RELEVANT LEGISLATION

Legislative Decree 58 of 24 February 1998: Consolidated Law on Financial Intermediation, "CLF".

Article 83-sexies (Right to attend shareholders' meetings and the exercise of voting rights)

1. The legitimate attendance of shareholders' meetings and the exercise of voting rights is confirmed by a statement to the issuer from the intermediary, in compliance with intermediary accounting records, on behalf of the person with the right to vote.
2. For meetings of holders of financial instruments admitted for trading with the issuer's consent on regulated markets or in the Italian multilateral trading systems or those of other European Union countries, the communication contemplated by subsection 1 is made by the intermediary on the basis of the evidence of the accounts contemplated by article 83-quater, subsection 3, relative to the term of the accounting day of the seventh market business day prior to the date established for the meeting. Credit and debit entries made on accounts after these terms are not relevant in terms of assuring the legitimate exercise of voting rights at the shareholders' meeting. For the purposes of this ruling, the date of the first convocation is considered providing the dates of any successive convocations are indicated in the convocation notice; otherwise the date of each convocation shall be considered.
3. For meetings other than those indicated in subsection 2, the articles of association may require the financial instruments referred to in the communication to be entered in the accounts of the party with voting rights as from a pre-established date, potentially establishing that they may not be transferred until the end of the shareholders' meeting. In the case of shareholders' meetings of companies whose shares are widely distributed to a relevant extent, the term may not exceed two working days. Should the Articles of Association not prevent the transfer of shares, any transfer of such shall entail the obligation bearing on the intermediary to rectify the communication sent previously.
4. Communications indicated in subsection 1 must reach the issuer by the third trading day prior to the date indicated in subsection 2, last sentence, or within an alternative term established, in concert with the Bank of Italy, by a Consob regulation, or within a successive term established in the Articles of Association pursuant to subsections 3 and 5. This is without prejudice to legitimate attendance and voting if communication has reached the issuer beyond the terms specified in this subsection, providing it has been received before the start of the works of the meeting works held pursuant to single convocation.
5. Subsections 1, 3 and 4 apply to the meetings of holders of financial instruments issued by cooperative companies. With reference to meetings of holders of financial instruments admitted for trading, with the consent of the issuer, on regulated markets or Italian multilateral trading systems or those of other countries of the European Union, the terms pursuant to subsection 3 cannot exceed two working days.

Art. 125-bis

(Calling of the Shareholders' Meeting)

1. The shareholders' meeting is convened by notice published on the company's website within thirty days of the date of the meeting and by other means and within the terms established by Consob with regulation issued in accordance with article 113-ter, subsection 3, including the publication in extract form in the daily newspapers.
2. For shareholders' meetings called to appoint, by means of list voting, members of the board of directors and internal control bodies, the time limit for publication of the notice of call shall be at least forty days prior to the date of the meeting.
3. For shareholders' meetings envisaged in Articles 2446, 2447 and 2448 of the Civil Code, the time limit indicated in subsection 1 shall become at least twenty-one days prior to the date of the meeting.
4. The notice of call shall contain:
a) the indication of the day, time and place of the meeting and the list of matters on the agenda;
b) a clear, precise description of the procedures to be applied in order to attend and vote at the shareholders' meeting, including information concerning:
1) the terms for exercising the right to raise questions prior to the meeting and the right to have additional items placed on the agenda or to present further proposals on items already on the agenda and, also by reference to the company's website, any additional methods by which to exercise these rights;
2) the procedure for the exercise of the vote by proxy and, in particular, the methods for collecting the forms that can be used, optionally, for voting by proxy and the methods, including electronic methods, for communicating any notification of voting by proxy; 3) the procedure for the conferral of proxy to the party appointed by the company in accordance with article 135-undecies, with the specification that the power of proxy shall have no effect for proposals for which no voting instructions have been given;
4) the procedures for voting by correspondence or using electronic means, if envisaged by the Articles of Association;
c) the date specified in article 83-sexies, subsection 2, with the specification that those who become holders of shares only after that date shall not have the right to attend and vote at the shareholders' meeting;

d) the terms and conditions for collecting the full text of the proposed resolutions, together with the explanatory reports and documents to be submitted to the shareholders' meeting;
d-bis) the terms and conditions for presenting lists to elect the members of the board of directors and minority members of the board of auditors or the supervisory board;
e) the address of the website specified in article 125-quater;
f) the other information which must be indicated in the notice calling the meeting pursuant to other provisions.

Art. 126-bis
(Supplementing of the agenda of the shareholders' meeting and presentation of new resolution proposals)
1. Shareholders, who individually or jointly account for one fortieth of the share capital may ask, within ten days of publication of the notice calling the shareholders' meeting, or within five days in the event of calling the meeting in accordance with article 125-bis, subsection 3 or article 104, subsection 2, for the integration of the list of items on the agenda, specifying in the request, the additional items they propose or presenting proposed resolution on items already on the agenda. The requests, together with the certificate attesting ownership of the share, are presented in writing, by correspondence or electronically, in compliance with any requirements strictly necessary for the identification of the applicants indicated by the company. Those with voting rights may individually present proposed resolutions in the shareholders' meeting. For cooperative companies the amount of the capital is determined by the statutes also in derogation of article 135.
2. Integrations to the agenda or the presentation of further proposed resolutions on items already on the agenda, in accordance with subsection 1, are disclosed in the same ways as prescribed for the publication of the notice calling the meeting, at least fifteen days prior to the date scheduled for the shareholders' meeting. Additional proposed resolutions on items already on the agenda are made available to the public in the ways pursuant to article 125-ter, subsection 1, at the same time as publishing news of the presentation. Terms are reduced to seven days in the case of shareholders' meetings called in accordance with article 104, subsection 2 or in the case of a shareholders' meeting convened in accordance with article 125-bis, subsection 3.
3. The agenda cannot be supplemented with items on which, in accordance with the law, the shareholders ' meeting resolved on proposal of the administrative body or on the basis of a project or report prepared by it, other than those specified under article 125-ter, subsection 1.
4. Shareholders requesting integration in accordance with subsection 1 shall prepare a report giving the reason for the proposed resolutions on the new items for which it proposes discussion or the reason relating to additional proposed resolutions presented on items already on the agenda. The report is sent to the administrative body within the final terms for presentation of the request for integration. The administrative body makes the report, accompanied by its own assessments if applicable, available to the public at the same time as the publication of the notice of supplementation or presentation, with the procedures set out in article 125-ter, subsection 1.
5. If the administrative body, or should it fail to take action, the board of auditors or supervisory board or management control committee fail to supplement the agenda with the new items or proposals presented in accordance with subsection 1, the court, having heard the members of the board of directors and internal control bodies, where their refusal to do so should prove to be unjustified, orders the integration by decree. The decree is published in the ways set out by article 125-ter, subsection 1.

Art. 127-ter
(Right to ask questions prior to the Shareholders' Meeting)
1. All those with voting rights may submit questions on the items on the agenda even prior to the shareholders' meeting. Questions received before the meeting will be answered at the latest during the said meeting. The company may provide a single reply to questions with the same content.
1-bis. The notice calling the meeting specifies the terms within which questions raised prior to the shareholders' meeting must reach the company. Terms must be no more than three days prior to the date of the shareholders' meeting at its first or only call, or five days when the call notice establishes that the company shall provide a response to the questions raised before the meeting. In this case, replies are provided at least two days prior to the shareholders' meeting also by publication in a specific section of the company website.
2. No reply is necessary, even in the shareholders' meeting, to questions raised prior to it, where the information required is already available in "FAQ" format in the section of the company's website specified in subsection 1-bis or when the answer has been published in accordance with said subsection.
3. The reply attached to the minutes is considered as given during the meeting when is made available at the beginning of the meeting, by each of those entitle to vote.

Art. 135-novies
(Representation at the shareholders' meeting)

1. Any person with the right to vote may indicate one representative for each shareholders' meeting, without prejudice to the right to specify one or more replacements.
2. As an exception to subsection 1, any person with the right to vote may appoint a different representative for each account, used to record financial instrument transactions, valid where the communication envisaged in Article 83- sexies has been issued.
3. As a further exception to subsection 1, if the person indicated as owner of the shares in the communication envisaged in Article 83-sexies acts alone or through registered trustees on behalf of his or her customers, the person in question may indicate others on whose behalf he/she acts, or one or more third parties indicated by such customers, as their representative.
4. If the proxy form envisages such an option, the proxy may arrange for personal substitution by another person of his or her choice, without prejudice to compliance with Article 135-decies subsection 3 and to the right of the person represented to indicate one or more substitutes.
5. In place of the original, the representative may deliver or transmit a copy of the proxy, also in electronic format, confirming his or her liability in compliance of the proxy form to the original and the identity of the delegating party. The representative shall retain the original of the proxy form and keep track of any voting instructions received for a period of one year from closure of the shareholders' meetings concerned.
6. The appointment may be made with a document in an electronic format with a digital signature in accordance with article 21, subsection 2 of Italian Legislative Decree 82 of 7 March 2005. The companies specify in the Articles of Association at least one way of electronic notification of the proxy.
7. Subsections 1, 2, 3 and 4 shall also apply to cases of share transfer by proxy.
8. All of the above without prejudice to the provisions of Article 2372 of the Italian Civil Code. As an exception to article 2372, second subsection of the Italian Civil Code, asset management companies, SICAVs, harmonized management companies and non-EU parties providing collective investment management services may grant representation for more than one shareholders' meeting.

Art. 135-decies

(Conflict of interest of the proxy and substitutes)

1. Conferring proxy upon a representative in conflict of interest is permitted provided that the representative informs the shareholder in writing of the circumstances giving rise to such conflict of interest and provided specific voting instructions are provided for each resolution in which the representative is expected to vote on behalf of the shareholder. The representative shall have the onus of proof regarding disclosure to the shareholder of the circumstances giving rise to the conflict of interest. Article 1711, second subsection of the Italian Civil Code does not apply.
2. In any event, for the purposes of this article, conflict of interest exists where the representative or substitute:
a) has sole or joint control of the company, or is controlled or is subject to joint control by that company;
b) is associated with the company or exercises significant influence over that company or the latter exercises significant influence over the representative;
c) is a member of the board of directors or control body of the company or of the persons indicated in paragraphs a) and b);
d) is an employee or auditor of the company or of the persons indicated in paragraph a);
e) is the spouse, close relative or is related by up to four times removed of the persons indicated in paragraphs a) to c);
f) is bound to the company or to persons indicated in paragraphs a), b), c) and e) by independent or employee relations or other relations of a financial nature that compromise independence.
3. Replacement of the representative by a substitute in conflict of interest is permitted only if the substitute is indicated by the shareholder. In such cases, subsection 1 shall apply. Disclosure obligations and related onus of proof in any event remain with the representative.
4. This article shall also apply in cases of share transfer by proxy.

Art. 135-undecies

(Appointed representative of a listed company)

1. Unless the Articles of Association decree otherwise, companies with listed shares designate a party to whom the shareholders may, for each shareholders' meeting and within the end of the second trading day prior to the date scheduled for the shareholders' meeting, including for callings subsequent to the first, a proxy with voting instructions on all or some of the proposals on the agenda. The proxy shall be valid only for proposals on which voting instructions are conferred.
2. Proxy is conferred by signing a proxy form, the content of which is governed by a Consob regulation. Conferring proxy shall be free of charge to the shareholder. The proxy and voting instructions may be cancelled within the time limit indicated in subsection 1.

3. Shares for which full or partial proxy is conferred are calculated for the purpose of determining due constitution of the shareholders' meeting. With regard to proposals for which no voting instructions are given, the shares are not considered in calculating the majority and the percentage of capital required for the resolutions to be carried.
4. The person appointed as representative shall any interest, personal or on behalf of third parties, that he or she may have with respect to the resolution proposals on the agenda. The representative must also maintain confidentiality of the content of voting instructions received until scrutiny commences, without prejudice to the option of disclosing such information to his or her employees or collaborators, who shall also be subject to confidentiality obligations. The party appointed as representative may not be assigned proxies except in compliance with this article.
5. By regulation pursuant to subsection 2, Consob may establish cases in which a representative failing to meet the indicated terms of Article 135-decies may express a vote other than that indicated in the voting instructions.

Leg. Dec. no. 39 of 27 January 2010, as amended by Leg. Dec. no. 135 of 17 July 2016 (Implementation of directive 2014/56/EU amending directive 2006/43/EC on statutory audits of annual accounts and consolidated accounts)

Art. 13
(Appointment, revocation and dismissal from appointments, termination of the contract)
1. Except as provided in article 2328, second subsection, number 11), of the Italian Civil Code and it being understood that assignment conferrals by Public Interest Entities are governed by article 17, subsection 1, of this decree and article 16 of the European Regulations, the shareholders' meeting, on a reasoned proposal of the supervisory body, is made responsible for the statutory audit and determines the amount payable to the statutory auditor or the statutory auditing company for the entire duration of the appointment and any criteria for the adjustment of this amount during the appointment.
2. Except as established by article 17, subsection 1, of this decree, the appointment has a term of three years and expires at the shareholders' meeting called to approve the financial statements for the third year of office.
2-bis. Contractual clauses that limit the choice of the statutory auditor or the statutory auditing company by the shareholders' meeting to certain categories or lists of statutory auditors or auditing companies are prohibited and, if envisaged, should be considered null and void.
3. The shareholders' meeting shall revoke the appointment, after hearing the supervisory body, on recourse to just cause, providing at the same time to confer the appointment to another statutory auditor or statutory auditing company according to the procedures referred to in section 1. Differing views on accounting methods or audit procedures does not constitute just cause for revocation.
4. The statutory auditor or statutory auditing company responsible for an audit may resign from office but they are liable for any compensation in the cases and in accordance with the procedures defined by regulation by the Ministry of Economy and Finance, after consulting Consob. In any event, the resignation must be carried out in such time and manner as to enable the company being audited to provide otherwise, except in the case of gross impediment with supporting evidence from the auditor or statutory auditing company. This same regulation defines the cases and procedures in which the contract conferring the auditing appointment can be resolved by consensus, or for just cause.
5. In the cases referred to in section 4 the company subject to statutory audit shall promptly confer a new appointment.
6. In the event of resignation or consensual termination of a contract, the statutory auditing functions shall continue to be performed by the same statutory auditor or statutory auditing company until a decision on a new appointment has come into effect and, in any case, not later than six months from the date of resignation or termination of the contract.
7. The company being audited and the statutory auditor or statutory auditing company shall promptly inform the Ministry of Economy and Finance, and in the case of statutory audits relating to public interest entities and entities subject to "regime intermedio", Consob, as regards revocation, resignation or consensual termination of the contract, providing adequate explanations of the reasons behind them.
8. Deliberations on appointment and revocation adopted by shareholders' meetings in companies limited by share Article 2459 of the Civil Code is applicable.
9. In the event of the statutory audit of a public interest company pursuant to article 16, the shareholders of this entity, representing at least 5 per cent of the share capital, or the supervisory body, or Consob, have the right to request the revocation of the auditor or auditing company before the Civil Court if there is good cause.

Art. 16
(Entities of Public Interest)
1. The provisions of this chapter shall apply to entities of public interest and to the statutory auditors and auditing companies responsible for statutory audits of entities of public interest. The following are entities of public interest:
a) Italian companies issuing securities authorised to trade on Italian and European Union regulated markets;
b) banks;
c) the insurance companies referred to in Article 1, section 1, paragraph u) of the Private Insurance Companies Code;

d) the reinsurance companies referred to in Article 1, section 1, paragraph cc) of the Private Insurance Companies Code, with registered offices in Italy, and branch offices in Italy and reinsurance companies outside the European Community referred to in Article 1, section 1, paragraph cc-ter) of the Private Insurance Companies Code.
2. In public interest entities, the subsidiaries of public-interest entities, companies that control public-interest entities and companies subject to joint control with the latter, statutory audits cannot be carried out by the Board of Statutory Auditors.

Art. 17
(Independence)
1. The statutory audit assignment has a duration of nine years for auditing companies and seven years for statutory auditors. It may not be renewed or re-conferred until at least four years have elapsed from the date of termination of the previous assignment.
2. Without prejudice to compliance with the provisions of Articles 10 and 10-bis and in accordance with the principles laid down in EC directive 2006/43, as amended by EU directive 2014/56, Consob shall establish by regulation the situations that may compromise the independence of the statutory auditor, the auditing companies and the responsible auditor of a public-interest entity, and the measures to be taken to remove such situations.
3. The statutory auditors, the statutory auditing companies and entities belonging to their network, their members, their directors, the members of their supervisory bodies and employees of the auditing companies must comply with the prohibitions laid down in article 5, section 1, of the European Regulation.
4. Appointment as responsible auditor of the financial statements of a public interest entity cannot be carried out by the same person for a period exceeding seven financial years, nor can this person be re-appointed, even on behalf of a different statutory auditing company, until two years have elapsed after the termination of the previous appointment.
5. The statutory auditor or responsible auditor who performs the audit on behalf of an auditing company may not hold corporate positions in the direction and supervisory bodies of the entity that appointed the auditor, nor can they take independent or subordinate employment relationships with the entity carrying out important managerial roles until at least two years have elapsed from the moment they ceased to be statutory auditor or responsible auditor in relation to the assignment. This prohibition also extends to employees and members, other than responsible auditors, of the statutory auditor or auditing company, and any other natural persons whose services are made available to or are under the control of the statutory auditor or auditing company, if these persons are qualified to act as statutory auditors, for a two-year period from their direct involvement in the audit assignment.
6. All those who have been directors, members of the supervisory bodies, general managers or managers responsible for preparing corporate accounting documents at an institution of public interest cannot carry out statutory audits of the financial statements of the entity or of the companies controlled by the same or that control it until at least two years have elapsed from the termination of those appointments or employment relationships.
7. The prohibition in Article 2372, fifth section, of the Italian Civil Code also applies to statutory auditors or auditing companies who have been appointed auditor and the person responsible for the assignment and responsible auditor.

Regulation no. 261/2012 concerning the cases and procedures for revocation, resignation and consensual termination of statutory audit appointments, in implementation of article 13, section 4, of Legislative Decree no. 39 of 27 January 2010

Art. 7
(Consensual termination of statutory audit contracts)
1. The statutory auditor or auditing company and the company being audited may consensually decide to terminate the statutory audit contract providing the continuity of the statutory audit activities is ensured.
2. The shareholders' meeting, having received the comments of the statutory auditor or auditing company and after hearing the supervisory body also with regard to those comments, shall decide on the consensual termination of the statutory audit contract and appoint another statutory auditor or another statutory auditing company.
3. In any event, the statutory auditing functions shall continue to be performed by the same statutory auditor or the same statutory auditing company until a decision on a new appointment has come into effect and, in any case, not later than six months from the date of resignation or termination of the contract.

Italian Civil Code

Art. 2365
(Extraordinary Shareholders' Meeting)
1. The extraordinary shareholders' meeting shall resolve on the amendments to the bylaws, the appointment, replacement and powers of the liquidators and on all other matters expressly attributed to its remit by law.

2. Without prejudice to the provisions of articles 2420-ter and 2443, the bylaws may attribute to the authority of the administrative body or supervisory board or management board the resolutions on mergers in the cases set out in articles 2505 and 2505-bis, the institution or elimination of branch offices, the indication of which directors have legal representation of the company, the reduction of capital in case of withdrawal of shareholders, the adaptation of the Bylaws to legal provisions, and the transfer of registered offices within Italy. In any event article 2436 shall apply.

Art. 2409-bis

(Statutory audit of the accounts)

1. The statutory audit of the accounts shall be performed by a statutory auditor of the accounts or a statutory auditing company registered in the specific register.
2. The bylaws of companies that are not required to prepare consolidated financial statements may envisage that the statutory audit of the accounts be performed by the board of statutory auditors. In such an eventuality the Board of Statutory Auditors shall be composed of statutory auditors registered in the specific register.

LEGISLATIVE DECREE 93 of 1 June 2011

Implementation of directives 2009/72/EC, 2009/73/EC and 2008/92/EC relating to common standards for the internal electricity and natural gas market and an EU procedure on the transparency of prices to gas and electricity industrial end consumers, as well as the repeal of directives 2003/54/EC and 2003/55/EC.

Title II

NATURAL GAS MARKET

Art. 19

(Separation of the owners of transmission systems and transmission system operators)

1. Vertically integrated undertakings that intend to comply with the provisions of Article 9 of Directive 2009/73/EC shall respect the following rules when implementing ownership unbundling of the operators: a) an undertaking that owns a transmission system must perform the functions of the transmission system operator; b) the same natural or legal person or persons may not exercise control, directly or indirectly, over an undertaking that performs activities of production or supply of natural gas or electricity and at the same time exercise control or rights, directly or indirectly, over a natural gas or electricity transmission system operator or over a natural gas or electricity transmission system; c) the same natural or legal person or persons may not appoint members of the supervisory board, board of directors or bodies that legally represent the undertaking of a transmission system operator or a transmission system, nor exercise control or rights, directly or indirectly, over activities of production or supply of natural gas; d) the same person may not be a member of the supervisory board, board of directors or bodies that legally represent the undertaking, whether of an undertaking that performs activities of production or supply of natural gas or of a transmission system operator or a transmission system; e) commercially sensitive information pursuant to Article 20 of Legislative Decree 164 of 2000 acquired by the transmission system operator before the unbundling of the vertically integrated undertaking, nor the personnel of said operator, may be transferred to undertakings that perform activities of production or supply of natural gas.
2. The rights referred to in paragraph 1, letters b) and c) include, in particular, the power to exercise voting rights, to appoint members of the supervisory board, board of directors or bodies that legally represent the undertaking, as well as the holding of a majority share.
3. For the purpose of the application of the provisions of paragraph 1, if legal persons should have been constituted by the State or by a public body, two separate public bodies that, respectively, exercise control over a natural gas or electricity transmission system operator or over a natural gas or electricity transmission system and control over an undertaking that performs the functions of production and supply of natural gas or electricity, shall not be considered the same legal person.

Prime Ministerial Decree of 25 May 2012, enacted to implement Decree-Law 1 of 24 January 2012, converted with amendments into Law 27 of 24 March 2012

Article 2

(Criteria, conditions and governance procedures suitable to ensure separation)

1. From the end of the period indicated in Article 1, paragraph 1 or, if earlier, from the date of loss of control pursuant to Article 2359, paragraph 1 of the Italian Civil Code of SNAM S.p.A. by Eni S.p.A., for the purposes of implementation of Article 19 of Legislative Decree 93/2011, the voting rights attributed to the shares acquired, including through acts, operations or agreements made in any form, as well as any shares that might be held, directly or indirectly, by producers or suppliers of gas and/or electricity or of undertakings that control them, or which are controlled by or affiliated with them pursuant to the Italian Civil Code, or any powers of appointment to which they are entitled, are limited in

conformity with the provisions of Article 19, paragraph 1, letters b) and c) and paragraph 2 of Legislative Decree 93/2011, without prejudice to the provisions of paragraph 2 of this Article.

2. In order to ensure that Snam S.p.A. is a fully fledged third party, after the sale referred to in Article 1, paragraph 2, Cassa Depositi e Prestiti S.p.A. shall guarantee the independence of the owner of activities of production and/or supply of natural gas and the owner and/or the operator of the activity of natural gas transmission, in accordance with the provisions of Article 19 of Legislative Decree 93/2011. In this case the following principles shall be observed:

a) (…)
b) (…)
c) the members of the administrative or control body, as well as those who carry out senior management functions in Eni S.p.A. or in its subsidiaries, may not hold any office in the administrative or control body, or exercise senior management functions in Cassa Depositi e Prestiti S.p.A. or Snam S.p.A. and their subsidiaries, nor entertain any direct or indirect relations of a professional or equity nature with said companies; similarly, the members of the administrative or control body, as well as those who exercise senior management functions in Cassa Depositi e Prestiti S.p.A., Snam S.p.A or their subsidiaries, may not hold any office in the administrative or control body or exercise senior management functions in Eni S.p.A. and its subsidiaries, nor entertain any direct or indirect relations of a professional or equity nature with said companies.