting Event has occurred and is continuing and the Issuer has provided the Fiscal Agent with the relevant certificate and opinion, or in the case of Condition 5(e) only, the Rating Agency Confirmation, pursuant to Condition 5(c), 5(d), 5(e) or 5(f) (as applicable), then the Issuer may, subject to Condition 6(b) below and to having given not less than 10 nor more than 60 Business Days' notice to the Fiscal Agent, the Calculation Agent and, in accordance with Condition 14, the Securityholders (which notice shall be irrevocable and shall specify the date for the relevant exchange or, as the case may be, variation of the Securities) but without any requirement for the consent or approval of the Securityholders or Couponholders, as an alternative to an early redemption of the Securities at any time:

- a. exchange all, but not some only, the Securities for new securities (such new securities, the “**Exchanged Securities**”), or
- b. vary the terms of all of the Securities (the Securities, as so varied, the “**Varied Securities**”),

so that immediately following such exchange or variation no Tax Deduction Event, Gross-Up Event, Accounting Event or Rating Agency Event applies in respect of the Exchanged Securities or, as applicable, the Varied Securities.

Upon expiry of such notice, the Issuer shall either vary the terms of or, as the case may be, exchange the Securities in accordance with this Condition 6 and, as applicable, cancel the Securities which have been exchanged for Exchanged Securities.

The Fiscal Agent and Paying Agents shall (at the expense of the Issuer) enter into a supplemental fiscal agency agreement with the Issuer (including indemnities satisfactory to the Fiscal Agent and Paying Agents) solely in order to effect the exchange of the Securities, or, as applicable, the variation of the terms of the Securities, provided that the Fiscal Agent and Paying Agents shall not be obliged to enter into such supplemental fiscal agency agreement if the terms of the Exchanged Securities or the Varied Securities would impose, in the Fiscal Agent and Paying Agents' opinion, more onerous obligations upon it or expose it to liabilities or reduce its protections. If the Fiscal Agent and Paying Agents do not enter into such supplemental fiscal agency agreement (and the Fiscal Agent and Paying Agents shall have no liability or responsibility to any person if it does not do so), the Issuer may redeem the Securities as provided in Condition 5.

(b) Any such exchange or variation shall be subject to the following conditions:

- (i) for as long as the Securities are listed on any stock exchange, the Issuer complying with the rules of the relevant stock exchange (or any other relevant authority) on which the Securities are for the time being admitted to trading, and (for so long as the rules of such exchange require) the publication of any appropriate supplement, listing particulars or offering circular in connection therewith, and the Exchanged Securities or Varied Securities continue to be admitted to trading on the same stock exchange as the Securities were admitted to trading immediately prior to the relevant exchange or variation;

- (ii) the Exchanged Securities or Varied Securities shall: (A) rank at least *pari passu* with the ranking of the Securities prior to the exchange or variation, and (B) benefit from the same interest rates and the same Interest Payment Dates, the same NC 5.25 Securities First Reset Date and early redemption rights (provided that the relevant exchange or variation may not itself trigger any early redemption right), provisions relating to maturity which match those in the Securities, the same rights to accrued interest or Arrears of Interest and any other amounts payable under the Securities which, in each case, has accrued to the Securityholders and has not been paid, the same rights to principal and interest, and, if publicly rated by a Rating Agency which has provided a solicited rating at the invitation or with the consent of the Issuer, immediately prior to such exchange or variation, at least the same credit rating immediately after such exchange or variation by each such Rating Agency, as compared with the relevant solicited rating(s) immediately prior to such exchange or variation (as determined by the Issuer using reasonable measures available to it including discussions with the Rating Agencies to the extent practicable) (C) not contain terms providing for the mandatory deferral or cancellation of interest and (D) not contain terms providing for loss absorption through principal write-down or conversion to shares;
- (iii) the Exchanged Securities or, as applicable, the Varied Securities have terms which are not materially less favourable to Securityholders than the terms of the Securities (as reasonably determined by the Issuer (in consultation with an independent investment bank of international standing), including compliance with sub-paragraph (ii) above, as certified to the Fiscal Agent and Paying Agents by two duly authorised representatives of the Issuer, and any such certificate shall be final and binding on all parties;
- (iv) the preconditions to exchange or variation set out in the Agency Agreement having been satisfied, including the issue of legal opinions addressed to the Fiscal Agent (copies of which shall be made available to the Securityholders by appointment at the Specified Offices of the Fiscal during usual office hours or at the Fiscal Agent's option may be provided by email to such holder requesting copies of such documents, subject to the Fiscal Agent being supplied by the Issuer with copies of such documents) from one or more international law firms of good reputation selected by the Issuer and confirming (x) that the Issuer has capacity to assume all rights, duties and obligations under the Exchanged Securities or Varied Securities (as the case may be) and has obtained all necessary corporate or governmental authorisation to assume all such rights and obligations and (y) the legality, validity and enforceability of the Exchanged Securities or Varied Securities;
- (v) the delivery to the Fiscal Agent and Paying Agents of a certificate signed by two duly authorised representatives of the Issuer certifying each of the points set out in sub-paragraphs (i) to (v) above.

The Fiscal Agent and Paying Agents may rely absolutely upon and shall be entitled to accept such certificates and any such opinions, as are referred to in this Condition 6, without any liability to any person for so doing and without any further inquiry as sufficient evidence of the satisfaction of the criteria set out in such paragraphs, in which event it shall be conclusive and binding on the Securityholders and the Couponholders.

## **7 Payments and Talons**

### **(a) Payments in respect of the Securities**

Payments of principal and interest in respect of each Security shall, subject as provided below, be made against presentation and surrender (or, as applicable, endorsement) of the relevant Securities (in the case of payments of principal and, in the case of interest, as specified in Condition 7(d)) or Coupons (in the

case of interest, save as specified in Condition 7(d)), as the case may be, at the Specified Office of any Paying Agent by transfer to an account denominated in Euros with, a Bank. “**Bank**” means a bank in a city in which banks have access to the TARGET System.

**(b) 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 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, as amended (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) any law implementing an intergovernmental approach thereto. No commission or expenses shall be charged to the Securityholders or Couponholders in respect of such payments.

**(c) Appointment of Agents**

The Fiscal Agent, the Paying Agents and the Calculation Agent initially appointed by the Issuer and their respective Specified Offices are listed below. The Fiscal Agent, the Paying Agents and the Calculation Agent act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Securityholder or Couponholder. The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, any other Paying Agent or the Calculation Agent and to appoint additional or other Paying Agents, provided that the Issuer shall at all times maintain (i) a Fiscal Agent, (ii) an Calculation Agent, (iii) Paying Agents having Specified Offices which must be outside the Republic of Italy (including Luxembourg so long as the Securities are listed on the official list of the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange so require), and (iv) such other agents as may be required by the rules of any other stock exchange on which the Securities may be listed.

Notice of any such change or any change of any Specified Office shall promptly be given to the Securityholders.

**(d) Unmatured Coupons and unexchanged Talons**

- (i) Upon the due date for redemption of any Security, unmatured Coupons relating to such Security (whether or not attached) shall become void and no payment shall be made in respect of them.
- (ii) Upon the due date for redemption of any Security, any unexchanged Talon relating to such Security (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.

**(e) Talons**

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet, 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 another Talon for a further Coupon sheet).

**(f) Non-Business Days**

If any date for payment in respect of any Security 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, and which is a Target Business Day.

## 8 Taxation

All payments of principal and interest in respect of the Securities and the Coupons by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for, or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by a Tax Jurisdiction or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts (“**Additional Amounts**”) as shall result in receipt by the Securityholders 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 Security or Coupon:

- (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; or (ii) liable to such taxes, duties, assessments or governmental charges in respect of such Security or Coupon by reason of his having some connection with the Tax Jurisdiction other than the mere holding of the Security or Coupon; or
- (b) 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 Security or Coupon on account of *imposta sostitutiva* pursuant to Italian Legislative Decree No. 239 of 1 April 1996, as amended 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 Security or Coupon presented for payment in the Tax Jurisdiction.

Notwithstanding any other provision of these Conditions, any amounts to be paid on the Securities by or on behalf of the Issuer will be paid net of any deduction or withholding imposed or required pursuant to an agreement described in Section 1471(b) of 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 Security 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 Securityholders that, upon further presentation of the Security or Coupon being made in accordance with these 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 Securities and all other amounts in the nature of principal payable pursuant to Condition 5 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 4 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 Prescription**

The Securities and Coupons (which for this purpose shall not include Talons) will become void unless presented for payment within periods of 10 years (in the case of principal) and 5 years (in the case of interest) from the Relevant Date in respect of the Securities or, as the case may be, the Coupons, subject to the provisions of Condition 4. There shall not be included in any Coupon sheet issued upon exchange of a Talon any Coupon which would be void upon issue under this Condition or Condition 4.

## **10 Enforcement Events**

### **(a) Default**

If the Issuer shall not make payment, for a period of 30 days or more, of any principal or interest (including any Arrears of Interest) in respect of the Securities which is due and payable, then the Issuer shall be deemed to be in default under the Securities and the Coupons and the holders of at least one-quarter in principal amount of the Securities then outstanding may, (a) institute actions, steps or proceedings, including Insolvency Proceedings, against the Issuer and/or (b) file a proof of claim and participate in any Insolvency Proceedings or proceedings for the liquidation, dissolution or winding-up of the Issuer, (in which Insolvency Proceedings, liquidation, dissolution or winding-up, the Securities shall immediately become due and payable at their principal amount together with any accrued but unpaid interest up to (but excluding) the date on which the Securities become so due and payable and any outstanding Arrears of Interest) but may take no further or other action save as set out below.

### **(b) Enforcement**

Each Securityholder may at its discretion and without further notice, take such steps, actions or proceedings against the Issuer as it may think fit to enforce any term or condition binding on the Issuer under the Securities (other than any payment obligation of the Issuer under or arising from the Securities), but in no event shall the Issuer, by virtue of the initiation of any such steps, actions or proceedings, be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it. Nothing in this Condition 10(b) shall, however, prevent holders of at least one-quarter in principal amount of the Securities taking the steps provided for in Condition 10(a).

### **(c) Liquidation Event**

Following the occurrence of any of the events described in Condition 5(a), on the relevant Liquidation Event Date, the Securities will, automatically and without any requirement for the giving of notice, become due and payable at an amount equal to their principal amount, together with any outstanding interest accrued up to (but excluding) the Liquidation Event Date and any outstanding Arrears of Interest.

On or following the Liquidation Event Date, no payments will be made in relation to the Junior Securities of the Issuer before all amounts due, but unpaid, on the Securities have been paid by the Issuer.

On or following the Liquidation Event Date, each Securityholder may, at its discretion and without further notice, institute steps in order to obtain a judgment against the Issuer for any amounts due in respect of the Securities, including the institution of Insolvency Proceedings against the Issuer or the filing of a proof of claim and participation in any Insolvency Proceedings or proceedings for the liquidation, dissolution or winding-up of the Issuer.

**(d) Extent of Securityholders' Remedies**

No remedy against the Issuer, other than as referred to in this Condition 10, shall be available to the Securityholders, whether for the recovery of amounts due in respect of the Securities or in respect of any breach by the Issuer of any of its other obligations under or in respect of the Securities or the Coupons.

**11 Meetings of Securityholders and Modifications**

**(i) Meetings of Securityholders**

The Agency Agreement contains provisions for convening meetings of Securityholders 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 Securities 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 Securityholders is empowered to resolve upon the following matters: (i) the appointment and revocation of a joint representative (*rappresentante comune*) of the Securityholders; (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 Securityholders and the related statements of account; and (v) on any other matter of common interest to the Securityholders. Such a meeting may be convened by the Board of Directors of the Issuer or by the joint representative of the Securityholders 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 Securityholders holding not less than 5 per cent. in principal amount of the Securities 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 Securities or representing in the aggregate at least one-fifth of the nominal amount of the Securities 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 Securities or representing in the aggregate not less than one-half of the aggregate nominal amount of the Securities 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 Securities or representing in the aggregate more than one-third of the aggregate nominal amount of the Securities 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 Securities or representing in the aggregate at least one-fifth of the aggregate nominal amount of the Securities 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 Securities represented at the meeting, provided that at any meeting the business of which includes a modification to these Conditions 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 Securities, and (b) any alteration of the currency in which payments under the Securities are to be made or the denomination of the Securities), the majority required to pass the requisite Extraordinary Resolution shall be the higher of (i) one or more persons present holding Securities or representing in the aggregate not less than one-half of the aggregate nominal amount of the Securities for the time being outstanding and (ii) one or more persons present holding Securities or representing in the aggregate not less than two thirds of the Securities 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 Securities shall not entitle the Issuer to participate and vote in the Securityholders' meetings. Directors and statutory auditors of the Issuer shall be entitled to attend the Securityholders' meetings. The resolutions validly adopted in meetings are binding on Securityholders whether present or not.

The agreement or approval of the Securityholders shall not be required in the case of any variation of these Conditions made pursuant to Condition 4(d) or any variation of these Conditions required to be made in the circumstances described in Condition 6.

**(ii) Modification of Agency Agreement**

The Issuer 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 Securityholders and in giving such permission, waiver or authorisation the Issuer shall have regard to interests of the Securityholders as a class and shall not have regard to the consequences of such permission, waiver or authorisation for individual Securityholders or Couponholders.

**12 Replacement of Securities, Coupons and Talons**

If a Security, 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 or such other Paying Agent as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Securityholders, 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 Security, 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 Securities, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Securities, Coupons or Talons must be surrendered before replacements will be issued.

**13 Further Issues**

The Issuer may from time to time without the consent of the Securityholders or Couponholders create and issue further Securities having the same terms and conditions as the Securities and so that the same shall be consolidated and form a single series with such Securities, and references in these Conditions to “**Securities**” shall be construed accordingly.



## 14 Notices

Notices required to be given to Securityholders pursuant to these Conditions will be valid if published in a manner which complies with the rules and regulations of the stock exchange(s) or other relevant authorities on which the Securities are for the time being listed and/or admitted to trading, provided that so long as the Securities 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*). 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.

In addition to the above publications, with respect to notices for a meeting of Securityholders, any convening notice for such meeting shall be made in accordance with the relevant provisions of the Italian Civil Code and the Issuer's by-laws.

## 15 Currency Indemnity

Any amount received or recovered in a currency other than Euros (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 otherwise) by any Securityholders in respect of any sum expressed to be due to it from the Issuer shall only constitute a discharge to the Issuer to the extent of the amount in Euros 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 Security or Coupon (such amount being the “**shortfall**”) the Issuer 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 15, it shall be sufficient for the Securityholder or Couponholder 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 other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Securityholder or Couponholder and shall continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Security or Coupon or any other judgment or order.

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

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

## 17 Governing Law, Jurisdiction and Service of Process

### (a) Governing Law

The Securities, the Coupons and the Talons (and any non-contractual obligations arising out of or in connection with them) are governed by, and shall be construed in accordance with, English law, except for Conditions 3(a) and 3(b) which shall each be governed by Italian law. Condition 11 and the provisions of Schedule 3 to the Agency Agreement which relate to the convening of meetings of Securityholders and the appointment of a Securityholders' representative are subject to mandatory provisions of Italian law.

### (b) Jurisdiction

The courts of England are to have jurisdiction to settle any disputes that may arise out of or in connection with any Securities Coupons, and the Talons and accordingly any legal action or proceedings arising out

of or in connection with any Securities Coupons and Talons (“**Proceedings**”) may be brought in such courts. The Issuer 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. This submission is made for the benefit of each of the holders of the Securities, 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**

The Issuer irrevocably appoints Eni UK Limited of Eni House, 10 Ebury Bridge Road, London SW1W 8PZ as its 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). If for any reason such process agent ceases to be able to act as such or no longer has an address in London, the Issuer irrevocably agrees to appoint a substitute process agent and shall immediately notify Securityholders of such appointment in accordance with Condition 14. Nothing shall affect the right to serve process in any manner permitted by law.

## TERMS AND CONDITIONS OF THE NC 9 SECURITIES

*The following is the text of the Terms and Conditions of the NC 9 Securities which (subject to modification) will be endorsed on each NC 9 Security in definitive form (if issued).*

*Text set out within the Terms and Conditions of the NC 9 Securities in italics is provided for information only and does not form part of the Terms and Conditions of the NC 9 Securities.*

*For as long as the Securities are represented by Global Securities, the Terms and Conditions set out below must be read together with the terms of such Global Securities. See “Overview of provisions relating to the Securities while in global form”.*

The €1,500,000,000 Perpetual Subordinated Non-Call 9 Fixed Rate Reset Securities (the “**Securities**”, which expression shall in these Conditions, unless the context otherwise requires, include any further securities issued pursuant to Condition 13 and forming a single series with the Securities) of Eni S.p.A. (the “**Issuer**”). A Fiscal Agency Agreement dated 13 October 2020 (as amended and supplemented from time to time, the “**Agency Agreement**”) has been entered into in relation to the Securities between the Issuer, The Bank of New York Mellon, London Branch as fiscal agent and calculation agent and the other agents named in the Agency Agreement. The fiscal agent, the paying agents and the calculation agent for the time being are referred to below respectively as the “**Fiscal Agent**”, the “**Paying Agents**” (which expression shall include the Fiscal Agent) and the “**Calculation Agent**”. The holders of the Securities (the “**Securityholders**”) and, the holders of the interest coupons (the “**Coupons**”) relating to the Securities and of the talons for further Coupons (the “**Talons**”) (the “**Couponholders**”) are deemed to have notice of all of the provisions of the Agency Agreement applicable to them.

Copies of the Agency Agreement are available for inspection at the Specified Offices of each of the Paying Agents.

### 1 Form, Denomination and Title

#### (a) Form and Denomination

The Securities are in bearer form, serially numbered, in the denominations of €100,000 and integral multiples of €1,000 in excess thereof, up to and including €199,000, with Coupons and one Talon attached on issue.

#### (b) Title

Title to the Securities, Coupons and Talons shall pass by delivery. Each Securityholder and Couponholder will (except as otherwise required by applicable law or regulatory requirement) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it, any writing on it, or its theft or loss) and no person shall be liable for so treating such Securityholder or Couponholder, as the case may be.

### 2 Definitions and Interpretation

As used in these Conditions:

An “**Accounting Event**” shall occur if as a result of (i) a change in the accounting principles which has been officially adopted on or after the Issue Date or (ii) a change in the interpretation thereof (such change an “**Accounting Event Change**”), but not otherwise, the obligations of the Issuer under the Securities following the official adoption, if applicable, of such Accounting Event Change, which may fall before the date on which

the Accounting Event Change comes into effect, must not, or may no longer, be recorded as “equity” in the audited annual or interim consolidated financial statements of the Issuer, in each case prepared in accordance with IFRS or any other accounting standards that the Issuer may adopt in the future for the preparation of its audited annual or interim consolidated financial statements in accordance with Italian company law.

“**Additional Amounts**” has the meaning given to it in Condition 8.

“**Arrears of Interest**” has the meaning given to it in Condition 4(b)(i).

“**Business Day**” means a day which is both a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and Milan and is a TARGET2 Settlement Day.

“**Calculation Amount**” means €1,000.

“**Call Date**” has the meaning given to it in Condition 5(b).

“**Code**” has the meaning given to it in Condition 7(b).

A “**Compulsory Arrears of Interest Payment Event**” shall be deemed to have occurred in relation to Arrears of Interest if:

- (A) the Issuer has, directly or indirectly, resolved to pay, declared, paid or made a dividend (either interim or final) or any other distribution, or any other payment, on any of its Junior Securities, other than (i) in the form of the issuance (or transfer from treasury) of any ordinary shares, (ii) a dividend, distribution or payment declared by the Issuer before the earliest notice given by the Issuer in accordance with Condition 4(b)(i) in respect of the then outstanding Arrears of Interest under the Securities or (iii) where such dividend, distribution or payment was contractually required to be declared, paid or made under the terms of such Junior Securities;
- (B) subject as provided below, the Issuer has, directly or indirectly, resolved to pay, declared, paid or made, a dividend (either interim or final) or any other distribution, or any other payment, on any of its Parity Securities, other than (i) a dividend, distribution or payment declared by the Issuer before the earliest notice given by the Issuer in accordance with Condition 4(b)(i) in respect of the then outstanding Arrears of Interest under the Securities or (ii) where such dividend, distribution or payment was contractually required to be declared, paid or made under the terms of such Parity Securities (including where such payment occurs at the maturity of Parity Securities);
- (C) the Issuer or any Subsidiary, directly or indirectly, redeems, purchases or otherwise acquires or any Parity Securities, except where (x) such redemption, purchase or acquisition is effected as a public cash tender offer or public exchange offer at a redemption or purchase price per security which is below its par value or (y) such redemption is contractually required to be made under the terms of such Parity Securities;
- (D) the Issuer or any Subsidiary, directly or indirectly, redeems, purchases, or otherwise acquires any Junior Securities, except where (i) such redemption, purchase, or acquisition is undertaken in connection with the satisfaction by the Issuer of its obligations under any stock option plan or free share allocation plan reserved for directors, officers and/or employees of the Issuer or any associated hedging transaction; (ii) such purchase results from the hedging of convertible securities issued by or guaranteed by the Issuer (whether physically or cash settled); (iii) any purchase of ordinary shares of the Issuer by or on behalf of the Issuer as part of an intra-day transaction that does not result in an increase in the aggregate number of ordinary shares of the Issuer held by or on behalf of the Issuer as treasury shares after the closing of such intra-day transaction as compared with the number of ordinary shares of the Issuer held by or on behalf of the Issuer as treasury shares at 8:30 a.m. (Central European

time) on the Interest Payment Date on which any outstanding Arrears of Interest was first deferred; or  
(iv) such purchase, redemption or acquisition is contractually required to be made under the terms of such Junior Securities; or

(E) the Issuer or any Subsidiary, directly or indirectly, repurchases any of the Securities;

provided that, a Compulsory Arrears of Interest Payment Event shall not occur pursuant to paragraph (B) above in respect of any pro rata payment of deferred or arrears of interest on any Parity Securities which is made simultaneously with a pro rata payment of any Arrears of Interest provided that such pro rata payment of deferred or arrears of interest on a Parity Security is not proportionately more than the pro rata settlement of any such Arrears of Interest.

“**Early Redemption Date**” means the date of redemption of the Securities pursuant to Conditions 5(b) to 5(g).

“**Early Redemption Price**” means:

- (A) in the case of a Gross-Up Event or a Substantial Repurchase Event at any time, 100 per cent. of the principal amount of the Securities then outstanding; or
- (B) in the case of an Accounting Event, a Rating Agency Event or a Tax Deduction Event, either:
  - (i) 101 per cent. of the principal amount of the Securities then outstanding if the Early Redemption Date falls prior to the NC 9 First Call Date; or
  - (ii) 100 per cent. of the principal amount of the Securities then outstanding if the Early Redemption Date falls on or after the NC 9 First Call Date,

and in each case together with any accrued interest to, but excluding, the relevant Early Redemption Date and any outstanding Arrears of Interest.

“**equity credit**” shall include such other nomenclature as any Rating Agency may use from time to time to describe the degree to which an instrument exhibits the characteristics of an ordinary share.

“**EUR 5 year Swap Rate**” has the meaning given to it in Condition 4(a)(ii).

“**EUR 5 year Swap Rate Quotation**” means, in relation to a Reset Period, the arithmetic mean of the bid and offered rates for the annual fixed leg (calculated on a 30/360 day count basis) of a fixed-for-floating euro interest rate swap transaction which (i) has a term of 5 years commencing on the relevant Reset Interest Determination Date, (ii) is in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market, and (iii) has a floating leg based on the 6-month EURIBOR rate (calculated on an Actual/360 day count basis);

“**EUR Reset Reference Bank Rate**” means the percentage rate determined by the Calculation Agent on the basis of the EUR 5 year Swap Rate Quotations provided by the EUR Reset Reference Banks to the Issuer and notified to the Calculation Agent at approximately 11:00 a.m. (CET) on the relevant Reset Interest Determination Date.

“**EUR Reset Reference Banks**” means five major banks in the Euro-zone interbank market selected by the Issuer.

“**EUR Reset Screen Page**” means the Reuters screen “ICESWAP2/EURSFIXA” (or such other page as may replace it on Reuters or, as the case may be, on such other information service that may replace Reuters providing or sponsoring the information appearing there for the purpose of displaying rates comparable to the EUR 5 year Swap Rate).

“**EURIBOR**” means the Euro-zone interbank offered rate.

“**Exchanged Securities**” has the meaning given to it in Condition 6(a).

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

“**Financial Statements**” means either of:

- (A) audited annual consolidated financial statements of the Issuer; or
- (B) unaudited condensed consolidated half-year financial statements of the Issuer which are subject to a formal “review” from an independent auditor,

in each case prepared in accordance with IFRS or any successor accounting standards applicable to the Issuer.

“**NC 9 First Call Date**” means 13 July 2029.

“**NC 9 Securities First Reset Date**” means 13 October 2029.

“**Fitch**” means Fitch Ratings Ireland Limited or any of its subsidiaries or any successor in business thereto from time to time.

A “**Gross-Up Event**” shall be deemed to have occurred if, as a result of a Tax Law Change, the Issuer determines (in its reasonable opinion having consulted with a recognised independent tax adviser) that it has or will become obliged to pay Additional Amounts (as defined in Condition 8) in respect of the Securities and such obligation cannot be avoided by the Issuer taking reasonable measures available to it.

“**IFRS**” means the International Financial Reporting Standards (as amended or replaced from time to time).

“**Independent Adviser**” means an independent financial institution of international repute or other independent financial adviser experienced in the international debt capital markets, in each case appointed by the Issuer.

“**Insolvency Proceedings**” means any insolvency proceedings (*procedura concorsuale*) or proceedings equivalent or analogous thereto under the laws of any applicable jurisdiction, including, but not limited to, bankruptcy (*fallimento*), composition with creditors (*concordato preventivo*) (including *pre concordato* pursuant to Article 161(6) of the Italian Bankruptcy Law), forced administrative liquidation (*liquidazione coatta amministrativa*), extraordinary administration (*amministrazione straordinaria*) and extraordinary administration of large companies in insolvency (*amministrazione straordinaria delle grandi imprese in stato di insolvenza*), debt restructuring agreements (*accordo di ristrutturazione*) pursuant to Article 182-bis of the Italian Bankruptcy Law (including the procedure described under Article 182-bis(6) of the Italian Bankruptcy Law) and Articles 57 ff. of the Italian Bankruptcy Law Reform, reorganisation plans pursuant to Article 67(3)(d) of the Italian Bankruptcy Law and Article 56 of the Italian Bankruptcy Law Reform, judicial liquidation pursuant to articles 121 ff. of the Italian Bankruptcy Law Reform, the undertaking of any court approved restructuring with creditors or the making of any application (or filing of documents with a court) for the appointment of an administrator or other receiver (*curatore*), manager administrator (*commissario straordinario o liquidatore*) or other similar official under any applicable law.

“**Interest Payment Date**” means 13 October in each year.

“**Interest Period**” means the period from (and including) the Issue Date to (but excluding) the first Interest Payment Date and each successive period from (and including) an Interest Payment Date to (but excluding) the next succeeding Interest Payment Date ending on the date fixed for redemption.

“**Issue Date**” means 13 October 2020.

“**Italian Bankruptcy Law**” means Royal Decree no. 267 of 16 March 1942, as amended from time to time.

“**Italian Bankruptcy Law Reform**” means the crisis and insolvency code set out under the Legislative Decree No. 14 of 2019, as amended from time to time.

**“Junior Securities”** means:

- (A) the ordinary shares (*azioni ordinarie*) of the Issuer;
- (B) any other class of the Issuer’s share capital (including savings shares (*azioni di risparmio*) and preferred shares (*azioni privilegiate*)); and
- (C)
  - (i) any securities of the Issuer (including *strumenti finanziari* issued under Article 2346 of the Italian Civil Code); and
  - (ii) any securities issued by a company or entity other than the Issuer which have the benefit of a guarantee or similar instrument from the Issuer,

which securities (in the case of (C)(i)) or guarantee or similar instrument (in the case of (C)(ii)) rank or are expressed to rank *pari passu* with the claims described under (A) and (B) above and/or junior to the Securities.

**“Liquidation Event Date”** has the meaning given to it in Condition 5(b).

**“Mandatory Settlement Date”** means the earliest of:

- (A) the tenth Business Day following the date on which a Compulsory Arrears of Interest Payment Event occurs;
- (B) the next scheduled Interest Payment Date in respect of which the Issuer does not elect to defer the interest accrued in respect of the relevant Interest Period; and
- (C) the date on which the Securities are redeemed or repaid in accordance with Condition 5, including at the Liquidation Event Date (unless otherwise required by mandatory provisions of applicable law).

**“Moody’s”** means Moody’s Deutschland GmbH (or any of its subsidiaries or any successor in business thereto from time to time).

**“Parity Securities”** means:

- (A) any securities or other instruments issued by the Issuer which rank, or are expressed to rank, *pari passu* with the Issuer’s obligations under the Securities; and
- (B) any securities or other instruments issued by a company or entity other than the Issuer which have the benefit of a guarantee or similar instrument from the Issuer, which guarantee or similar instrument ranks or is expressed to rank *pari passu* with the Issuer’s obligations under the Securities.

**“Prevailing Interest Rate”** means the rate of interest payable on the Securities applicable from time to time pursuant to Condition 4.

**“Rating Agency”** means any of Moody’s, S&P, Fitch or in each case, any successor to the rating agency business thereof.

**“Rating Agency Confirmation”** means a written confirmation from a Rating Agency which has assigned ratings to the Issuer on a basis sponsored by the Issuer which is either received by the Issuer directly from the relevant Rating Agency or indirectly via publication by such Rating Agency.

A **“Rating Agency Event”** shall be deemed to occur if the Issuer has received a Rating Agency Confirmation stating that, due to any amendment to, clarification of, or change in the assessment criteria under its hybrid capital methodology or in the interpretation thereof, in each case occurring or becoming effective after the Issue Date (or, if “equity credit” is not assigned to the Securities by the relevant Rating Agency on the Issue Date, the

date on which “equity credit” is assigned by such Rating Agency for the first time), any or all of the relevant Securities will no longer be eligible (or if the Securities have been partially or fully re-financed since the Issue Date and are no longer eligible for “equity credit” from such Rating Agency in part or in full as a result thereof, any or all of the relevant Securities would no longer have been eligible as a result of such amendment to, clarification of or, change in the assessment criteria or in the interpretation thereof had they not been re-financed) for the same or a higher amount of “equity credit” as was attributed to the Securities as at the Issue Date (or, if “equity credit” is not assigned to the Securities by the relevant Rating Agency on the Issue Date, the date on which “equity credit” is assigned by such Rating Agency for the first time).

“**Relevant Date**” means the date on which any payment first becomes due but, if the full amount payable has not been received by the Fiscal Agent or the Securityholders on or before the due date, it means the date on which, the full amount of the money having been so received, notice to that effect has been duly given to the Securityholders by the Issuer in accordance with Condition 14.

“**Reset Date**” means the NC 9 Securities First Reset Date and each date falling on the fifth anniversary thereafter.

“**Reset Interest Determination Date**” means, in respect of any Reset Period, the day falling two Business Days prior to the beginning of the relevant Reset Period.

“**Reset Period**” means each period from and including the NC 9 Securities First Reset Date to but excluding the next following Reset Date and thereafter from and including each Reset Date to but excluding the next following Reset Date.

“**S&P**” means S&P Global Ratings Europe Limited or any of its subsidiaries or successor in business thereto from time to time.

“**Specified Office**” has the meaning given to such term in the Agency Agreement.

“**Subsidiary**” means any entity which is a subsidiary (*società controllata*) of the Issuer within the meaning of Article 2359 of the Italian Civil Code and Article 93 of Legislative Decree No. 58 of 24 February 1998, as amended.

A “**Substantial Repurchase Event**” shall be deemed to have occurred if, prior to the giving of the relevant notice of redemption, at least 75 per cent. of the aggregate principal amount of the Securities issued on the Issue Date has been purchased by or on behalf of the Issuer or a Subsidiary and has been cancelled.

“**TARGET2 Settlement Day**” means any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System is open.

A “**Tax Deduction Event**” shall be deemed to occur if, as a result of a Tax Law Change, interest paid by the Issuer on the Securities would no longer, or within 90 days of such change will no longer be, fully deductible (or the entitlement to make such deduction shall be materially reduced or materially delayed) by the Issuer for corporate income tax purposes, and the Issuer cannot avoid the foregoing by taking reasonable measures available to it; provided, however, that a Tax Deduction Event shall not occur if payments of interest by the Issuer in respect of the Securities are not deductible in whole or in part for Italian corporate income tax purposes solely as a result of the application of the general tax deductibility thresholds set forth by Article 96 of Italian Presidential Decree No. 917 of 22 December 1986, as amended, as at (and on the basis of the general tax deductibility limits calculated in the manner applicable as at) the Issue Date.

“**Tax Jurisdiction**” means the Republic of Italy and/or such other taxing jurisdiction to which the Issuer becomes subject or any political subdivision or any authority thereof or therein having power to tax.



“**Tax Law Change**” means: (i) any amendment to, clarification of, or change in, the laws or treaties (or any regulations thereunder) of a Tax Jurisdiction affecting taxation; (ii) any governmental action or (iii) any amendment to, clarification of, or change in the official position or the interpretation of such governmental action (including an amendment, clarification or change resulting from a publicly available reply to a ruling or a circular letter issued by a governmental authority) that differs from the previously generally accepted official position or interpretation resulting from a publicly available reply to a ruling or a circular letter, in each case, by any legislative body, court, governmental authority or regulatory body, which amendment, clarification, change or governmental action is effective, on or after the Issue Date.

“**Taxes**” means any present or future taxes or duties, assessments or governmental charges of whatever nature.

“**Varied Securities**” has the meaning given to it in Condition 6(b).

### **3 Status and Subordination**

#### **(a) Status**

The Securities and Coupons relating to them constitute direct, unsecured and subordinated obligations of the Issuer and rank and will at all times rank *pari passu* and without any preference among themselves and with the Issuer’s payment obligations in respect of any Parity Securities. The Securities constitute *obbligazioni* pursuant to Articles 2410 *et seq.* of the Italian Civil Code. The obligations of the Issuer in respect of the Securities and the Coupons are subordinated as described in Condition 3(b).

#### **(b) Subordination**

The obligations of the Issuer to make payment in respect of principal and interest on the Securities and the Coupons, including its obligations in respect of any Arrears of Interest, will, in the event of the winding-up, insolvency, dissolution or liquidation of the Issuer, rank:

- (a) senior only to the Issuer’s payment obligations in respect of any Junior Securities;
- (b) *pari passu* and without any preference among themselves and with the Issuer’s payment obligations in respect of any Parity Securities; and
- (c) junior to all other payment obligations of the Issuer, present and future, whether subordinated (including any claims pursuant to Article 2411, first paragraph, of the Italian Civil Code) or unsubordinated, except for Parity Securities and Junior Securities,

in each case except as otherwise required by mandatory provisions of applicable law.

#### **(c) No Set-off**

To the extent and in the manner permitted by applicable law, no Securityholder or Couponholder may exercise, claim or plead any right of set-off, counterclaim, compensation or retention in respect of any amount owed to it by the Issuer in respect of, or arising from, the Securities or the Coupons and each Securityholder and Couponholder will, by virtue of his holding of any Security or Coupon, be deemed to have waived all such rights of set-off, counterclaim, compensation or retention. The Issuer may not set off any claims it may have against the Securityholders or Couponholders against any of its obligations under the Securities or the Coupons.

## 4 Interest and Interest Deferral

### (a) Interest

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

Unless previously redeemed or repurchased and cancelled in accordance with these Conditions and subject to the further provisions of this Condition 4(a)(i), the Securities will bear interest on their principal amount as follows:

- (i) from (and including) the Issue Date to (but excluding) the NC 9 Securities First Reset Date, at the rate of 3.375 per cent. per annum, payable annually in arrear on each Interest Payment Date; and
- (ii) from (and including) the NC 9 Securities First Reset Date to (but excluding) the date fixed for redemption, at, in respect of each Reset Period, the relevant EUR 5 year Swap Rate plus:
  - (A) in respect of the Reset Period commencing on the NC 9 Securities First Reset Date to (but excluding) 13 October 2034, 3.641 per cent. per annum;
  - (B) in respect of each Reset Period which falls in the period commencing on 13 October 2034 and ending on (but excluding) the Reset Date falling on 13 October 2049, 3.891 per cent. per annum; and
  - (C) in respect of each subsequent Reset Period, 4.641 per cent. per annum;all as determined by the Calculation Agent for annual payment in arrear on each Interest Payment Date, commencing on the First Interest Payment Date.

#### (ii) *Determination of EUR 5 year Swap Rate*

- (i) For the purposes of these Conditions, the relevant “**EUR 5 year Swap Rate**”, in respect of a Reset Period, shall be the annual mid-swap rate as displayed on the EUR Reset Screen Page as at 11:00 a.m. (CET) on the relevant Reset Interest Determination Date.
- (ii) If the relevant EUR 5 year Swap Rate does not appear on the EUR Reset Screen Page on the relevant Reset Interest Determination Date, other than as a result of a Benchmark Event, the Issuer shall request each of the EUR Reset Reference Banks to provide it with its EUR 5 year Swap Rate Quotation (such EUR 5 year Swap Rate Quotation to be notified by the Issuer to the Calculation Agent) and the Calculation Agent will determine the EUR 5 year Swap Rate as the EUR Reset Reference Bank Rate on the relevant Reset Interest Determination Date.
- (iii) If at least three quotations are provided by the EUR Reset Reference Banks, the EUR 5 year Swap Rate will be determined by the Calculation Agent on the basis of the arithmetic mean of the quotations provided, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest).
- (iv) If only two quotations are provided, the EUR 5 year Swap Rate will be the arithmetic mean of the quotations provided.

- (v) If only one quotation is provided, the EUR 5 year Swap Rate will be the quotation provided.
  - (vi) If no quotations are provided, the EUR Reset Reference Bank Rate for the relevant period will be: (i) in the case of each Reset Period other than the Reset Period commencing on the NC 9 Securities First Reset Date, the EUR 5 year Swap Rate in respect of the immediately preceding Reset Period, or (ii) in the case of the Reset Period commencing on the NC 9 Securities First Reset Date, -0.426 per cent. per annum.
- (iii) *Calculation of Interest*

The interest payable on each Security on any Interest Payment Date shall be calculated per Calculation Amount. The amount of interest payable per Calculation Amount for any period shall be equal to the product of the Prevailing Interest Rate for the Interest Period ending immediately prior to such Interest Payment Date, the Calculation Amount and, where it is necessary to compute an amount of interest in respect of any Security for a period which is less than a complete year, the day-count fraction for the relevant period, rounding the resulting figure to the nearest cent (half a cent being rounded upwards).

The relevant day-count fraction will be calculated on the basis of the number of days in the relevant period, from and including the date from which interest begins to accrue but excluding the date on which it falls due divided by the actual number of days in the Interest Period in which the relevant period falls.

**(b) Interest Deferral**

Subject to the provisions of the following paragraphs, on each Interest Payment Date, the Issuer shall pay interest on the Securities accrued to (but excluding) that date in respect of the Interest Period ending immediately prior to such Interest Payment Date.

(i) *Optional Interest Deferral*

The Issuer may, at its sole discretion, elect to defer in whole (or in part) any payment of interest accrued on the Securities in respect of any Interest Period by giving notice of such election to the Securityholders in accordance with Condition 14 and to the Fiscal Agent and Paying Agents at least ten, but not more than 30, Business Days prior to the relevant Interest Payment Date. If the Issuer makes such an election, the Issuer shall have no obligation to make such payment and any such non-payment of interest shall not constitute a default of the Issuer or any other breach of obligations under the Securities or for any other purpose, unless such Arrears of Interest becomes due and payable in accordance with these Conditions.

Any such interest which the Issuer duly elects to defer shall constitute “**Arrears of Interest**”. Any Arrears of Interest will remain outstanding until paid in full by the Issuer, but Arrears of Interest shall not themselves bear interest.

(ii) *Optional Settlement of Arrears of Interest*

The Issuer will be entitled to pay outstanding Arrears of Interest (in whole or in part) at any time upon giving notice to the Securityholders in accordance with Condition 14 (which notice shall be irrevocable and will oblige the Issuer to pay the relevant Arrears of Interest on the payment date specified in such notice) and to the Fiscal Agent and Paying Agents not less than 10 Business

Days before such voluntary payment and specifying (i) the amount of Arrears of Interest to be paid and (ii) the date fixed for such payment.

(iii) *Mandatory Settlement of Arrears of Interest*

All (but not some only) of any outstanding Arrears of Interest from time to time in respect of all Securities for the time being outstanding shall become due and payable in full and shall be paid by the Issuer on the first occurring Mandatory Settlement Date.

The Issuer shall give notice of the impending occurrence of any Mandatory Settlement Date to the Securityholders in accordance with Condition 14 and to the Fiscal Agent and Paying Agents, promptly upon becoming aware thereof and, in any event, at least five Business Days prior to the relevant Mandatory Settlement Date.

(c) **Accrual of Interest**

Interest shall cease to accrue on each Security 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 Prevailing Interest Rate in the manner provided in this Condition 4 to the Relevant Date (as defined in Condition 8).

(d) **Benchmark discontinuation**

(i) *Independent Adviser*

If a Benchmark Event occurs in relation to the EUR 5 year Swap Rate on any Reset Interest 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 4(d)(ii)) and, in either case, an Adjustment Spread and any Benchmark Amendments (in accordance with Condition 4(d)(iv)), by no later than five Business Days prior to the Reset Interest Determination Date relating to the next Reset Period for which the Prevailing Interest Rate (or any component part thereof) is to be determined by reference to the EUR 5 year Swap Rate (the “**IA Determination Cut-off Date**”).

In making such determination, the Independent Adviser appointed pursuant to this Condition 4(d)(i) 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 or the Securityholders or the Couponholders for any determination made by it pursuant to this Condition 4(d)(i).

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 4(d)(i), 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 Reset Interest Determination Date relating to the next Reset Period for which the Prevailing Interest Rate (or any component part thereof) is to be determined by reference to the EUR 5 year Swap Rate. For the avoidance of doubt, this paragraph shall apply to the relevant next succeeding Reset Period only and any subsequent Reset Periods are subject to the subsequent operation of, and to adjustment as provided in, the first paragraph of this Condition 4(d)(i).

(ii) *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 EUR 5 year Swap Rate to determine the Prevailing Interest Rate (or the relevant component part thereof) for payments of interest on the Securities in the next succeeding Reset Period (subject to the operation of this Condition 4(d)(ii)); 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 EUR 5 year Swap Rate to determine the Prevailing Interest Rate (or the relevant component part thereof) for payments of interest in the next succeeding Reset Period on the Securities (subject to the operation of this Condition 4(d)(ii)).

(iii) *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 is unable to determine the quantum of, or a formula or methodology for determining, such Adjustment Spread, then the Successor Rate or Alternative Rate (as applicable) will apply without an Adjustment Spread.

(iv) *Benchmark Amendments*

If any Successor Rate or Alternative Rate and, in either case, the applicable Adjustment Spread is determined in accordance with this Condition 4(d) 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 4(d)(iv), without any requirement for the consent or approval of Securityholders, 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 4(d), 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 4(d) 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 4(d)(iv), the Issuer shall comply with the rules of any stock exchange on which the Securities 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 “EUR 5 year Swap Rate”, including the “EUR Reset Screen Page” and/or the method for determining the fallback rate in relation to the EUR 5 year Swap Rate; (B) amendments to the day-count fraction and the definitions of “Business Day”, “Interest Payment Date”, “Reset Date”, “Reset Interest Determination Date”, and/or “Interest Period”

(including the determination whether the Alternative Rate will be determined in advance on or prior to the relevant Reset Period or in arrear on or prior to the end of the relevant Reset Period); and/or (C) any change to the business day convention.

(v) *Notices etc.*

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 4(d) will be notified promptly by the Issuer to the Calculation Agent, the Fiscal Agent, the Paying Agents and, in accordance with Condition 14, the Securityholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

No later than notifying the Securityholders of the same, the Issuer shall deliver to the Calculation Agent, the Fiscal Agent and the Paying Agents a certificate signed by two Authorised Signatories 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 Securityholders.

Notwithstanding any other provision of this Condition 4(d), if 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 4(d), 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.

(vi) *Survival of EUR 5 year Swap Rate*

Without prejudice to the obligations of the Issuer under Condition 4(d)(i), (ii), (iii), (iv), the EUR 5 year Swap Rate and the fallback provisions provided for in Condition 4(a)(ii) will continue to apply unless and until a Benchmark Event has occurred.

As used in this Condition 4(d):

**“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 EUR 5 year Swap 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 EUR 5 year Swap 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 EUR 5 year Swap 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 4(d)(ii) is customarily applied in international debt capital markets transactions for the purposes of determining rates of interest (or the relevant component part thereof) in Euro and with an interest period of a comparable duration to the relevant Reset Period.

**“Benchmark Amendments”** has the meaning given to it in Condition 4(d)(iv).

**“Benchmark Event”** means:

- (1) EUR 5 year Swap Rate ceasing to be published for a period of at least 5 Business Days or ceasing to exist or to be administered; or
- (2) a public statement by the administrator of the EUR 5 year Swap Rate that it has ceased or that it will, by a specified date on or prior the next Reset Interest Determination Date, cease publishing the EUR 5 year Swap Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the EUR 5 year Swap Rate); or
- (3) a public statement by the supervisor of the administrator of the EUR 5 year Swap Rate, that the EUR 5 year Swap Rate has been or will be permanently or indefinitely discontinued; or
- (4) a public statement by the supervisor of the administrator of the EUR 5 year Swap Rate as a consequence of which the EUR 5 year Swap Rate will be prohibited from being used either generally, or in respect of the Securities; 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 Securityholder using the EUR 5 year Swap Rate; or
- (6) the making of a public statement by the supervisor of the administrator of the EUR 5 year Swap Rate announcing that such EUR 5 year Swap 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 EUR 5 year Swap Rate or the discontinuation of the EUR 5 year Swap Rate, as the case may be, (b) in the case of paragraph (4) above, on the date of prohibition of use of the EUR 5 year Swap Rate and (c) in the case of sub-paragraph (5) above, on the date with effect from which the EUR 5 year Swap 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.

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

- (i) the European Central Bank, 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 European Central Bank, (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 EUR 5 year Swap Rate which is formally recommended by any Relevant Nominating Body.

## **5 Redemption, Purchase and Options**

### **(a) No fixed Redemption**

Unless previously redeemed or purchased and cancelled as provided below, the Securities will mature on the date on which voluntary or involuntary winding up, dissolution, liquidation or bankruptcy (including in connection with any Insolvency Proceedings) proceedings are instituted in respect of the Issuer (the “**Liquidation Event Date**”), (i) in accordance with any provision on duration of the Issuer set out in the by-laws of the Issuer from time to time (which as of 9 October 2020, sets out the duration of the Issuer at 31 December 2100), or, if earlier, (ii) in accordance with (x) a resolution of the shareholders’ meeting of the Issuer; or (y) any applicable legal provision, or any decision of any judicial or administrative authority. Upon having maturity occurred according to the provisions above, the Securities will become due and payable at an amount equal to their outstanding principal amount, together with any outstanding interest accrued up to (but excluding) the Liquidation Event Date and any outstanding Arrears of Interest.

### **(b) Optional Redemption**

The Issuer may, on giving not less than 10 and not more than 60 calendar days’ notice to the Securityholders in accordance with Condition 14, redeem all of the Securities (but not some only) on any date during the period commencing on (and including) the NC 9 First Call Date and ending on (and including) the NC 9 Securities First Reset Date or upon any Interest Payment Date thereafter (each such date, a “**Call Date**”), in each case at their principal amount together with any accrued interest up to (but excluding) the relevant Call Date and any outstanding Arrears of Interest.

### **(c) Early Redemption following a Gross-Up Event**

- (i) If a Gross-Up Event occurs, the Issuer may redeem all (but not some only) of the Securities at any time at the applicable Early Redemption Price upon giving not less than 10 and not more than 60 calendar days’ notice to the Fiscal Agent, the Paying Agents and the Securityholders in accordance with Condition 14, provided that no such notice shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such Additional Amounts were a payment in respect of the Securities then due.
- (ii) Prior to giving a notice to the Securityholders pursuant to this Condition 5(c), the Issuer will deliver to the Fiscal Agent:



- (x) a certificate signed by two duly authorised representatives of the Issuer stating that the Issuer is entitled to effect such redemption and setting out a statement of facts showing that the conditions precedent to the right of the Issuer to redeem the Securities in accordance with this Condition 5(c) have been satisfied; and
- (y) an opinion of independent legal or tax advisers, appointed by the Issuer at its own expense, of recognised standing in the relevant Tax Jurisdiction to the effect that the Issuer has or will become obliged to pay Additional Amounts as a result of a Tax Law Change.

The documents referred to above shall be available for inspection by Securityholders during normal business hours at the Specified Office of the Fiscal Agent.

**(d) Early Redemption following a Tax Deduction Event**

- (i) If a Tax Deduction Event occurs, the Issuer may redeem all (but not some only) of the Securities at any time at the applicable Early Redemption Price upon giving not less than 10 and not more than 60 calendar days' notice of redemption to the Fiscal Agent, Paying Agents and the Securityholders in accordance with Condition 14.
- (ii) Prior to giving a notice to the Securityholders pursuant to this Condition 5(d), the Issuer will deliver to the Fiscal Agent:
  - (x) a certificate signed by two duly authorised representatives of the Issuer 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 to redeem the Securities in accordance with this Condition 5(d) have been satisfied; and
  - (y) an opinion of an independent legal or tax adviser, appointed by the Issuer at its own expense, of recognised standing in the relevant Tax Jurisdiction to the effect that payments of interest by the Issuer in respect of the Securities are no longer, or within 90 calendar days of the date of that opinion will no longer be, deductible in whole or in part as a result of a Tax Law Change.

The documents referred to above shall be available for inspection by Securityholders during normal business hours at the Specified Office of the Fiscal Agent.

**(e) Early Redemption following a Rating Agency Event**

- (i) If a Rating Agency Event occurs, the Issuer may redeem all (but not some only) of the Securities at any time at the applicable Early Redemption Price upon giving not less than 10 and not more than 60 calendar days' notice of redemption to the Fiscal Agent, Paying Agents and the Securityholders in accordance with Condition 14.
- (ii) Prior to giving a notice to the Securityholders pursuant to this Condition 5(e), the Issuer will deliver to the Fiscal Agent:
  - (x) a certificate signed by two duly authorised representatives of the Issuer stating that the Issuer is entitled to effect such redemption and setting out a statement of facts showing that the conditions precedent to the right of the Issuer to redeem the Securities in accordance with this Condition 5(e) have been satisfied; and
  - (y) a copy of the Rating Agency Confirmation relating to the applicable Rating Methodology Event unless the delivery of such Rating Agency Confirmation would constitute a breach of the terms on which such confirmation is delivered to the Issuer.

The documents referred to above shall be available for inspection by Securityholders during normal business hours at the Specified Office of the Fiscal Agent.

**(f) Early Redemption upon the occurrence of an Accounting Event**

- (i) If an Accounting Event occurs, the Issuer may redeem all (but not some only) of the Securities at any time at the applicable Early Redemption Price upon giving not less than 10 and not more than 60 calendar days' notice of redemption to the Fiscal Agent, Paying Agents and the Securityholders in accordance with Condition 14.
- (ii) Prior to giving a notice to the Securityholders pursuant to this Condition 5(f), the Issuer will deliver to the Fiscal Agent:
  - (x) a certificate signed by two duly authorised representatives of the Issuer stating that the Issuer is entitled to effect such redemption and setting out a statement of facts showing that the conditions precedent to the right of the Issuer to redeem the Securities in accordance with this Condition 5(f) have been satisfied; and
  - (y) a copy of the opinion, letter or report of a recognised accountancy firm of international standing, appointed by the Issuer at its own expense, as set forth in the definition of "Accounting Event".

The documents referred to above shall be available for inspection by Securityholders during normal business hours at the Specified Office of the Fiscal Agent.

**(g) Purchases and Substantial Repurchase Event**

- (i) The Issuer or any Subsidiary may at any time purchase Securities (provided that all unmatured Coupons and Talons appertaining to the Securities are purchased with the Securities) in any manner and at any price. Such Securities may be held, reissued, resold or, at the option of the Issuer, surrendered to any Paying Agent for cancellation.
- (ii) If a Substantial Repurchase Event occurs, the Issuer may redeem all (but not some only) of the outstanding Securities at any time at the applicable Early Redemption Price, subject to the Issuer having given the Fiscal Agent, Paying Agents and the Securityholders not less than 10 and not more than 60 calendar days' notice in accordance with Condition 14.
- (iii) Prior to giving a notice to the Securityholders pursuant to this Condition 5(g), the Issuer will deliver to the Fiscal Agent a certificate signed by two duly authorised representatives of the Issuer stating that the Issuer is entitled to effect such redemption and setting out a statement of facts showing that the conditions precedent to the right of the Issuer to redeem the Securities in accordance with this Condition 5(g) have been satisfied.

Such certificate shall be available for inspection by Securityholders during normal business hours at the Specified Office of the Fiscal Agent.

**(h) Cancellations**

All Securities which are redeemed or exchanged pursuant to Condition 6 will forthwith be cancelled, together with all unmatured Coupons attached to the Securities or surrendered with the Securities at the time of redemption. All Securities so cancelled and any Securities purchased and cancelled pursuant to Condition 5(g) above shall be forwarded to the Paying Agent and accordingly may not be held, reissued or resold.

(i) **Notices Final**

A notice of redemption given pursuant to any of Conditions 5(b), 5(c), 5(d), 5(e), 5(f) or 5(g) shall be irrevocable and upon the expiry of any such notice, the Issuer shall be bound to redeem the Securities in accordance with the terms of the relevant Condition.

**6 Exchange or Variation upon a Gross-Up Event, Tax Deduction Event, Rating Agency Event or Accounting Event and Preconditions to such Exchange or Variation**

(a) If a Gross-Up Event, Tax Deduction Event, Rating Agency Event or an Accounting Event has occurred and is continuing and the Issuer has provided the Fiscal Agent with the relevant certificate and opinion, or in the case of Condition 5(e) only, the Rating Agency Confirmation, pursuant to Condition 5(c), 5(d), 5(e) or 5(f) (as applicable), then the Issuer may, subject to Condition 6(b) below and to having given not less than 10 nor more than 60 Business Days' notice to the Fiscal Agent, the Calculation Agent and, in accordance with Condition 14, the Securityholders (which notice shall be irrevocable and shall specify the date for the relevant exchange or, as the case may be, variation of the Securities) but without any requirement for the consent or approval of the Securityholders or Couponholders, as an alternative to an early redemption of the Securities at any time:

- a. exchange all, but not some only, the Securities for new securities (such new securities, the “**Exchanged Securities**”), or
- b. vary the terms of all of the Securities (the Securities, as so varied, the “**Varied Securities**”),

so that immediately following such exchange or variation no Tax Deduction Event, Gross-Up Event, Accounting Event or Rating Agency Event applies in respect of the Exchanged Securities or, as applicable, the Varied Securities.

Upon expiry of such notice, the Issuer shall either vary the terms of or, as the case may be, exchange the Securities in accordance with this Condition 6 and, as applicable, cancel the Securities which have been exchanged for Exchanged Securities.

The Fiscal Agent and Paying Agents shall (at the expense of the Issuer) enter into a supplemental fiscal agency agreement with the Issuer (including indemnities satisfactory to the Fiscal Agent and Paying Agents) solely in order to effect the exchange of the Securities, or, as applicable, the variation of the terms of the Securities, provided that the Fiscal Agent and Paying Agents shall not be obliged to enter into such supplemental fiscal agency agreement if the terms of the Exchanged Securities or the Varied Securities would impose, in the Fiscal Agent and Paying Agents' opinion, more onerous obligations upon it or expose it to liabilities or reduce its protections. If the Fiscal Agent and Paying Agents do not enter into such supplemental fiscal agency agreement (and the Fiscal Agent and Paying Agents shall have no liability or responsibility to any person if it does not do so), the Issuer may redeem the Securities as provided in Condition 5.

(b) Any such exchange or variation shall be subject to the following conditions:

- (i) for as long as the Securities are listed on any stock exchange, the Issuer complying with the rules of the relevant stock exchange (or any other relevant authority) on which the Securities are for the time being admitted to trading, and (for so long as the rules of such exchange require) the publication of any appropriate supplement, listing particulars or offering circular in connection therewith, and the Exchanged Securities or Varied Securities continue to be admitted to trading on the same stock exchange as the Securities were admitted to trading immediately prior to the relevant exchange or variation;

- (ii) the Exchanged Securities or Varied Securities shall: (A) rank at least *pari passu* with the ranking of the Securities prior to the exchange or variation, and (B) benefit from the same interest rates and the same Interest Payment Dates, the same NC 9 Securities First Reset Date and early redemption rights (provided that the relevant exchange or variation may not itself trigger any early redemption right), provisions relating to maturity which match those in the Securities, the same rights to accrued interest or Arrears of Interest and any other amounts payable under the Securities which, in each case, has accrued to the Securityholders and has not been paid, the same rights to principal and interest, and, if publicly rated by a Rating Agency which has provided a solicited rating at the invitation or with the consent of the Issuer, immediately prior to such exchange or variation, at least the same credit rating immediately after such exchange or variation by each such Rating Agency, as compared with the relevant solicited rating(s) immediately prior to such exchange or variation (as determined by the Issuer using reasonable measures available to it including discussions with the Rating Agencies to the extent practicable) (C) not contain terms providing for the mandatory deferral or cancellation of interest and (D) not contain terms providing for loss absorption through principal write-down or conversion to shares;
- (iii) the Exchanged Securities or, as applicable, the Varied Securities have terms which are not materially less favourable to Securityholders than the terms of the Securities (as reasonably determined by the Issuer (in consultation with an independent investment bank of international standing), including compliance with sub-paragraph (ii) above, as certified to the Fiscal Agent and Paying Agents by two duly authorised representatives of the Issuer, and any such certificate shall be final and binding on all parties;
- (iv) the preconditions to exchange or variation set out in the Agency Agreement having been satisfied, including the issue of legal opinions addressed to the Fiscal Agent (copies of which shall be made available to the Securityholders by appointment at the Specified Offices of the Fiscal during usual office hours or at the Fiscal Agent's option may be provided by email to such holder requesting copies of such documents, subject to the Fiscal Agent being supplied by the Issuer with copies of such documents) from one or more international law firms of good reputation selected by the Issuer and confirming (x) that the Issuer has capacity to assume all rights, duties and obligations under the Exchanged Securities or Varied Securities (as the case may be) and has obtained all necessary corporate or governmental authorisation to assume all such rights and obligations and (y) the legality, validity and enforceability of the Exchanged Securities or Varied Securities;
- (v) the delivery to the Fiscal Agent and Paying Agents of a certificate signed by two duly authorised representatives of the Issuer certifying each of the points set out in sub-paragraphs (i) to (v) above.

The Fiscal Agent and Paying Agents may rely absolutely upon and shall be entitled to accept such certificates and any such opinions, as are referred to in this Condition 6, without any liability to any person for so doing and without any further inquiry as sufficient evidence of the satisfaction of the criteria set out in such paragraphs, in which event it shall be conclusive and binding on the Securityholders and the Couponholders.

## **7 Payments and Talons**

### **(a) Payments in respect of the Securities**

Payments of principal and interest in respect of each Security shall, subject as provided below, be made against presentation and surrender (or, as applicable, endorsement) of the relevant Securities (in the case of payments of principal and, in the case of interest, as specified in Condition 7(d)) or Coupons (in the

case of interest, save as specified in Condition 7(d)), as the case may be, at the Specified Office of any Paying Agent by transfer to an account denominated in Euros with, a Bank. “**Bank**” means a bank in a city in which banks have access to the TARGET System.

**(b) 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 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, as amended (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) any law implementing an intergovernmental approach thereto. No commission or expenses shall be charged to the Securityholders or Couponholders in respect of such payments.

**(c) Appointment of Agents**

The Fiscal Agent, the Paying Agents and the Calculation Agent initially appointed by the Issuer and their respective Specified Offices are listed below. The Fiscal Agent, the Paying Agents and the Calculation Agent act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Securityholder or Couponholder. The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, any other Paying Agent or the Calculation Agent and to appoint additional or other Paying Agents, provided that the Issuer shall at all times maintain (i) a Fiscal Agent, (ii) an Calculation Agent, (iii) Paying Agents having Specified Offices which must be outside the Republic of Italy (including Luxembourg so long as the Securities are listed on the official list of the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange so require), and (iv) such other agents as may be required by the rules of any other stock exchange on which the Securities may be listed.

Notice of any such change or any change of any Specified Office shall promptly be given to the Securityholders.

**(d) Unmatured Coupons and unexchanged Talons**

- (i) Upon the due date for redemption of any Security, unmatured Coupons relating to such Security (whether or not attached) shall become void and no payment shall be made in respect of them.
- (ii) Upon the due date for redemption of any Security, any unexchanged Talon relating to such Security (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.

**(e) Talons**

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet, 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 another Talon for a further Coupon sheet).

**(f) Non-Business Days**

If any date for payment in respect of any Security 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, and which is a Target Business Day.

## 8 Taxation

All payments of principal and interest in respect of the Securities and the Coupons by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for, or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by a Tax Jurisdiction or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts (“**Additional Amounts**”) as shall result in receipt by the Securityholders 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 Security or Coupon:

- (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; or (ii) liable to such taxes, duties, assessments or governmental charges in respect of such Security or Coupon by reason of his having some connection with the Tax Jurisdiction other than the mere holding of the Security or Coupon; or
- (b) 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 Security or Coupon on account of *imposta sostitutiva* pursuant to Italian Legislative Decree No. 239 of 1 April 1996, as amended 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 Security or Coupon presented for payment in the Tax Jurisdiction.

Notwithstanding any other provision of these Conditions, any amounts to be paid on the Securities by or on behalf of the Issuer will be paid net of any deduction or withholding imposed or required pursuant to an agreement described in Section 1471(b) of 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 Security 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 Securityholders that, upon further presentation of the Security or Coupon being made in accordance with these 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 Securities and all other amounts in the nature of principal payable pursuant to Condition 5 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 4 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 Prescription**

The Securities and Coupons (which for this purpose shall not include Talons) will become void unless presented for payment within periods of 10 years (in the case of principal) and 5 years (in the case of interest) from the Relevant Date in respect of the Securities or, as the case may be, the Coupons, subject to the provisions of Condition 4. There shall not be included in any Coupon sheet issued upon exchange of a Talon any Coupon which would be void upon issue under this Condition or Condition 4.

## **10 Enforcement Events**

### **(a) Default**

If the Issuer shall not make payment, for a period of 30 days or more, of any principal or interest (including any Arrears of Interest) in respect of the Securities which is due and payable, then the Issuer shall be deemed to be in default under the Securities and the Coupons and the holders of at least one-quarter in principal amount of the Securities then outstanding may, (a) institute actions, steps or proceedings, including Insolvency Proceedings, against the Issuer and/or (b) file a proof of claim and participate in any Insolvency Proceedings or proceedings for the liquidation, dissolution or winding-up of the Issuer, (in which Insolvency Proceedings, liquidation, dissolution or winding-up, the Securities shall immediately become due and payable at their principal amount together with any accrued but unpaid interest up to (but excluding) the date on which the Securities become so due and payable and any outstanding Arrears of Interest) but may take no further or other action save as set out below.

### **(b) Enforcement**

Each Securityholder may at its discretion and without further notice, take such steps, actions or proceedings against the Issuer as it may think fit to enforce any term or condition binding on the Issuer under the Securities (other than any payment obligation of the Issuer under or arising from the Securities), but in no event shall the Issuer, by virtue of the initiation of any such steps, actions or proceedings, be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it. Nothing in this Condition 10(b) shall, however, prevent holders of at least one-quarter in principal amount of the Securities taking the steps provided for in Condition 10(a).

### **(c) Liquidation Event**

Following the occurrence of any of the events described in Condition 5(a), on the relevant Liquidation Event Date, the Securities will, automatically and without any requirement for the giving of notice, become due and payable at an amount equal to their principal amount, together with any outstanding interest accrued up to (but excluding) the Liquidation Event Date and any outstanding Arrears of Interest.

On or following the Liquidation Event Date, no payments will be made in relation to the Junior Securities of the Issuer before all amounts due, but unpaid, on the Securities have been paid by the Issuer.

On or following the Liquidation Event Date, each Securityholder may, at its discretion and without further notice, institute steps in order to obtain a judgment against the Issuer for any amounts due in respect of the Securities, including the institution of Insolvency Proceedings against the Issuer or the filing of a proof of claim and participation in any Insolvency Proceedings or proceedings for the liquidation, dissolution or winding-up of the Issuer.

**(d) Extent of Securityholders' Remedies**

No remedy against the Issuer, other than as referred to in this Condition 10, shall be available to the Securityholders, whether for the recovery of amounts due in respect of the Securities or in respect of any breach by the Issuer of any of its other obligations under or in respect of the Securities or the Coupons.

**11 Meetings of Securityholders and Modifications**

**(i) Meetings of Securityholders**

The Agency Agreement contains provisions for convening meetings of Securityholders 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 Securities 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 Securityholders is empowered to resolve upon the following matters: (i) the appointment and revocation of a joint representative (*rappresentante comune*) of the Securityholders; (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 Securityholders and the related statements of account; and (v) on any other matter of common interest to the Securityholders. Such a meeting may be convened by the Board of Directors of the Issuer or by the joint representative of the Securityholders 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 Securityholders holding not less than 5 per cent. in principal amount of the Securities 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 Securities or representing in the aggregate at least one-fifth of the nominal amount of the Securities 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 Securities or representing in the aggregate not less than one-half of the aggregate nominal amount of the Securities 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 Securities or representing in the aggregate more than one-third of the aggregate nominal amount of the Securities 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 Securities or representing in the aggregate at least one-fifth of the aggregate nominal amount of the Securities 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 Securities represented at the meeting, provided that at any meeting the business of which includes a modification to these Conditions 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 Securities, and (b) any alteration of the currency in which payments under the Securities are to be made or the denomination of the Securities), the majority required to pass the requisite Extraordinary Resolution shall be the higher of (i) one or more persons present holding Securities or representing in the aggregate not less than one-half of the aggregate nominal amount of the Securities for the time being outstanding and (ii) one or more persons present holding Securities or representing in the aggregate not less than two thirds of the Securities 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 Securities shall not entitle the Issuer to participate and vote in the Securityholders' meetings. Directors and statutory auditors of the Issuer shall be entitled to attend the Securityholders' meetings. The resolutions validly adopted in meetings are binding on Securityholders whether present or not.

The agreement or approval of the Securityholders shall not be required in the case of any variation of these Conditions made pursuant to Condition 4(d) or any variation of these Conditions required to be made in the circumstances described in Condition 6.

**(ii) Modification of Agency Agreement**

The Issuer 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 Securityholders and in giving such permission, waiver or authorisation the Issuer shall have regard to interests of the Securityholders as a class and shall not have regard to the consequences of such permission, waiver or authorisation for individual Securityholders or Couponholders.

**12 Replacement of Securities, Coupons and Talons**

If a Security, 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 or such other Paying Agent as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Securityholders, 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 Security, 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 Securities, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Securities, Coupons or Talons must be surrendered before replacements will be issued.

**13 Further Issues**

The Issuer may from time to time without the consent of the Securityholders or Couponholders create and issue further Securities having the same terms and conditions as the Securities and so that the same shall be consolidated and form a single series with such Securities, and references in these Conditions to “**Securities**” shall be construed accordingly.

## 14 Notices

Notices required to be given to Securityholders pursuant to these Conditions will be valid if published in a manner which complies with the rules and regulations of the stock exchange(s) or other relevant authorities on which the Securities are for the time being listed and/or admitted to trading, provided that so long as the Securities 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*). 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.

In addition to the above publications, with respect to notices for a meeting of Securityholders, any convening notice for such meeting shall be made in accordance with the relevant provisions of the Italian Civil Code and the Issuer's by-laws.

## 15 Currency Indemnity

Any amount received or recovered in a currency other than Euros (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 otherwise) by any Securityholders in respect of any sum expressed to be due to it from the Issuer shall only constitute a discharge to the Issuer to the extent of the amount in Euros 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 Security or Coupon (such amount being the “**shortfall**”) the Issuer 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 15, it shall be sufficient for the Securityholder or Couponholder 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 other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Securityholder or Couponholder and shall continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Security or Coupon or any other judgment or order.

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

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

## 17 Governing Law, Jurisdiction and Service of Process

### (a) Governing Law

The Securities, the Coupons and the Talons (and any non-contractual obligations arising out of or in connection with them) are governed by, and shall be construed in accordance with, English law, except for Conditions 3(a) and 3(b) which shall each be governed by Italian law. Condition 11 and the provisions of Schedule 3 to the Agency Agreement which relate to the convening of meetings of Securityholders and the appointment of a Securityholders' representative are subject to mandatory provisions of Italian law.

### (b) Jurisdiction

The courts of England are to have jurisdiction to settle any disputes that may arise out of or in connection with any Securities Coupons, and the Talons and accordingly any legal action or proceedings arising out

of or in connection with any Securities Coupons and Talons (“**Proceedings**”) may be brought in such courts. The Issuer 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. This submission is made for the benefit of each of the holders of the Securities, 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**

The Issuer irrevocably appoints Eni UK Limited of Eni House, 10 Ebury Bridge Road, London SW1W 8PZ as its 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). If for any reason such process agent ceases to be able to act as such or no longer has an address in London, the Issuer irrevocably agrees to appoint a substitute process agent and shall immediately notify Securityholders of such appointment in accordance with Condition 14. Nothing shall affect the right to serve process in any manner permitted by law.

## **DESCRIPTION OF THE ISSUER**

Please refer to the information on Eni and the Eni Group in the documents incorporated herein by reference as set out in the “*Incorporation by Reference*” section.

## OVERVIEW OF THE ITALIAN INSOLVENCY LAW REGIME

Italian insolvency laws are applicable to the Issuer and, if certain requirements are met, the Issuer could become subject to any of the following insolvency proceedings:

- (a) bankruptcy (*fallimento*), which is governed by the provisions of Royal Decree No. 267 of March 16, 1942 (the “**Bankruptcy Law**”), as amended;
- (b) composition with creditors (*concordato preventivo*), which is also governed by the provisions of the Bankruptcy Law, as recently amended;
- (c) extraordinary administration for large insolvent companies (*amministrazione straordinaria delle grandi imprese insolventi*), which is governed by Legislative Decree No. 270 of 8 July 1999, as amended (“**Decree 270**”) and by certain provisions of the Bankruptcy Law; and
- (d) extraordinary administration for the industrial restructuring of large insolvent companies (*amministrazione straordinaria per la ristrutturazione industriale delle grandi imprese insolventi*), which is governed by Law Decree No. 347 of December 23, 2003, converted into law, with amendments, by Law No. 39 of 18 February 2004, as amended (“**Decree 347**”), as well as certain provisions of the Bankruptcy Law and the Decree 270. For businesses performing essential public services, such as the Issuer, this type of proceedings would also be subject to Law Decree 134 of 28 August 2008 (“**Decree 134**”).

Also, the Issuer could enter into the following procedures which, although disciplined by the Bankruptcy Law, are not generally qualified as insolvency procedures:

- (a) reorganization plans pursuant to Article 67, Paragraph 3(d) of Bankruptcy Law;
- (b) debt restructuring agreements pursuant to Article 182 bis of the Bankruptcy Law, as recently amended.

In addition to the above, certain public interest entities (including, inter alia, insurance companies, credit institutions and other financial institutions) are not technically subject to ordinary bankruptcy proceeding and may be subject to a specific insolvency proceeding called forced administrative liquidation procedure (*procedura di liquidazione coatta amministrativa*).

The proceedings indicated in paragraphs (a), (b) and (c) would be initiated by petition to the competent court. As to the proceedings indicated in paragraph (d): (i) pursuant to the Decree 270, the extraordinary administration for large insolvent companies (*amministrazione straordinaria delle grandi imprese insolventi*), would be initiated by petition for the declaration of insolvency to the competent court that, after the assessment of the insolvency status and the existence of concrete perspectives for the restructuring of the insolvent company, may open the proceeding, in which is involved also the Ministry of Economic Development; and (ii) in the case of an extraordinary administration to which Decree 134 would apply, the proceeding would be initiated by the debtor company that shall submit a joint request, in the form of a motivated and well-documented application, to both (x) the Ministry of Economic Development so that it admits the insolvent company to the extraordinary administration proceeding; and (y) the competent court so that it declares the company’s insolvency. For the companies operating in the businesses performing essential public services sector, the extraordinary administration for the industrial restructuring of large insolvent companies (*amministrazione straordinaria per la ristrutturazione industriale delle grandi imprese insolventi*) may be commenced directly by decree of the Italian Prime Minister or the Minister of Economic Development.

The opening of the forced administrative liquidation procedure (*procedura di liquidazione coatta amministrativa*) is ordered by the competent Ministry on the proposal of the supervisory authority of the economic sector in which the entity operates.

Below is a summary of certain relevant features of each type of proceedings. For the sake of clarity, the following analysis will focus on the Italian insolvency laws already applicable and into force as the date hereof.

- (a) *Bankruptcy*: Pursuant to the Bankruptcy Law, a company may be declared bankrupt recurring two requirements: (i) an objective requirement, which is met if any of the following thresholds are met: (a) annual balance sheet assets (*attivo patrimoniale*) greater than Euro 300,000 in the last three financial years (from the date on which the petition for bankruptcy was filed) or from the establishment of the company if it has been incorporated less than three years before the petition for bankruptcy; (b) annual gross proceeds (*ricavi lordi*) greater than Euro 200,000 over the last three financial years (from the date on which the petition for bankruptcy was filed) or from the establishment of the company if it has been incorporated less than three years before the petition for bankruptcy; or (c) indebtedness (including debt that is not overdue and payable) greater than Euro 500,000; and (ii) a subjective requirement, which is met when a company carries out a commercial activity and is “insolvent”. Under Italian law the concept of insolvency is defined as the inability of the debtor to regularly settle its obligations as they become due. A debtor can be declared bankrupt (*fallito*) (either by its own initiative or upon the initiative of any of its creditors or of the public prosecutor) if it is insolvent (i.e. it is unable to regularly pay its debts as they fall due). As a consequence of the declaration of bankruptcy, the debtor loses control over all its assets and over the management of its business which is taken over by a court-appointed receiver (*curatore fallimentare*). Once the bankruptcy proceeding is commenced, no enforcement and interim proceedings can be brought or continued against the debtor over the assets included in the bankruptcy estate.

Moreover, all action brought and proceedings already initiated by creditors are automatically stayed, any act (including payments, pledges and issuances of guarantees) made by the debtor, other than those made through the receiver, after (and in certain cases even before for a limited period of time) a declaration of bankruptcy with respect to the creditors is (or could be if made before) ineffective; also, under Italian law, there are claw-back provisions that may lead to, *inter alia*, the revocation of payments made or security interests granted or transactions entered into by the debtor before the declaration of bankruptcy. Bankruptcy Law distinguishes between acts or transactions carried out in the two years before the declaration of bankruptcy, which are automatically considered ineffective vis-à-vis the creditors, and acts or transactions which may be clawed back in case they have been performed within either one year or six months before the declaration of bankruptcy. The first category, disciplined by Articles 64 and 65 of the Bankruptcy Law includes, for example, transactions entered into under no consideration and advanced payments of debts falling due on the day of the declaration of insolvency or thereafter. The second category, disciplined by Article 67 of the Bankruptcy Law, includes, for instance transactions entered into for consideration in case the value of the debts or of the obligations undertaken by the debtor exceeds by 25% the value of the consideration received by and/or promised to the debtor, payments of due and payable debts which were not paid in cash or by other customary means of payment in the year preceding the declaration of bankruptcy, granting of liens for pre-existing debts not yet due and payable, granting of liens for debts due and payable (whose suspect period is reduced to six months, instead of one year) (in these cases, it is the creditor the one bearing the burden to prove that it had no actual or constructive knowledge of the debtor’s insolvency at the time the transaction was entered into) the “ordinary course” of transactions (*i.e.* conveyances for adequate consideration, payment of due debts, and granting of security interests securing debts (even those of third parties) simultaneously incurred) if made during the six months preceding the declaration of bankruptcy (in this cases, the receiver will need

to give evidence that the creditor had actual or constructive knowledge of the debtor's insolvency at the time the transaction was entered into).

In addition to the above, under Article 66 of the Bankruptcy Law, which refers to Article 2901 of the Italian Civil Code (that – in turn - provides for a general and ordinary claw back action (*revocatoria ordinaria*) – that may be brought against the debtor (and its counterparty) also in case no bankruptcy proceedings are pending), acts by which the debtor disposes of its assets (other than payments of due and payable amounts) may be clawed back if the receiver in bankruptcy can prove that the debtor was aware of the prejudice that such act would cause to its creditors (including future creditors, to the extent that the act was made in order to create such prejudice) and, to the extent that the act was non-gratuitous act, the counterparty was aware of such prejudice.

Certain specific transactions are exempted from the claw-back and set-aside actions, including, but not limited to: (i) payment of goods and services made in the ordinary course of business on customary market terms and conditions; (ii) payment of salaries to employees; and (iii) transactions, payments, guarantees and securities in the context of a restructuring plan certified by an expert pursuant to Article 67, paragraph 3, let. (d) of the Bankruptcy Law, a Court-supervised composition with creditors or a debt restructuring agreement pursuant to Article 182bis of the Bankruptcy Law ratified by the Court.

Continuation of business may be authorized by the court if an interruption would cause a prejudice, but only if the continuation of the company's business does not damage the creditors. The execution of certain contracts and/or transactions whose obligations have not been performed in full by both parties at the date in which bankruptcy is declared is suspended until the receiver decides whether or not take them over, unless differently provided for under the Bankruptcy Law.

As far as receivables vis-à-vis the bankruptcy proceedings are concerned, each creditor must lodge his claims with the competent court; the judge delegated by the court (*giudice delegato*), upon proposal of the receiver, will decide which claims are admitted to the statement of liabilities, for which amount they are admitted and whether the claims are to be qualified as secured or not. Each creditor may challenge (*opposizione*) the decision of the judge in front of the court. The same procedure applies also to individuals and entities claiming the right to obtain the restitution of assets. The sale of the borrower's assets is carried out by the receiver through public auctions in compliance with a liquidation program proposed by the receiver and approved by the creditors' committee. The Bankruptcy Law provides for the formation of a creditors' committee composed of three or five members, which consults with the receiver. These proceedings are ultimately aimed at the distribution of the proceeds of sale of the debtor's assets among creditors admitted to the statement of liabilities, in accordance with statutory priority. Under Italian law neither the debtor nor the court can deviate from the rules of statutory priority proposing alternative priorities of claims or subordinating specific claims on the basis of equitable principles. Consequently, contractually granted priorities such as those commonly provided for in intercreditor contractual arrangements may not be enforceable against Italian bankruptcy proceedings on the grounds that they may be considered inconsistent with mandatory provisions.

The Securityholders would not have a right as a class to appoint a representative to a creditors' committee.

Bankruptcy proceedings can terminate prior to liquidation through a bankruptcy arrangement proposal with creditors. The relevant petition may be filed by one or more creditors or third parties immediately after the declaration of bankruptcy, whereas the debtor (or its subsidiaries) are allowed to file such proposal only after one year following the declaration but within two years from the decree granting effectiveness to the bankruptcy's estate. The petition may provide for the subdivision of creditors into different classes (thereby proposing different treatments among the classes), debts' rescheduling and the

satisfaction of creditors' claims in any manner. The petition may provide for the possibility that secured claims are paid only in part. The *concordato fallimentare* proposal must be approved by the creditors' committee and the creditors holding the majority of claims (and, if classes are formed, by a majority of the claims in a majority of the classes). Secured creditors are not entitled to vote on the proposal of *concordato fallimentare*, unless (i) they waive their security; or (ii) the *concordato fallimentare* provides that they will not receive full satisfaction of the fair market value of their secured assets (please note that such value must be assessed by an independent expert), in which case they can vote only in respect of the portion of their debt affected by the proposal. Final court confirmation is also required.

(b) *Composition with creditors*: prior to the declaration of bankruptcy, a debtor that is insolvent or in a situation of crisis (e.g., facing financial difficulties which do not yet amount to insolvency) may file for a composition with creditors by submitting to the competent court a plan for the composition with its creditors which may provide, *inter alia*, for:

- the restructuring of debts and the satisfaction of creditors in any manner even through assignments of debts, assumption (*accollo*) or extraordinary transactions, including the issue of shares, quotas, bonds (also convertible into shares) or other financial instruments and securities;
- the assumption of all debts and assets by a of a third-party (which may also be a creditor); tax settlement for the partial or deferred payment of certain taxes;
- the division of the creditors into different classes; and/or
- different treatments for creditors belonging to different classes.

The petition must be accompanied and supported by a restructuring plan proposed to the creditors and by an independent expert report assessing, *inter alia*, the feasibility of the arrangement proposal and the truthfulness of the business data on which the plan is grounded. After the filing, the petition is published by the court in the companies' register. Between the publishing in the companies' register of the proposal for composition with creditors and its homologation by the court, the debtor enjoys an automatic stay of actions. In addition, mortgages registered within 90 days preceding the date on which the petition for is published in the companies' register are ineffective vis-à-vis pre-existing creditors. In case continuation of business is provided for, the report of the independent expert shall also certify that it will ensure a higher satisfaction of creditors' claims than other insolvency proceedings.

The court determines whether the proposal for the composition is admissible, in which case the court, *inter alia*, delegates a judge to follow the procedure, appoints one or more judicial officers (*commissari giudiziali*) and calls the creditors' meeting.

In accordance with article 177 of the Bankruptcy Law, the composition with creditors is considered approved by the creditors if it is approved, at the creditors meeting or within 20 days thereafter, by the majority of the creditors entitled to vote (and, in case of different classes of creditors, also by the majority of the creditors within each class). The court may also approve the composition with creditors in case of challenges brought by dissenting creditors; please consider that the convenience of the composition with creditors may only be challenged by dissenting creditors pertaining to one or more dissenting classes or, in case of a sole class, by dissenting creditors representing at least 20 per cent. of the credits admitted to the vote. In such case, the composition with creditors may nevertheless be approved if the court deems that the composition with creditors would satisfy the interests of the dissenting creditors for an amount not less than that which would have been achieved under other practicable solutions.

The debtor is allowed to carry out urgent extraordinary transactions only upon the prior court's authorization, while ordinary transactions may be carried out without authorization. Third-party claims,



related to the interim acts legally carried out by the debtor, are preferred pursuant to Article 111 of the Bankruptcy Law.

Law Decree 83/2015, as amended by Law 132/2015, introduced the possibility for creditors (except for individuals or entities controlled, controlling or under common control of the debtor) holding at least 10% of the aggregate claims against a debtor to present an alternative proposal and plan to the debtor's proposal, subject to certain conditions being met, including, in particular, that the proposal of the debtor does not ensure recovery of at least (i) 40% of the unsecured claims in case of proposal for composition with creditors with liquidation purpose; or (ii) 30% of the unsecured claims in case of proposal for composition with creditors based on the continuation of the going concern.

In addition, in order to strengthen the position of the unsecured creditors, Law 132/2015 sets forth that, in order to be admissible, composition with creditors with liquidation purpose must ensure that the unsecured creditors are paid in a percentage of at least 20% of their claims. This provision does not apply to composition with creditors based on the continuation of the going concern. To the extent the alternative plan is approved by the creditors and homologated, the court may grant special powers to the judicial commissioner to implement the plan if the debtor does not cooperate, including by taking all corporate actions required.

In addition, Article 163-bis of the Bankruptcy Law, introduced by Law Decree 83/2015, as amended by Law 132/2015, provides that, if the plan includes an offer for the sale of the debtor's assets or of the debtor's going concern (or of parts of it) to a specific third party, the court must open a competitive bidding process concerning the assets. After the creditors' approval, the court (after having settled possible objections raised by the dissenting creditors, if any) must confirm the proposal for composition with creditors issuing a confirmation order. If the approval fails, the court may, upon request of the public prosecutor or a creditor and after having ascertained the condition for declaration of bankruptcy, declare the company bankrupt.

The provisions of Article 161, 6th paragraph of the Bankruptcy Law, as amended by Law 134 now allow a debtor to file a petition for admission to the composition with creditors (together with the financial statements of the last three financial years and the list of creditors with the reference to the amount of their respective receivables) asking the court to set a deadline of a maximum of up to 120 days (such term may be postponed for further 60 days in the presence of justified reasons) in order to file a composition plan for court approval or, as an alternative, to reach a court approved private restructuring as addressed by Article 182bis of the Bankruptcy Law. During such period, the debtor enjoys a stay of actions.

If the court accepts the pre-application, (i) it appoints a judicial commissioner to overview the company, who, if the debtor has carried out one of the activities under Article 173 of Bankruptcy Law (e.g., concealment of part of assets, omission to report one or more claims, declaration of non-existent liabilities or commission of other fraudulent acts), shall report it to the court, which, upon further verification, may reject the petition at court for composition with creditors; and (ii) sets forth reporting and information duties of the debtor during the above mentioned period; please note that the debtor is mandatorily required to file, on a monthly basis, the company's financial position, which is published, the following day, in the companies register. Non-compliance with these requirements results in the application for the composition with creditors being declared inadmissible and, upon request of the creditors or the public prosecutor and provided that the relevant requirements are verified, in the adjudication of the distressed issuer(s) into bankruptcy. The debtor cannot file such pre-application in case it filed a pre-petition in the previous two years without the admission to the composition with creditors (or the homologation of a debt restructuring agreement) having followed.

If the activities carried out by the debtor company appear to be clearly inappropriate to the preparation of the application and the restructuring plan, the court may, *ex officio*, after hearing the debtor and – if appointed – the judicial commissioner, reduce the time for the filing of additional documents. Following the filing of the pre-application and until the decree of admission to the composition with creditors, the distressed company may (i) carry out acts pertaining to its ordinary activity and (ii) seek the court’s authorization to carry out acts relating to its extraordinary activity, to the extent they are urgent.

Claims arising from acts lawfully carried out by the distressed company are treated as super senior (*prededucibili*) pursuant to Article 111 of the Bankruptcy Law and the related acts, payments and security interests granted are exempted from the claw-back action provided under Article 67 of Bankruptcy Law.

The procedure of the composition with creditors will end with a decree which is to be issued by the competent court. If the court or the creditors reject the offer, to the extent the relevant conditions are met, the entrepreneur may be declared bankrupt by the court upon petition by any creditor and/or by the public prosecutor.

For the analysis of the rules regulating the new financial resources please see the specific section under paragraph (e) below.

- (c) *Extraordinary administration*: Decree 270 introduced a specific extraordinary administration proceeding, otherwise known as the “Prodi-*bis*” (the “**Prodi-bis procedure**”), applicable to insolvencies of major companies (the “**Extraordinary Administration**”).

The aim of the Prodi-*bis* procedure is to ensure continuation of the business operated by the debtor by either enabling the same to regain the ability to meet its obligations in the ordinary course of business by the end of the procedure or by transferring the business (on a going concern basis) to third parties.

To qualify for the Prodi-*bis* procedure, the company must have:

- employed at least 200 employees in the year before the procedure was commenced; and
- debts equal to at least two-thirds of the value of its assets as shown in its financial statements and two-thirds of income from sales and the provision of services during the last financial year.

Insolvent companies, belonging to the group of a company that qualifies for the Prodi-*bis*, may be submitted to the Prodi-*bis*, if certain conditions are met, also if they do not qualify per-se for the Prodi-*bis*.

The Prodi-*bis* procedure is divided into two main phases:

- following a petition, (which may be filed by one or more creditors, the debtor or the public prosecutor), the court will determine whether the company meets the criteria for admission and, in particular whether the company is insolvent. If the company is insolvent, the court will issue a decision to that effect and appoint one or three judicial receiver(s) to evaluate whether the business has serious prospects of recovery (either through a sale of assets or a reorganisation of its business) and to report back to the court within 30 days. Following receipt of the report of the judicial receiver, the court has a further 30 days to decide whether to admit the company to the Extraordinary Administration procedure or place it into bankruptcy;
- once the Extraordinary Administration procedure has been approved, the extraordinary commissioner(s) appointed by the Minister of Economic Development shall prepare a plan (the “Recovery Plan”), to be approved by the Minister of Economic Development, for either: (i) a full asset liquidation by means of the sale of the company businesses as going concerns within one year or (ii) a reorganisation of the business leading to the economic and financial recovery of the

company or group within two years, in each case, unless extended by the Minister of Economic Development.

The proceedings are administered by the extraordinary commissioner(s) who acts under the supervision of the Minister of Economic Development. While unsecured creditors may appoint one or two members to the supervisory committee for the proceedings, the majority of the supervisory committee, and also the chair, will be appointed by the Minister of Economic Development.

Once the Extraordinary Administration procedure has been approved, the principal effects are as follows:

- the company continues to carry out its business and debts incurred during the Extraordinary Administration are treated as priority claims which rank ahead of the claims of creditors whose rights accrued prior to the commencement of the Extraordinary Administration procedure and may be paid as they fall due;
- the Extraordinary Commissioner(s) is/are entitled to terminate pending contracts to which the company is a party.

Furthermore, in the context of the *Prodi-bis* a debt restructuring plan is approved exclusively by the Minister of Economic Development but is not subject to any vote by creditors.

Decree 347 introduced a specific extraordinary set of rules for companies meeting certain size requirements. Decree 347 is complementary to the *Prodi-bis* and except as otherwise provided in Decree 347, the provisions of the *Prodi-bis* shall apply. Decree 347 only applies to insolvent companies which, on a consolidated basis, have at least 500 employees in the year before the procedure was commenced and at least Euro 300 million of outstanding debt.

Under Decree 347, the decision whether to open the procedure is taken by the Minister of Economic Development that, upon request of the debtor (who at the same time must file with the relevant court an application for the declaration of its insolvency), assesses whether the relevant requirements are met and if such requirements are met appoints the extraordinary commissioner(s). The extraordinary commissioner(s) immediately becomes responsible for the management of the company. The court decides on the insolvency of the company.

Within 180 days of his appointment (or 270 days if so agreed by the Minister of Economic Development) the extraordinary commissioner(s) must submit a plan for the rescue of the business by way of an asset liquidation or restructuring to the Minister of Economic Development for approval and at the same time must file with the competent court a report on the state of the business.

A restructuring plan proposed in the context of proceedings subject to Decree 347 may include a composition plan, with the possibility to divide creditors into classes, with different treatment applicable to creditors belonging to different classes and with proposals for a write-off of any obligations owed by the debtor and/or a conversion of debt securities (such as the Securities) into shares of the debtor company or any of its group companies. Decree 347 provides that a composition plan is approved by creditors according to the same majority voting rules as those which apply in the context of proceedings for composition with creditors, as described above. If the restructuring plan is not approved by the Minister of Economic Development, the extraordinary commissioner(s) may propose a plan for the disposal of the assets. If the asset disposal program is not approved, the company is to be placed into liquidation.

Where Decree 134 applies to an extraordinary administration, its purpose is broadly to widen the powers of sale. For this purpose, the insolvency administrator is granted powers to identify and compose lines of business or partial lines of business, even if not pre-existing, which may be made subject to sale.

- (d) *Reorganization plan pursuant to Article 67, Paragraph 3(d) of the Bankruptcy Law*: the procedure at hand is based on a reorganization plan drafted by the debtor for the purpose of restructuring its indebtedness and ensuring the recovery of its financial equilibrium; the feasibility of reorganization plans (*i.e.* their suitability to ensure the above mentioned objectives) must be assessed by an independent expert directly appointed by the debtor, together with the truthfulness of debtor's business (and accounting) data. The expert can only be selected and appointed among those possessing certain specific professional requisites and qualifications (e.g., being registered in the auditors' registrar) and meeting the requirements under Article 2399 of the Italian Civil Code. The expert may be subject to liability in case of misrepresentation or false certification.

Reorganization plans are not subject to any form of judicial control or approval and, therefore, no application for approval must be filed. Reorganization plans do not require to be approved by a specific majority of outstanding claims either. The entering into a reorganization plan does not determine the entrusting of debtor's business to another entity.

Terms and conditions of reorganization plans are freely negotiable; on the other hand, they do not offer the debtor any protection against enforcement proceedings and/or precautionary actions of third party creditors.

The Bankruptcy Law provides that, should these plans fail, and the debtor be declared bankrupt, payments and/or acts carried out for, and/or security interest granted for, the implementation of the reorganization plan, subject to certain conditions (i) are not subject to claw-back actions; and (ii) are exempted from the application of certain criminal sanctions. Neither ratification by the court nor publication in the companies' register are needed (although, upon request of the debtor, reorganization plans can be published in the relevant companies' register and such publication may trigger, upon precise circumstances, certain tax implications).

- (e) *Debt restructuring agreements pursuant to Article 182bis of the Bankruptcy Law*: Article 182bis of the Bankruptcy Law deals with agreements between the debtor and creditors representing at least 60 per cent of outstanding claims, but subject to court homologation. Since external creditors remain extraneous to the restructuring plan, a report is required to be provided by an independent expert as to feasibility, particularly with relevance to the ability of the debtor to continue to satisfy non-participating creditors. Changes introduced to the Bankruptcy Law allow the debtor a term of 120 days to make payment of outstanding claims of non-participating creditors; the term is to be counted from (i) the homologation of the debt restructuring agreement by the court, in case the relevant claims are already due and payable to the non-participating creditors as at the date of the homologation by the court; or (ii) from the date on which the relevant debts fall due, in case the claims are not yet due and payable to the non-participating creditors as of the date of the homologation. The debt restructuring agreements pursuant to Article 182bis of the Bankruptcy Law may also contain, *inter alia*, a proposed tax settlement for the partial or deferred payment of certain taxes.

Article 182bis of the Bankruptcy Law also specifies that from the date of publication of the court approved plan in the companies' registry creditors are prohibited from initiating or pursuing interim and/or executory actions against the debtor or his assets for a period of 60 days.

Moreover, as in the case of the composition with creditors, the debtor is allowed to petition the court for a stay on rights of enforcement even prior to the final restructuring agreement being filed, provided that, among other required documentation, an affidavit of the debtor is filed by the debtor attesting that negotiations are ongoing with creditors representing at least 60 per cent of outstanding claims and a declaration by an independent expert attests to the feasibility of such plan.

The application for the automatic stay of actions must be published in the companies' register and becomes effective as of the date of publication. The court, having verified the completeness of the documentation, sets the date for the hearing within 30 days from the filing and orders the company to file the relevant documentation in relation to the moratorium to the creditors. During the hearing, the court assesses whether the conditions provided for by the law exist and, if they do, orders the stay of actions and sets the deadline within which the debtor must file the debtor restructuring agreement. The court's order may be challenged within 15 days of its publication.

Without prejudice to the effect of the stay, the debtor may file a petition of composition with creditors within the deadline set by the court.

Creditors may challenge the agreement within 30 days from the publication in the companies' register. After having settled the oppositions (if any) the court will validate the agreement issuing a decree, which can be appealed within 15 days of its publication.

It may be worth noting that, pursuant to the new Article 182-septies of Italian Law Decree 83/2015, as amended by Law 132/2015, in case debts accrued towards banks and other financial institutions represent at least 50% of the overall indebtedness, the debtor may enter into debt restructuring agreements with financial creditors representing at least 75% of the aggregate financial claims of the relevant category and ask the court to declare such agreement binding on the non-adhering financial creditors belonging to the same category (so called "cram down"). Such effects are subject to certain conditions, including that all creditors (adhering and non-adhering) have been informed about the negotiations and have been allowed to take part to them in good faith. If the required conditions are met, upon the assessment of the fact that the remaining 25% of non-participating financial creditors have homogeneous judicial position and economic interest compared with the participating financial creditors, the Court may homologate the restructuring agreement and the non-adhering financial creditors belonging to the same class of creditors are crammed down. However, crammed down creditors can challenge the deal and refuse to be forced into it, for instance arguing that they have been incorrectly included in a specific class of creditors, since their juridical situation and their economic interests are not in line with those of the other creditors of the same class. Similarly, a standstill agreement entered into between a debtor and financial creditors representing 75% of that debtor's aggregate financial indebtedness would also be binding for non-participating financial creditors, provided that an independent expert certifies the homogeneity of the classes and subject to certain conditions being met. Such debt restructuring agreements and standstill agreements do not affect the rights of non-financial creditors (e.g. trade creditors) who cannot be crammed down and must be paid within 120 days (unless they adhere to a separate debt restructuring agreement with the debtor).

New financial resources: Article 182quater and Articles 182quinquies of the Bankruptcy Law apply both to debt restructuring agreements pursuant to Article 182bis of the Bankruptcy Law and composition with creditors.

Article 182quater provides that claims arising under loans with respect to either the implementation of a Court-ratified composition with creditors or a Court-ratified debt restructuring agreement pursuant to Article 182bis of the Bankruptcy Law are to be deemed super-senior (*prededucibili*) under Article 111 of the Bankruptcy Law. Under 182quater, super seniority also applies to claims arising under loans in anticipation of a filed application for composition with creditors or the application for the ratification of a restructuring agreement pursuant to Article 182bis, but only to the extent that: (i) the loans fall within either the plan underlying the composition with creditors or the debt restructuring agreement; and (ii) the Courts admits the company to the composition with creditors proceeding or ratifies the debt restructuring agreement expressly recognizing the super-seniority of such loans. Same provisions apply to financing granted by shareholders up to 80% of their amount.

Pursuant to Article 182quinquies of the Bankruptcy Law, the debtor, when making a request for admission to the composition with creditors proceeding or for the approval of a debt restructuring agreement (or of a proposal of debt restructuring agreement) may ask the Court for the authorization to execute new super-senior facility agreements provided that an expert (in possession of certain criteria), once it has verified the company's financial needs up until the approval from the Court, certifies that such facilities are aimed at the best resolution for the creditors. Such authorization may also concern facilities identified only by type and amount, the terms of which have not yet even been agreed upon, as well as the granting of a pledge, mortgage or the assignment of claims in order to secure the facilities themselves, provided that: (i) a debtor that has filed a request for admission to the composition with creditors proceeding with going concern is entitled to ask the Court to be authorized to pay credits for the supply of goods or services which have arisen prior to the composition with creditors proceeding, provided that it submits a specific certification made by an expert in possession of the criteria provided by the Bankruptcy Law. Such a certification will not be necessary in case of payments made up to an amount equal to the one granted to the debtor as new financial resources, that are not to be repaid or that are subordinated to the other creditors' claims; (ii) a debtor that has filed for an approval of a debt restructuring agreement or a proposal of a debt restructuring agreement pursuant to the Bankruptcy Law is entitled to ask the Court to be authorized, provided that the conditions listed under para (i) above are satisfied, to pay credits for supply of goods or services that have arisen prior to filing. In such a case, these payments will not be subject to claw-back action pursuant to the Bankruptcy Law.

Furthermore, Article 182quinquies of the Bankruptcy Law also provides that companies which have filed a petition for the composition with creditors under Article 161 paragraph 6 of the Bankruptcy Law or request for approval of a debt restructuring agreement (or a draft agreement) can be authorized by the Court to incur further indebtedness on an emergency basis provided it is required to meet urgent financing needs relating to the company's business. The Court can authorize such "new interim borrowings" in the absence of the professional report that is usually required to certify that the plan is viable in terms of maximizing creditor value. The authorization is subject to the petition for taking on such new interim borrowings: (i) specifying the use of proceeds, (ii) stating that other sources of finance are not available and (iii) stating that without such new finance the company would face imminent and irreparable financial damage. To mitigate the lack of professional report in relation to the restructuring proposals, the Court shall accept summary statements regarding the plan and the financing proposal based on evidence presented by the appointed insolvency official and the main creditors. These provisions also apply in circumstances when the debtor's request relates to the maintenance of an existing credit line.

- (f) *Forced administrative liquidation procedure (procedura di liquidazione coatta amministrativa)*: such proceeding is only available for certain public interest entities such as public entities (*enti pubblici*), insurance companies, credit institutions and other financial institutions, none of which can be wound up pursuant to bankruptcy proceedings. It is irrelevant whether these companies belong to the public or the private sector. The forced administrative liquidation procedure provides for the liquidation of the entity to be commenced and managed by the relevant administrative authority that oversees the industry in which the entity is active, while the possible litigation relating to the statement of liabilities and certain procedural matters are devolved to the competent Court. The procedure is governed by the Bankruptcy Law as well as the provisions contained in specific laws applicable to the entities subject to the forced administrative liquidation procedure. Such procedure may be triggered not only by the insolvency of the relevant entity, but also by other grounds expressly provided for by the relevant legal provisions (e.g., in respect of Italian banks, serious irregularities concerning the management of the bank or serious violations of the applicable legal, administrative or statutory provisions). The effect of this procedure is that the entity loses control over its assets and a liquidator (*commissario liquidatore*) is appointed to

wind up the company. The liquidator's actions are monitored by a steering committee (*comitato di sorveglianza*). The effect of the forced administrative liquidation procedure on creditors is largely the same as under bankruptcy proceedings and includes, for example, a ban on enforcement measures. The same rules set forth for bankruptcy proceedings with respect to existing contracts and creditors' claims largely apply to the forced administrative liquidation procedure.

#### *The Bankruptcy Law reform*

Pursuant to the principles set out in Law No. 155/2017, it has been enacted Legislative Decree no. 14/2019 (hereinafter the “Code”) which sets out, inter alia, an overall reform of the Bankruptcy Law.

Except for certain provisions which are applicable starting from 16 March 2019 (including, *inter alia*, with reference to certain organizational duties for Italian corporates), the Code had to apply in its entirety after the date falling 18 months after 14 February 2019 (*i.e.* 15 August 2020). However, following the outbreak of Covid-19, by means of the Law Decree No. 23/2020, the Italian Government has postponed the entry into force of the Code to 1 September 2021. Moreover, there are pending discussions about the adoption of a relevant number of amendments to the Code. Indeed, by means of the Law No. 20/2019, the Government has been delegated to adopt supplementary and corrective provisions to the Code. It shall be noted, however, that all the insolvency proceedings started before / pending as of 1 September 2021 will continue to be governed by the provisions of the Italian laws that are currently in force.

Moreover, special provisions have been enacted due to the outbreak of Covid-19 also in relation to insolvency proceedings, pursuant to Law No. 40/2020 (that enacted Italian Law Decree No. 23/2020). Such rules include, *inter alia*: (i) a 6-months extension for the fulfillment of obligations under composition with creditors (*concordato preventivo*) and debt-restructuring agreements under Article 182-bis of the Bankruptcy Law already homologated as of 23 February 2020; (ii) the possibility, subject to certain conditions, to amend/supplement composition with creditors (*concordato preventivo*) proposals or debt-restructuring agreement under Article 182-bis of the Bankruptcy Law still pending for homologation; (iii) the possibility, subject to certain conditions, to obtain an additional extension of the deadline set forth under Article 161 para. 6 of the Bankruptcy Law; and (iv) the possibility, upon certain requirements, to “switch” from composition with creditors (*concordato preventivo*) under Article 161 para. 6 of the Bankruptcy Law to a reorganization plan Bankruptcy Law.

#### *Alerts measures*

The Code provides for alert measures and early warning tools with the purpose to timely address distress and insolvency situations at an early stage by imposing reporting obligations on statutory auditors, auditors and certain public creditors (including tax authority, social security authority and tax collectors) vis-à-vis distress composition bodies to be set up at each Chamber of Commerce. A consultation procedure, or upon the debtor's request, an assisted restructuring procedure before a panel of experts to be appointed from time to time should be started with the purpose to assist the debtor in the management of the restructuring process.

In case the consultation procedure or the assisted restructuring procedure is not successful, and the debtor is deemed as insolvent, the public prosecutor will be informed in order to file for the opening of a judicial liquidation procedure.

#### *Judicial liquidation*

The Code provides that the term “bankruptcy” and any other word deriving therefrom shall be replaced by “judicial liquidation”. It also includes several innovations including in respect of, inter alia, the subjects entitled to file for the commencement of the judicial liquidation procedure, the procedure for the sale of the assets, the

procedure for the verification of liabilities, claw back rules and claw back exemptions, the regime for pending contracts and the regime for judicial liquidation (and for the composition with creditors).

#### *Definition of crisis*

The Code provides for a new definition of the “state of crisis”.

#### *Composition with creditors (concordato preventivo)*

According to the Code, the plan on the basis of which the request for composition with creditors is submitted may be classified as (i) on a going concern basis (direct or indirect) or (ii) liquidatory. Specific rules are set out to determine whether the plan is to be classified on a going concern basis. In case of liquidatory plan an external contribution is required to increase the expected recovery of unsecured creditors by at least 10% in comparison with the expected recovery of a judicial liquidation, provided that the recovery percentage of unsecured creditors must be at least 20%.

In addition, the Code includes certain significant innovations in respect of, *inter alia*, sale of assets and lease of business during the concordato procedure, majority rules and treatment of secured creditors.

#### *Certified restructuring plans*

The Code set forth a comprehensive regime concerning, *inter alia*, documentation requirements and claw back regime in respect of certified restructuring plans.

#### *Debt restructuring agreements*

Among the main innovations of the Bankruptcy Law, the Code provides, *inter alia*, that the debt restructuring agreements can be entered into with creditors representing at least 30% of the overall credits (instead of the ordinary 60% threshold) provided that (a) no delay for the payment of third party creditors is provided and (b) no temporary protective measures are requested and the debtor has waived his right to request them. In addition cram down of non-consenting creditors for debt restructuring agreements and standstill agreements is no longer limited to financial creditors if, *inter alia*, the agreement is non-liquidatory and the creditors are satisfied significantly or predominantly by the proceeds of the business continuity.

#### *Corporate group restructuring*

The Code introduces a set of rules for the groups of companies whose center of main interests is located in Italy in respect of composition with creditors, debt restructuring agreements, certified restructuring plans and judicial liquidations.



## OVERVIEW OF PROVISIONS RELATING TO THE SECURITIES WHILE REPRESENTED BY THE GLOBAL SECURITIES

*The following is a summary of the provisions in relation to the relevant Securities to be contained in the relevant Agency Agreement, and in the Global Securities, which will apply to, and in some cases modify, the relevant Terms and Conditions of the Securities while the Securities are represented by the Global Securities.*

Each of the NC 5.25 Securities and the NC 9 Securities will initially be represented by a temporary global security (the “**Temporary Global Security**”), without interest coupons, which will be deposited on or about the Issue Date with a common depository for Euroclear Bank SA/NV (“**Euroclear**”) and Clearstream Banking, S.A. (“**Clearstream**”). Interests in such Temporary Global Security will be exchangeable for interests in a permanent global security (the “**Permanent Global Security**” and, together with the Temporary Global Security, the “**Global Securities**”).

### **Exchange**

The Permanent Global Security will be exchangeable, free of charge to the holder, on or after its Exchange Date in whole but not in part for definitive Securities only:

- (C) on the Liquidation Event Date; or
- (D) otherwise, if either Euroclear or Clearstream is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease business or in fact does so .

Thereupon the holder of the Permanent Global Security (acting on the instructions of one or more of the Accountholders (as defined below)) may give notice to the Issuer of its intention to exchange the Permanent Global Security for definitive Securities on or after the Exchange Date (as defined below).

On or after the Exchange Date, the holder of the Permanent Global Security may surrender such Permanent Global Security to or to the order of the Fiscal Agent. In exchange for the Permanent Global Security the Issuer shall deliver, or procure the delivery of, an equal aggregate principal amount of definitive Securities (having attached to them all Coupons in respect of interest which has not already been paid on such Permanent Global Security and one Talon), security printed in accordance with any applicable legal and stock exchange requirements and in or substantially in the form set out in the Schedules to the relevant Agency Agreement. On exchange of the Permanent Global Security, the Issuer will procure that it is cancelled and, if the holder so requests, returned to the holder together with any definitive Securities.

For these purposes, “**Exchange Date**” means a day specified in the notice requiring exchange falling not less than 60 days after that on which such notice is given and being a day 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.

### **Payments**

On and after 22 November 2020, no payment will be made on the Temporary Global Security unless exchange for an interest in the Permanent Global Security is improperly withheld or refused.

Payments of principal and interest in respect of Securities represented by a Global Security will (subject as provided below) be made in the manner specified in Condition 7 (*Payments and Talons*) of the relevant Terms and Conditions of the Securities in relation to definitive Securities or otherwise against presentation for endorsement and, if no further payment falls to be made in respect of the Securities, against surrender of such

Global Security to the order of the Fiscal Agent or of any other Paying Agent provided for in the Conditions of the Securities as shall have been notified to the relevant Securityholders for such purposes. A record of each payment made will be endorsed on the appropriate part of the schedule to the Global Security by the Fiscal Agent or by the relevant Paying Agent, for and on behalf of the Fiscal Agent,, which endorsement shall be *prima facie* evidence that such payment has been made in respect of the relevant Securities. Payments of interest on a Temporary Global Security (if permitted by the first sentence of this paragraph) will be made only upon certification as to non-U.S. beneficial ownership unless such certification has already been made.

The holder of a Global Security shall be the only person entitled to receive payments in respect of the Securities represented by such Global Security and the payment obligations of the Issuer will be discharged by payment to, or to the order of, the holder of such Global Security in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream as the beneficial holder of a particular nominal amount of Securities represented by such Global Security must look solely to Euroclear or Clearstream, as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the holder of such Global Security.

#### **Payments on business days**

In the case of all payments made in respect of a Temporary Global Security or a Permanent Global Security “**business day**” means any day on which the TARGET System is open.

#### **Optional Redemption and Early Redemption**

In order to exercise any option contained in Condition 5 (*Redemption, Purchase and Options*) of the relevant Terms and Conditions of the Securities, the Issuer shall give notice to the Securityholders and Euroclear and/or Clearstream (or procure that such notice is given on its behalf) within the time limits set out in and containing the information required by that Condition.

#### **Notices**

Without prejudice to mandatory provisions of Italian law, for so long as all of the Securities are represented by one or both of the Global Securities and such Global Security is or Global Securities are held on behalf of Euroclear and/or Clearstream, notices to Securityholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream (as the case may be) for communication to the relative Accountholders rather than by publication as required by Condition 14 (*Notices*) of the relevant Terms and Conditions of the Securities, provided that, so long as such Securities 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). While any of the Securities held by a Securityholder are represented by a Global Security, notices to be given by such Securityholder may be given by such Securityholder (where applicable) through Euroclear and/or Clearstream and otherwise in such manner as the Fiscal Agent and Euroclear and Clearstream may approve for this purpose.

#### **Accountholders**

For so long as all of the Securities are represented by one or both of the Global Securities and such Global Securities is/are held on behalf of Euroclear and/or Clearstream, each person (other than Euroclear or Clearstream) who is for the time being shown in the records of Euroclear or Clearstream as the holder of a particular principal amount of the Securities (each, an “**Accountholder**”) (in which regard any certificate or other document issued by Euroclear or Clearstream as to the principal amount of such Securities standing to

the account of any person shall, in the absence of manifest error, be conclusive and binding for all purposes) shall be treated as the holder of such principal amount of such Securities for all purposes (including but not limited to, for the purposes of any quorum requirements of, or the right to demand a poll at, meetings of the Securityholders) in accordance with and subject to the procedures and rules of Euroclear, Clearstream, Luxembourg, or such clearing system (as the case may be).. Each Accountholder must look solely to Euroclear or Clearstream, as the case may be, for its share of each payment made to the bearer of the relevant Global Security.

### **Prescription**

Claims against the Issuer in respect of principal and interest on the Securities represented by a Global Security will be prescribed after ten years (in the case of principal) and five years (in the case of interest) from the Relevant Date (as defined in the relevant Terms and Conditions of the Securities), subject to the provisions of Condition 9 (*Prescription*) of the relevant Terms and Conditions of the Securities.

### **Cancellation**

Cancellation of any Security represented by a Global Security and required by the relevant Terms and Conditions of the Securities to be cancelled following its redemption or purchase will be effected by endorsement by or on behalf of the Fiscal Agent of the reduction in the principal amount of the relevant Global Security on the relevant part of the schedule thereto.

### **Euroclear and Clearstream**

References in the Global Securities and this summary to Euroclear and/or Clearstream shall be deemed to include references to any other clearing system approved by the Issuer and the Fiscal Agent.

### **Because the Securities are held by or on behalf of Euroclear and Clearstream, investors will have to rely on their procedures for transfer, payments and communication with the Issuer**

The Securities will be represented by the Global Securities except in certain limited circumstances described in the Permanent Global Security. The Global Securities will be deposited with a common depositary for Euroclear and Clearstream. Except in certain limited circumstances described in the Permanent Global Security, investors will not be entitled to receive definitive Securities. Euroclear and Clearstream will maintain records of the beneficial interests in the Global Securities. While the Securities are represented by the Global Securities, investors will be able to trade their beneficial interests only through Euroclear and Clearstream.

The Issuer will discharge their payment obligations under the Securities by making payments to or to the order of the common depositary for Euroclear and Clearstream for distribution to their account holders. A holder of a beneficial interest in a Global Security must rely on the procedures of Euroclear and Clearstream to receive payments under the Securities. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Securities.

Securityholders of beneficial interests in the Global Securities will not have a direct right to vote in respect of the Securities. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream to appoint appropriate proxies.

### **Minimum denominations**

As the Securities have a denomination consisting of the minimum denomination of €100,000 plus a higher integral multiple of amounts which are integral multiples of €1,000, up to a maximum of €199,000, it is possible that the Securities may be traded in amounts in excess of €100,000 (or its equivalent) that are not integral

multiples of €1,000 (or its equivalent). In such case a Securityholder who, as a result of trading such amounts, holds a principal amount of less than the minimum denomination may not receive a definitive Security in respect of such holding (should definitive Securities be printed) and would need to purchase a principal amount of Securities such that its holding amounts to the minimum denomination.

## CERTAIN TAX CONSIDERATIONS

*The statements herein regarding taxation are based on the laws and/or interpretations in force as of the date of this Offering Circular. The Issuer will not update this summary to reflect changes and/or interpretations. The following summary does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to subscribe for, purchase, own or dispose of Securities and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or commodities) may be subject to special rules. Prospective purchasers of Securities are advised to consult their own tax advisors concerning the overall tax consequences of their ownership of Securities.*

*This summary is based upon the laws and/or practice in force as of the date of this Offering Circular. Tax laws and interpretations may be subject to frequent changes which could be made on a retroactive basis.*

*The considerations contained in this Offering Circular in relation to tax issues are made in order to support the marketing of the financial instruments herein described and cannot be considered as a legal or tax advice. Investors should consult their own tax advisors in connection with the tax regime applicable to the purchase, the ownership and the sale of the Securities.*

***Prospective purchasers of the Securities are advised to consult their own tax advisers concerning the overall tax consequences under the tax laws of the country in which they are resident for tax purposes and of any other potentially relevant jurisdiction of acquiring, holding and disposing of the Securities and receiving payments of interest, principal and/or other amounts under the Securities, including in particular the effect of any state, regional or local tax laws.***

### **The Republic of Italy**

#### **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 Securities.

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 Securities**

Interest on the Securities 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 Securities 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 Securities 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 Securities not in connection with entrepreneurial activity (unless they have entrusted the management of the Securities 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 Securities described above under (a) and (c) are engaged in an entrepreneurial activity to which the Securities 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 Securities are included in a long-term savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth in Article 1, paragraph 100-114 of Law No. 232 of 11 December 2016 (“**Law No. 232**”), in Article 1, paragraph 211-215 of Law No. 145 of 30 December 2018 (“**Law No. 145**”), in Article 13-bis of Law Decree No. 124 of 26 October 2019 (“**Law Decree No. 124**”) and in Article 136 of Law Decree No. 34 of 19 May 2020 (“**Decree No. 34/2020**”), as amended and applicable from time to time.

Italian resident individuals holding the Securities 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 Securities) accrued at the end of each tax year (the “**Asset Management Tax**”). Interest accrued on the Securities held by Italian investment funds, foreign open-ended investment funds authorised to market their securities in Italy pursuant to the w 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 Securities 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 Securities 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 Securities). Subject to certain limitations and requirements (including a minimum holding period), Interest in respect to the Securities may be excluded from the taxable base of 20 per cent. substitute tax, if the Securities are included in a long-term savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth in Article 1, paragraph 100-114 of Law No. 232, in Article 1, paragraph 211-215 of Law No. 145, in Article 13-bis of Law Decree No. 124, and in Article 136 of Decree No. 34/2020, 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 Securities 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 Securities with no permanent establishment in Italy to which the Securities are effectively connected, provided that:

- (a) such beneficial owners is resident for tax purposes in a country included in 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 Securities 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 Securities, 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 Securities 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 Securities 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.

### **Capital gains**

A 26 per cent. substitute tax is applicable on capital gains realised on the disposal of Securities by Securityholders included among the following categories of Italian residents: (a) individuals holding the Securities not in connection with entrepreneurial activity (unless they have entrusted the management of the Securities 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 Securities realised upon sale, transfer or redemption by Italian resident individuals holding the Securities not in connection with an entrepreneurial activity may be exempt from taxation, including the 26 per cent. *imposta sostitutiva*, if the Securities 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, paragraph 100-114 of Law No.

232, in Article 1, paragraph 211-215 of Law No. 145, in Article 13-bis of Law Decree No. 124, and in Article 136 of Decree No. 34/2020, as amended and applicable from time to time.

Italian resident companies, commercial partnerships or individual entrepreneurs holding the Securities in connection with entrepreneurial activity are subject to two different tax regimes on capital gains arising on the disposal of Securities. If the Securities 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 Securities 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 Securities 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 Securities 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 Securities 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 Securities 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 Securities). Subject to certain limitations and requirements (including a minimum holding period), capital gains realised in respect to the Securities may be excluded from the taxable base of the 20 per cent. substitute tax, if the Securities are included in a long-term savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth in Article 1, paragraph 100-114 of Law No. 232, in Article 1, paragraph 211-215 of Law No. 145, in Article 13-bis of Law Decree No. 124, and in Article 136 of Decree No. 34/2020, as amended and applicable from time to time.

Capital gains realised by non-Italian residents without a permanent establishment in Italy to which the Securities are effectively connected through the sale for consideration or redemption of Securities are exempt from taxation in Italy to the extent that the Securities 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 Securities are deposited, even if the Securities are held in Italy and regardless of the provisions set forth by any applicable double tax treaty.

Where the Securities 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 Securities with no permanent establishment in Italy to which the Securities 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 Securities 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 Securities 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 Securities 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 Securities are effectively connected that may benefit from a double taxation treaty with Italy, providing that capital gains realised upon sale or redemption of Securities 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 Securities.

Under these circumstances, if non Italian residents without a permanent establishment in Italy to which the Securities 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.

#### **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 Securities) 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 Securities) 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 Securities 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 Securities) 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, in Article 1, paragraphs 211 – 215 of Law No. 145, in Article 13-bis of Law Decree No. 124 and in Article 136 of Decree No. 34/2020, 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 Securities 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 Securities.

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 Securities — 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 Securities) 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 Securities 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 Securities 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.

## SUBSCRIPTION AND SALE

The Joint Lead Managers have, pursuant to a subscription agreement (the “**Subscription Agreement**”) dated the date hereof, each jointly and severally agreed with the Issuer, subject to the satisfaction of certain conditions, to subscribe or procure subscribers for (i) the NC 5.25 Securities at the issue price of 99.403 per cent of the principal amount of the NC 5.25 Securities, less certain commissions and (ii) the NC 9 Securities at the issue price of 100 per cent. of the principal amount of the NC 9 Securities, less certain commissions.

The Issuer will also reimburse the Joint Lead Managers in respect of certain of their expenses, and has agreed to indemnify the Joint Lead Managers against certain liabilities, incurred in connection with the issue of the Securities. The Subscription Agreement may be terminated in certain circumstances prior to payment to the Issuer.

### United States

Without prejudice to the section entitled “General” below, the Securities 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 accordance with Regulation S under the Securities Act. Each Joint Lead Manager represents that it has offered and sold the Securities, and agrees that it will offer and sell the Securities (i) as part of their distribution at any time and (ii) otherwise until 40 days after the commencement of this offering, only in accordance with Rule 903 of Regulation S under the Securities Act. Accordingly, neither it, its affiliates, nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to the Securities, and it and they have complied and will comply with the offering restrictions requirement of Regulation S. Each Joint Lead Manager, has represented and agreed in the Subscription Agreement that, at or prior to confirmation of sale of Securities, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Securities from it during the distribution compliance period a confirmation or notice to substantially the following effect:

“The Securities covered hereby have not been registered under the Securities Act and may not be offered and sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the commencement of this offering, except in either case in accordance with Regulation S under the Securities Act. Terms used above have the meanings given to them by Regulation S”.

Terms used in this paragraph have the meanings given to them by Regulation S.

Each Joint Lead Manager represents that it has not entered and agrees that it will not enter into any contractual arrangement with any distributor (as that term is defined in Regulation S) with respect to the distribution or delivery of the Securities, except with its affiliates or with the prior written consent of the Issuer.

In addition:

1. except to the extent permitted under U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) (or any successor rules in substantially the same form that are applicable for the purposes of Section 4701 of the U.S. Internal Revenue Code of 1986, as amended (the “**Code**”)) (the “**TEFRA D Rules**”), each Joint Lead Manager (i) has represented that it has not offered or sold, and agrees that during a 40-day restricted period it will not offer or sell, Securities to a person who is within the United States or its possessions or to a United States person, and (ii) has represented that it has not delivered and agrees that it will not deliver within the United States or its possessions definitive Securities that are sold during the restricted period;
2. each Joint Lead Manager has represented that it has and throughout the restricted period will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged

in selling Securities are aware that such Securities may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the TEFRA D Rules;

3. if it is a United States person, each Joint Lead Manager has represented that it is acquiring the Securities for the purposes of resale in connection with their original issue and if it retains Securities for its own account, it will only do so in accordance with the requirements of U.S. Treas. Reg. §1.163-5(c)(2)(i)(D)(6) (or any successor rules in substantially the same form that are applicable for the purposes of Section 4701 of the Code); and
4. with respect to each affiliate that acquires from it Securities for the purpose of offering or selling such Securities during the restricted period, each Joint Lead Manager either (i) has repeated and confirmed the representations and agreements contained in paragraphs (1), (2) and (3) on its behalf or (ii) has agreed that it will obtain from such affiliate for the benefit of the Issuer the representations and agreements contained in paragraphs (1), (2) and (3).

Terms used in paragraphs (1), (2), (3) and (4) have the meaning given to them by the Code and regulations thereunder, including the TEFRA D Rules.

The Securities are in bearer form and are subject to certain U.S. tax law requirements. The Securities may not be offered, sold or delivered within the United States or its possessions or to a United States person (as defined in Regulation S under the Securities Act), except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the Code and the regulations promulgated thereunder.

## **Singapore**

Each Joint Lead Manager has acknowledged that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Joint Lead Manager has represented and agreed that it has not offered or sold any Securities or caused the Securities to be made the subject of an invitation for subscription or purchase and will not offer or sell any Securities or cause the Securities to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Securities, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the “SFA”)) pursuant to Section 274 of the SFA (ii) to a relevant person (as defined in Section 275(2) of the SFA pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where Securities are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred

within six months after that corporation or that trust has acquired the Securities pursuant to an offer made under Section 275 of the SFA except:

- (i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law;
- (iv) as specified in Section 276(7) of the SFA; or
- (v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

## **United Kingdom**

Without prejudice to the section entitled “General” below, each Joint Lead Manager has represented and agreed that:

1. 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 the Securities in, from or otherwise involving the United Kingdom; and
2. 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 the Securities in circumstances in which section 21(1) of the FSMA does not apply to the Issuer.

## **Republic of Italy**

Each of the Joint Lead Managers has represented and agreed that the offering of the Securities has not been registered with the *Commissione Nazionale per le Società e la Borsa* (“**CONSOB**”) pursuant to Italian securities legislation and, accordingly, no Securities may be offered, sold or delivered, nor may copies of this Offering Circular or of any other document relating to the Securities 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 Joint Lead Manager has represented, warranted and agreed that it has not offered, sold or delivered, and will not offer, sell or deliver any Securities nor distribute any copies of this Offering Circular or any other document relating to the Securities 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 Securities or distribution of copies of this Offering Circular or any other document relating to the Securities 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

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.

### **Switzerland**

Each Joint Lead Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Securities to any retail investor in Switzerland.

For the purposes of this provision, the expression “**retail investor**” in the sense of Art. 4 para. 1 lit. a FinSA means all clients who are not professional clients pursuant to FinSA.

### **Prohibition of Sales to EEA and UK Retail Investors**

Each Joint Lead Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Securities to any retail investor in the European Economic Area or any retail investor 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:
  - (1) a retail client as defined in point (11) of Article 4(1) of MiFID II;
  - (2) a customer within the meaning of 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
  - (3) not a qualified investor as defined in 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 Securities to be offered so as to enable an investor to decide to purchase or subscribe for the Securities.

### **General**

Save as stated herein, no action has been taken in any jurisdiction that would permit an offer to the public of any of the Securities, or possession or distribution of this Offering Circular or any other offering material, in any country or jurisdiction where action for that purpose is required.

Each Joint Lead Manager has agreed that it will, to the best of its knowledge, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Securities or has in its possession or distributes this Offering Circular or any other offering material and neither the Issuer nor any of the Joint Lead Managers shall have responsibility therefor.

## GENERAL INFORMATION

### Authorisation

- (1) The offering of the Securities has been duly authorised by resolution of the board of directors of Eni dated 1 October 2020.

### Listing and Admission to Trading

- (2) Application has been made to Luxembourg Stock Exchange for the Securities to be admitted to the Official List of the Luxembourg Stock Exchange and trading on its regulated market. The total expenses related to the admission of the Securities to trading on Luxembourg Stock Exchange's regulated market are expected to amount to approximately €12,900 in relation to the NC 5.25 Securities and €12,900 in relation to the NC 9 Securities.

### Clearing systems

- (3) The Securities are eligible for clearance through Euroclear and Clearstream. The ISIN is XS2242929532 and the Common Code is 224292953 for the NC 5.25 Securities and the ISIN is XS2242931603 and the Common Code is 224293160 for the NC 9 Securities. The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream is Clearstream Banking, Luxembourg, 42 Avenue JF Kennedy, L-1855 Luxembourg.

### No significant or material adverse changes

- (4) 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 the section headed "Eni" of the EMTN Base Prospectus incorporated by reference in this Offering Circular, there has been no significant change in the financial performance or position of Eni or of the Group since 30 June 2020 and no material adverse change in the prospects of Eni or of the Group since 31 December 2019.
- (5) Neither Eni nor any of its 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 Eni to meet its obligations under the Securities.

### Litigation

- (6) Save as disclosed in the section entitled "Legal Proceedings" in each of the Annual Reports ended 31 December 2019 and Interim Financial Statements ended 30 June 2020 incorporated by reference herein, as set out respectively on pages 51 to 56 (inclusive) of this Offering Circular, neither Eni nor any of its 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 the Issuer or is aware) during the 12 months preceding this Offering Circular which may have or have had significant adverse effects in the context of the issue of each Series of the Securities on the financial position of the Group.

### Potential conflicts of interests

- (7) Certain of the Joint Lead Managers 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 Issuer, the companies of the Group 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 Joint Lead Managers and their affiliates (including parent companies) may have positions, deal or make markets in the Securities, 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 Joint Lead Managers 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 Issuer or its affiliates. Certain of the Joint Lead Managers or their affiliates (including parent companies) that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Joint Lead Managers 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 Securities. Any such positions could adversely affect future trading prices of Securities. The Joint Lead Managers 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

#### **Listing Agent**

- (8) Banque Internationale à Luxembourg SA is acting solely in its capacity as listing agent for the Issuer in connection with the Securities and is not itself seeking admission of the Securities to the Official List or to trading on the Market for the purposes of the Prospectus Regulation.

#### **Independent auditors**

- (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 an unqualified report on the consolidated financial statements of Eni as of and for the year ended 31 December 2018, as incorporated by reference in this Offering Circular.
- (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 Offering Circular.

#### **Documents available**

- (11) Copies of this Offering Circular may be obtained free of charge on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) and of Eni (<https://eni.com/en-IT/investors/dcm-documents.html>). 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 Offering Circular of each of the Paying Agents during normal business hours, so long as any of the Securities is outstanding; (i) copies of the English versions of the by-laws and articles of association of Eni and (ii) copies of each Agency Agreement and each Deed of Covenant may be obtained from the website of Eni (<https://eni.com/en-IT/investors/dcm-documents.html>) and at the specified offices at the relevant addresses indicated on the back cover page of this Offering Circular of each of the Paying Agents during normal business hours, so long as any of the Securities is outstanding.

### **Post-issuance information**

- (12) The Issuer does not intend to provide any post-issuance information in relation to the Securities.

### **Yield**

- (13) The yield on the NC 5.25 Securities from (and including) the Issue Date to (but excluding) the NC 5.25 Securities First Reset Date will be 2.750 per cent. per annum. The yield is calculated at the Issue Date on the basis of the issue price. It is not an indication of future yield. The yield on the NC 9 Securities from (and including) the Issue Date to (but excluding) the NC 9 Securities First Reset Date will be 3.375 per cent. per annum. The yield is calculated at the Issue Date on the basis of the issue price. It is not an indication of future yield.

### **Legal Entity Identifier**

- (14) The Legal Entity Identifier (LEI) of Eni is BUCRF72VH5RBN7X3VL35.

### **Legend Concerning US Persons**

- (15) The Securities and any Coupons and Talons appertaining thereto will bear a legend to the following effect: “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”.

### **Language**

- (16) The language of this Offering Circular is English. Certain legislative references and technical terms have been cited in their original language so that the correct technical meaning may be ascribed to them under applicable law.

### **Rating of the Issuer**

- (17) As of the date of this Offering Circular, Eni’s long-term credit rating by Standard & Poor’s is “A-”, by Moody’s is “Baa1” and by Fitch is “A-”.

According to the definitions published by Standard & Poor’s on its website as of the date of this Offering Circular, an obligation rated ‘A’ is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher-rated categories. However, the obligor’s capacity to meet its financial commitments on the obligation is still strong. In addition, ratings from ‘AA’ to ‘CCC’ may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the rating categories.

According to the definitions published by Moody’s on its website as of the date of this Offering Circular, obligations rated ‘Baa’ are subject to moderate credit risk. They are considered medium-grade and as such may possess speculative characteristics. In addition, Moody’s appends numerical modifiers 1, 2

and 3 to each generic rating classification from 'Aa' to 'Caa'; the modifier '1' indicates that the obligation ranks in the higher end of its generic rating category.

According to the definitions published by Fitch on its website as of the date of this Offering Circular, 'A' ratings denote expectations of low credit risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings. In addition, within rating categories, Fitch may use modifiers; the modifiers '+' or '-' may be appended to a rating to denote relative status within major rating categories.

### **Rating of the Securities**

- (18) The Securities are expected to be rated "BBB" by Standard & Poor's, "Baa3" by Moody's and "BBB" by Fitch.

According to the definitions published by Standard & Poor's on its website as of the date of this Offering Circular, an obligation rated 'BBB' exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to weaken the obligor's capacity to meet its financial commitments on the obligation. In addition, ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the rating categories.

According to the definitions published by Moody's on its website as of the date of this Offering Circular, obligations rated 'Baa' are subject to moderate credit risk. They are considered medium-grade and as such may possess speculative characteristics. In addition, Moody's appends numerical modifiers 1, 2 and 3 to each generic rating classification from 'Aa' to 'Caa'; the modifier '3' indicates that the obligation ranks in the lower end of its generic rating category.

According to the definitions published by Fitch on its website as of the date of this Offering Circular, 'BBB' ratings denote expectations of low credit risk. The capacity for payment of financial commitments is considered adequate, but adverse business or economic conditions are more likely to impair this capacity than is the case for higher ratings. In addition, within rating categories, Fitch may use modifiers; the modifiers '+' or '-' may be appended to a rating to denote relative status within major rating categories.

### **Website**

- (19) The website of the Eni is [https://www.eni.com/en\\_IT/](https://www.eni.com/en_IT/). The information on [https://www.eni.com/en\\_IT/](https://www.eni.com/en_IT/) does not form part of this Offering Circular, except where that information has been incorporated by reference into this Offering Circular. Other than the information incorporated by reference, the content of the Eni website has not been scrutinised or approved by the competent authority.
- (20) Any information contained in any other website specified in this Offering Circular does not form part of this Offering Circular, except where that information has been incorporated by reference into this Offering Circular.

### **Intention Regarding Redemption and Repurchase of the Securities**

- (21) The Issuer intends (without thereby assuming a legal obligation), during the period (i) from and including the Issue Date to but excluding 13 January 2046, in respect of the NC 5.25 Securities and (ii) from and including the Issue Date to but excluding 13 October 2049, in respect of the NC 9 Securities, that in the event of a redemption of the Securities at the Issuer's option pursuant to the Optional

Redemption or a repurchase of the Securities, if the Securities are assigned an “equity credit” (or such similar nomenclature then used by S&P) by S&P at the time of such redemption or repurchase, it will, subject as provided below, redeem or repurchase the Securities only to the extent the Aggregate Equity Credit of the Securities to be redeemed or repurchased does not exceed the Aggregate Equity Credit received by the Issuer or any Subsidiary from the sale or issuance by the Issuer or any Subsidiary to third party purchasers (other than group entities of the Issuer) of replacement securities (but taking into account any changes in the assessment criteria under S&P hybrid capital methodology or the interpretation thereof since the issuance of the Securities) (the “**Restrictions**”).

The Restrictions do not apply:

- (i) if, on the date of such redemption or repurchase, the credit rating (or such similar nomenclature then used by S&P) assigned by S&P to the Issuer is (x) at least A-, or (y) if lower, at least the same rating on the date of the last additional hybrid issuance (directly or indirectly) of the Issuer (excluding refinancing) and the Issuer is of the view that such rating would not fall below this level as a result of such redemption or repurchase; or
- (ii) if, on the date of such redemption or repurchase, the Issuer no longer has a corporate issuer credit rating by S&P; or
- (iii) in the case of a repurchase of the Securities if such repurchase, taken together with other repurchases of hybrid securities issued directly or indirectly by the Issuer, is of less than (x) 10 per cent. of the aggregate principal amount of the outstanding hybrid securities in any period of 12 consecutive months issued directly or indirectly by the Issuer or (y) 25 per cent. of the aggregate principal amount of the outstanding hybrid securities in any period of 10 consecutive years issued directly or indirectly by the Issuer, provided that in each case such repurchase has no materially negative effect on the Issuer’s credit profile; or
- (iv) if, on the date of such redemption or repurchase, the statements made in the Restrictions set out above are no longer required for the Securities to be assigned an “equity credit” by S&P that is equal to or greater than the “equity credit” assigned by S&P on the Issue Date; or
- (v) if such replacement would cause the outstanding hybrid capital issued directly or indirectly by the Issuer which is assigned “equity credit” by S&P to exceed the maximum aggregate principal amount of hybrid capital which S&P, under its then prevailing methodology, would assign “equity credit” based on the Issuer’s adjusted total capitalisation.

For the purpose of the Restrictions, “Aggregate Equity Credit” means:

- (a) in relation to the Securities, the part of the aggregate Principal Amount of each series of the Securities that was assigned “equity credit” by S&P at the time of their issuance; and
- (b) in relation to replacement securities, the part of the net proceeds received from issuance of such replacement securities that was assigned “equity credit” by S&P at the time of their sale or issuance (or the “equity credit” S&P has confirmed will be assigned by it upon expiry or waiver of issuer call rights which prevent the assignment of “equity credit” by S&P on the issue date of such replacement securities).

**THE ISSUER**

**Eni S.p.A.**

Piazzale Enrico Mattei, 1  
00144 Rome  
Italy

**GLOBAL COORDINATORS AND STRUCTURING ADVISORS FOR THE SECURITIES**

**Barclays Bank Ireland PLC**

One Molesworth Street  
Dublin 2  
Ireland D02 RF29

**BNP Paribas**

10 Harewood Avenue  
London NW1 6AA  
United Kingdom

**Goldman Sachs International**

Plumtree Court  
25 Shoe Lane  
London EC4A 4AU  
United Kingdom

**BOOKRUNNERS**

**Banco Santander, S.A.**

Ciudad Grupo Santander  
Avenida de Cantabria s/n  
Edificio Encinar, planta baja,  
28660, Boadilla del Monte,  
Madrid,  
Spain

**Citigroup Global Markets Limited**

Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB  
United Kingdom

**HSBC Bank plc**

8 Canada Square  
London E14 5HQ  
United Kingdom

**SMBC Nikko Capital Markets Limited**

One New Change  
London EC4M 9AF  
United Kingdom

**UniCredit Bank AG**

Arabellastrasse 12  
81925 Munich  
Germany

**FISCAL AGENT, PAYING AGENT  
AND CALCULATION AGENT**

**The Bank of New York Mellon, London Branch**

One Canada Square  
London E14 5AL  
United Kingdom

**LUXEMBOURG LISTING AGENT**

**Banque Internationale à Luxembourg SA**

69, route d'Esch Office PLM -101F  
L-29553Luxembourg

**INDEPENDENT AUDITORS**

*from 29 April 2010 to 13 May 2019*

**EY S.p.A.**

Via Lombardia, 31  
00187 Roma  
Italy

*from 14 May 2019 to the date of this Offering Circular*

**PricewaterhouseCoopers S.p.A.**

Via Monte Rosa, 91  
20141 Milan  
Italy

**LEGAL ADVISERS TO THE ISSUER**

*in respect of Italian and English law*

**Simmons & Simmons**

Via Tommaso Grossi 2  
20121 Milan  
Italy

Citypoint, 1 Ropemaker Street  
London, EC2Y 9SS  
United Kingdom

*in respect of Italian tax law*

**Clifford Chance Studio Legale Associato**

via Broletto 16  
20121 Milan  
Italy

**TO THE JOINT LEAD MANAGERS**

*in respect of English and Italian law*

**Linklaters Studio Legale Associato**

Via Broletto 9  
20121 Milan  
Italy