

DISTRIGAS NV

MODEL 231

Approved by the Board of Directors of DISTRIGAS NV on October, 28 -
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Foreword

Pursuant to the Italian provision on the "*corporate administrative liability of companies for violations of administrative rules deriving from offences*" contained in Legislative Decree no. 231 of June 8, 2001 (hereinafter, "Legislative Decree no. 231 of 2001"), companies - including companies limited by shares – may be held liable, and consequently subject to money penalties and/or interdiction, for any offences¹ committed or any attempts to commit offences - in Italy or abroad - in the interest or to the advantage of the company itself:

- by individuals who are representatives, directors or managers of the company or of one of its organizational unit that has financial and functional independence, or by individuals who are responsible for managing or controlling the company (individuals in apical positions or "apicals");
- by individuals who are managed or supervised by an individual in an apical position (individuals under the command of others).

However, companies may adopt organizational, management and control models designed to prevent these offences; the principles of these models can be based on the guidelines drawn up by Confindustria (Italian Manufacturing Companies Association).

In this regard, the top management of DISTRIGAS NV (hereinafter the "Company"), in the meeting of the so called "*Management Team*" hold in Brussel the June, 30 – 2009, resolved to implement an organizational, management and control Model pursuant to Legislative Decree no. 231 of 2001.

The implementation of the Company's organizational, management and control Model pursuant to Legislative Decree no. 231 of 2001 (hereinafter the "Model 231") – the structure of which is described hereinafter – is the result of project activities:

- Eni's Code of Ethics (chapter 1); the Code is, among other things a compulsory general principle of Model 231.
- Risk analysis methodology (chapter 2).
- Tasks of the Watch Structure (chapter 3), with the appointment and

¹ The current application scope of Legislative Decree no. 231 of 2001 contemplates: (i) crimes against the Public Administration and against public faith, (ii) corporate crimes, (iii) crimes connected with the subversion of the democratic order and to the financing of terrorism, (iv) crimes against individual personality, (v) market abuse ("Abuse of privileged information" and "market manipulation"), (vi) crimes against individuals pursuant to law no. 7 of 2006, (vii) transnational crimes, (viii) manslaughter and non-intentional serious and very serious injuries arising out of the breach of accident prevention laws and regulations as well as laws and regulations on health and safety at work, (ix) handling stolen goods, money laundering and utilization of money, goods or utilities of illicit origin, (x) information technology crimes and illicit treatment of personal data, (xi) crimes of association, (xii) crimes against industry and commerce, (xiii) crimes arising out of the breach of copyright, (xiv) induction to refuse to make declarations or to make false declarations to the Court Authorities.

assignment of functions and powers thereof as well as definition of information flows to and from it.

- Addressees of Model 231 and extension thereof (chapter 4), with identification of the parties to whom Model 231 applies, definition of the rules for the extension of Model 231 to subsidiaries, and of the principles adopted for communication to personnel and to the market, including the adoption of contractual clauses for relations with third parties, as well as for personnel training.
- Disciplinary system structure (chapter 5), with definition of sanctions appropriate for the violation committed and applicable in case of breach of Model 231.
- Control tools (chapter 6), with identification of general transparency standards and supply management processes.
- Rules for updating Model 231 (chapter 7), providing for the innovation implementation program in case of legislative changes, significant changes in the organizational structure or business sectors of the Company, of significant violations of Model 231 and/or relevant outcomes of checks for the Model 231 effectiveness or of experience in the public domain in the sector concerned.

Model 231 is approved by resolution of the Board of Directors.

The task of implementing and updating Model 231 is entrusted to the Chief Executive Officer, by virtue of the powers granted to the latter.

However, the task of updating the Model compulsory general principles ("General Principles") is entrusted to the Board of Directors. These General Principles are:

- (a) Eni's Code of Ethics (referred to in chapter 1).
- (b) Risk analysis methodology (referred to in chapter 2).
- (c) Watch Structure's role and information flows (referred to in chapter 3).
- (d) Annual schedule of supervision activities (referred to in chapter 3).
- (e) Extension of Model 231 to subsidiaries (referred to in chapter 4).
- (f) Disciplinary system (referred to in chapter 5).
- (g) General standards of transparency in the activities (referred to in chapter 6).
- (h) Innovation implementation program (referred to in chapter 7).

Corporate provisions for the implementation of Model 231 are issued by the relevant corporate departments. In particular, these provisions contain control tools in compliance with Model 231.

The Watch Structure keeps and releases to the relevant company departments the identification of "*Sensitive Activities and Specific Control Standards of Model*

231" approved by the Board of Directors, upon approval of Model 231, and by the Chief Executive Officer, upon future updating. Such specific control standards are encompassed within reference corporate procedures.

CHAPTER 1

Eni's Code of Ethics

FOREWORD

Eni² is an internationally oriented industrial group which, because of its size and the importance of its activities, plays a significant role in the marketplace and in the economic development and welfare of the individuals who work or collaborate with Eni and of the communities where it is present.

Due to the complexity of the situations in which Eni operates, the challenges of sustainable development and the need to take into consideration the interests of all Stakeholders, it is important to clearly define the values that Eni accepts, acknowledges and shares as well as the responsibilities it assumes, contributing to a better future for everybody.

For this reason the new Eni's Code of Ethics ("Code" or "Code of Ethics") has been produced. Compliance with the Code by Eni's directors, auditors, management and employees as well as by all those who operate in Italy and abroad for achieving Eni's objectives ("Eni's People"), each within their own functions and responsibilities, is of paramount importance - also pursuant to legal and contractual provisions governing the relationship with Eni - for Eni's efficiency, reliability and reputation, which are all crucial factors for its success and for improving the social situation in which Eni operates.

Eni undertakes to promote knowledge of the Code among Eni's People and the other Stakeholders, and to accept their constructive contribution to the Code's principles and contents. Eni undertakes to take into consideration any suggestions and remarks of Stakeholders, with the objective of confirming or integrating the Code.

Eni carefully checks for compliance with the Code by providing suitable information, prevention and control tools and ensuring transparency in all transactions and behaviors by taking corrective measures if and as required.

² In this Code "Eni" means Eni S.p.A. and its direct and indirect subsidiaries, in Italy and abroad.

The Watch Structure of each Eni company performs the functions of guarantor of the Code of Ethics ("Guarantor").

The Code is brought to the attention of every person or body having business relations with Eni.

I. General principles: sustainability and corporate liability

Compliance with the law, applicable regulations, statutory provisions, self-regulatory codes, ethical integrity and fairness, is a constant commitment and duty of all Eni's People, and characterizes the conduct of Eni's entire organization.

Eni's business and corporate activities has to be carried out in a *transparent, honest and fair way, in good faith*, and in full compliance with competition protection rules.

Eni undertakes to maintain and strengthen a governance system in line with international best practice standards, able to deal with the complex situations in which Eni operates, and with the challenges to face for sustainable development.

Systematic methods for involving Stakeholders are adopted, fostering dialogue on *sustainability and corporate liability*.

In conducting both its activities as an international company and those with its partners, Eni stand up for the protection and promotion of *human rights* - inalienable and fundamental prerogatives of human beings and basis for the establishment of societies founded on principles of equality, solidarity, repudiation of war, and for the protection of civil and political rights, of social, economic and cultural rights and the so-called third generation rights (self-determination right, right to peace, right to development and protection of the environment).

Any form of discrimination, corruption, forced or child labor is rejected. Particular attention is paid to the acknowledgement and safeguarding of the *dignity, freedom and equality* of human beings, to protection of *labor* and of the *freedom of association*, of *health, safety*, the *environment and biodiversity*, as well as the set of values and principles concerning transparency, energy efficiency and sustainable development, in accordance with International Institutions and Conventions.

In this respect Eni operates within the reference framework of the United Nations Universal Declaration of Human Rights, the Fundamental Conventions of the ILO – International Labor Organization – and the OECD Guidelines on Multinational Enterprises.

All Eni's People, without any distinction or exception whatsoever, respect the principles and contents of the Code in their actions and behaviors while performing their functions and according to their responsibilities, because compliance with the Code is fundamental for the quality of their working and professional performance. Relationships among Eni's People, at all levels, must be characterized by *honesty, fairness, cooperation, loyalty and mutual respect*.

The belief that one is acting in favor or to the advantage of Eni can never, in any way, justify – not even in part - any behaviors that conflict with the principles and contents of the Code.

II. Behavior rules and relations with Stakeholders

1. Ethics, transparency, fairness, professionalism

In conducting its business, Eni is inspired by and complies with the principles of loyalty, fairness, transparency, efficiency and an open market, regardless of the importance level of the transaction in question.

Any action, transaction and negotiation performed and, generally, the conduct of Eni's People in the performance of their duties is inspired by the highest principles of fairness, completeness and transparency of information and legitimacy, both in form and substance, as well as clarity and truthfulness of all accounting documents, in compliance with the applicable laws in force and internal regulations.

All Eni's activities have to be performed with the utmost care and professional skill, with the duty to provide skills and expertise adequate to the tasks assigned, and to act in a way capable to protect Eni's image and reputation. Corporate objectives, as well as the proposal and implementation of projects, investments and actions, have to be aimed at improving the company's assets, management, technological and information level in the long term, and at creating value and welfare for all Stakeholders.

Bribes, illegitimate favours, collusion, requests for personal benefits for oneself or others, either directly or through third parties, are prohibited without any exception.

It is prohibited to pay or offer, directly or indirectly, money and material benefits and other advantages of any kind to third parties, whether representatives of governments, public officers and public servants or private employees, in order to influence or remunerate the actions of their office.

Courtesy, such as small gifts or forms of hospitality, is only allowed when its value is small and it does not compromise the integrity and reputation of either party, and cannot be construed by an impartial observer as aimed at obtaining undue advantages. In any case, these expenses must always be authorized by the designated managers as per existing internal rules, and be accompanied by appropriate documentation.

It is forbidden to accept money from individuals or companies that have or intend to have business relations with Eni. Anyone who receives proposals of gifts or special or hospitality treatment that cannot be considered as commercial courtesy of small value, or requests therefore by third parties, shall reject them and immediately inform their superior, or the body they belong to, as well as the Guarantor.

Eni shall properly inform all third parties about the commitments and obligations provided for in the Code, require third parties to respect the principles of the Code relevant to their activities and take proper internal actions and, if the matter comes within the limits of its own competence, external actions in the event that any third party should fail to comply with the Code.

2. Relations with shareholders and with the Market

2.1. Value for shareholders, efficiency, transparency

The internal structure of Eni and the relations with the parties directly and indirectly taking part in its activities are organized according to rules able to ensure management reliability and a fair balance between the management's powers and the interests of shareholders and of the other Stakeholders in general as well as transparency and market traceability of management decisions and general corporate events which may considerably influence the market value of the financial instruments issued.

Within the framework of the initiatives aimed at maximizing the value for shareholders and at guaranteeing transparency of the management's work, Eni defines, implements and progressively adjusts a coordinated and homogeneous set of behavior rules concerning both its internal organizational structure and relations with shareholders and third parties, in compliance with the highest corporate governance standards at national and international level, based on the awareness that the company's capacity to impose efficient and effective functioning rules upon itself is a fundamental tool for strengthening its reputation in terms of reliability and transparency as well as Stakeholders' trust.

Eni deems it necessary that shareholders are enabled to participate in decisions which come within the limits of their competence and make informed choices. Therefore, Eni undertakes to ensure maximum transparency and timeliness of information communicated to shareholders and to the market – by means of the corporate internet site, too - in compliance with the laws and regulations applicable to listed companies. Moreover, Eni undertakes to keep in due consideration the legitimate remarks expressed by shareholders whenever

they are entitled to do so.

2.2. Self-Regulatory Code

The main corporate governance rules of Eni are contained in the Self-Regulatory Code of Eni S.p.A., adopted in compliance with the Code promoted by Borsa Italiana S.p.A., which is referred to herein as far as applicable.

2.3. Company information

Eni ensures the correct management of company information, by means of suitable procedures for in-house management and communication to the outside.

2.4. Privileged information

All Eni's People are required, while performing the tasks entrusted to them, to properly manage privileged information such as to know and comply with corporate procedures referring to market abuse. Insider trading and any behavior that may promote insider trading are expressly forbidden. In any case, the purchase or sale of shares of Eni or of companies outside Eni shall always be based on absolute and transparent fairness.

2.5. Media

Eni undertakes to provide outside parties with true, prompt, transparent and accurate information.

Relations with the media are exclusively dealt with by the departments and managers specifically appointed to do so; information to be supplied to media representatives, as well as the undertaking to provide such information, have to be agreed upon beforehand by Eni's People with the relevant Eni Corporate structure.

3. Relations with institutions, associations, local communities

Eni encourages dialogue with Institutions and with organized associations of civil society in all the countries where it operates.

3.1. Authorities and Public Institutions

Eni, through its People, actively and fully cooperates with Authorities.

Eni's People, as well as external collaborators whose actions may somehow be referred to Eni, must have behaviours towards the Public Administration characterized by fairness, transparency, and traceability. These relations have to be exclusively dealt with by the departments and individuals specifically appointed to do so, in compliance with approved plans and corporate procedures.

The departments of the subsidiaries concerned shall coordinate with the relevant Eni Corporate structure for assessing the quality of the interventions to be carried out and for the sharing, implementing and monitoring of their actions.

It is forbidden to make, induce or encourage false statements to Authorities.

3.2. Political organizations and trade unions

Eni does not make any direct or indirect contributions in whatever form to political parties, movements, committees, political organizations and trade unions, nor to their representatives and candidates, except those specifically contemplated by applicable laws and regulations.

3.3. Development of local Communities

Eni is committed to actively contribute to promoting the quality of life, the socio-economic development of the communities where Eni operates and to the development of their human resources and capabilities, while conducting its business activities according to standards that are compatible with fair commercial practices.

Eni's activities are carried out in the awareness of the social responsibility that Eni has towards all of its Stakeholders and in particular the local communities in which it operates, in the belief that the capacity for dialogue and interaction with civil society constitutes an important asset for the company. Eni respects the cultural, economic and social rights of the local communities in which it operates and undertakes to contribute, as far as possible, to their exercise, with particular reference to the right to adequate nutrition, drinking water, the highest achievable level of physical and mental health, decent dwellings, education, abstaining from actions that may hinder or prevent the exercise of such rights.

Eni promotes transparency of the information addressed to local communities, with particular reference to the topics that they are most interested in. Forms of continuous and informed consultancy are either promoted, through the relevant Eni structures, in order to take into due consideration the legitimate expectations of

local communities in conceiving and conducting corporate activities and in order to promote a proper redistribution of the profits deriving from such activities.

Eni, therefore, undertakes to promote the knowledge of its corporate values and principles, at every level of its organization, also through adequate control procedures, and to protect the rights of local communities, with particular reference to their culture, institutions, ties and life styles.

Within the framework of their respective responsibilities, Eni's People are required to participate in the definition of single initiatives in compliance with Eni's policies and intervention programs, to implement them according to criteria of absolute transparency and support them as an integral part of Eni's objectives.

3.4. Promotion of "non profit" activities

The philanthropic activity of Eni is in line with its vision and attention to sustainable development.

Therefore, Eni undertakes to foster and support, as well as to promote among its People, its "non profit" activities which demonstrate the company's commitment to help meet the needs of those communities where it operates.

4. Relations with customers and suppliers

4.1. Customers and consumers

Eni pursues its business success on markets by offering quality products and services under competitive conditions while respecting the rules protecting fair competition.

Eni undertakes to respect the right of consumers not to receive products harmful to their health and physical integrity and to get complete information on the products offered to them.

Eni acknowledges that the esteem of those requesting products or services is of primary importance for success in business. Business policies are aimed at ensuring the quality of goods and services, safety and compliance with the precautionary principle. Therefore, Eni's People shall:

- comply with in-house procedures concerning the management of relations with customers and consumers;
- supply, with efficiency and courtesy, within the limits set by the contractual conditions, high-quality products meeting the reasonable expectations and needs of customers and consumers;
- supply accurate and exhaustive information on products and services and be truthful in advertisements or other kind of communication, so that customers and consumers can make informed decisions.

4.2. Suppliers and external collaborators

Eni undertakes to look for suppliers and external collaborators with suitable professionalism and committed to sharing the principles and contents of the Code and promotes the establishment of long-lasting relations for the progressive improvement of performances while protecting and promoting the principles and contents of the Code.

In the case of tenders, relationships to acquire and, generally, contracts for the supply of goods and services and of external collaborations (including consultants, agents, etc.), Eni's People shall:

- follow internal procedures concerning selection and relations with suppliers and external collaborators and abstain from excluding any supplier meeting requirements from bidding for Eni's orders; adopt appropriate and objective selection methods, based on established, transparent criteria;
- secure the cooperation of suppliers and external collaborators in guaranteeing the continuous satisfaction of Eni's customers and consumers, to an extent adequate to that legitimately expected by them, in terms of quality, costs and delivery times;
- use as much as possible, in compliance with the laws in force and the criteria for legality of transactions with related parties, products and services supplied by Eni companies at arm's length and market conditions;
- state in contracts the Code acknowledgement and the obligation to comply with the principles contained therein;
- comply with, and demand compliance with, the conditions contained in contracts;
- maintain a frank and open dialogue with suppliers and external collaborators in line with good commercial practice; promptly inform superiors, and the Guarantor, about any possible violations of the Code;
- inform the relevant Eni Corporate structure about any serious problems that may arise with a particular supplier or external collaborator, in order to evaluate possible consequences for Eni.

The remuneration to be paid shall be exclusively proportionate to the services to be rendered and described in the contract and payments shall not be allowed to any party different from the contract party nor in a third Country different from the one of the parties or where the contract has to be performed.

5. Eni's management, employees, collaborators

5.1. Development and protection of Human Resources

People are basic components in the company's life. The dedication and professionalism of management and employees represent fundamental values and conditions for achieving Eni's objectives.

Eni is committed to developing the abilities and skills of management and employees so that their energy and creativity can have full expression for the fulfilment of their potential in their working performance, such as to protect working conditions as regards both mental and physical health and dignity. Undue pressure or discomfort is not allowed, while appropriate working conditions promoting development of personality and professionalism are fostered .

Eni undertakes to offer, in full compliance with applicable legal and contractual provisions, equal opportunities to all its employees, making sure that each of them receives a fair statutory and wage treatment exclusively based on merit and expertise, without discrimination of any kind. Competent departments shall:

- adopt in any situation criteria of merit and ability (and anyhow strictly professional) in all decisions concerning human resources;
- select, hire, train, compensate and manage human resources without discrimination of any kind;
- create a working environment where personal characteristics or beliefs do not give rise to discrimination and which allows the serenity of all Eni's People.

Eni wishes that Eni's People, at every level, cooperate in maintaining a climate of common respect for a person's dignity, honour and reputation. Eni shall do its best to prevent attitudes that can be considered as offensive, discriminatory, or abusive. In this regard, any behaviors outside the working place which are particularly offensive to public sensitivity are also deemed relevant.

In any case, any behaviors constituting physical or moral violence are forbidden without any exception.

5.2. Knowledge Management

Eni promotes culture and the initiatives aimed at disseminating knowledge within its structures, and at pointing out the values, principles, behaviors and contributions in terms of innovation of professional families in connection with the development of business activities and to the company's sustainable growth.

Eni undertakes to offer tools for interaction among the members of professional families, working groups and communities of practice, as well as for coordination and access to know-how, and shall promote initiatives for the growth, dissemination and systematization of knowledge relating to the core competences of its structures and aimed at defining a reference framework suitable for guaranteeing operating consistency.

All Eni's People shall actively contribute to Knowledge Management as regards the activities that they are in charge of, in order to optimize the system for knowledge sharing and distribution among individuals.

5.3. Corporate security

Eni engages in the study, development and implementation of strategies, policies and operational plans aimed at preventing and overcoming any intentional or non-intentional behavior which may cause direct or indirect damage to Eni's People and/or to the tangible and intangible resources of the company. Preventive and defensive measures, aimed at minimizing the need for an active response - always proportional to attack - to threats to people and assets, are favored.

All Eni's People shall actively contribute to maintaining an optimal corporate security standard, abstaining from unlawful or dangerous behaviors, and reporting any possible activities carried out by third parties to the detriment of Eni's assets or human resources to superiors or to the body they belong to, as well as to the relevant Eni Corporate structure.

In any case requiring particular attention to personal safety, it is compulsory to strictly follow the indications in this regard supplied by Eni, abstaining from behaviors which may endanger one's own safety or the safety of others, promptly reporting any danger for one's own safety, or the safety of third parties, to one's superior.

5.4. Harassment or mobbing in the workplace

Eni supports any initiatives aimed at implementing working methods for the achievement of a better organization.

Eni demands that there shall be no harassment or mobbing behaviors in personal working relationships either inside or outside the company. Such behaviors are all forbidden, without exceptions, and are:

- the creation of an intimidating, hostile, isolating or in any case discriminatory environment for individual employees or groups of employees;
- unjustified interference in the work performed by others;
- the placing of obstacles in the way of the work prospects and expectations of others merely for reasons of personal competitiveness or because of other employees.

Any form of violence or harassment, either sexual harassment or harassment based on personal and cultural diversity, is forbidden. Such harassment is for instance:

- subordinating decisions on someone's working life to the acceptance of sexual attentions, or personal and cultural diversity;
- obtaining sexual attentions using the influence of one's role;
- proposing private interpersonal relations despite the recipient's clear distaste;
- alluding to disabilities and physical or psychic impairment, or to forms of cultural, religious or sexual diversity.

5.5. Abuse of alcohol or drugs and no smoking

All Eni's People shall personally contribute to promoting and maintaining a climate of common respect in the workplace; particular attention is paid to respect of the feelings of others.

Eni will therefore consider individuals who work under the effect of alcohol or drugs, or substances with similar effect, during the performance of their work activities and in the workplace, as being aware of the risk they cause. Chronic addiction to such substances, when it affects work performance, shall be considered similar to the above mentioned events in terms of contractual consequences; Eni is committed to favour social action in this field as provided for by employment contracts.

It is forbidden to:

- hold, consume, offer or give for whatever reason, drugs or substances with similar effect, at work and in the workplace;
- smoke in the workplace. Eni supports voluntary initiatives addressed to People to help them quit smoking and, in identifying possible smoking areas, shall take into particular consideration the condition of those suffering physical discomfort from exposure to smoke in the workplace shared with smokers and requesting to be protected from "passive smoking" in their place of work.

III. Tools for implementing the Code of Ethics

1. System of internal controls

Eni undertakes to promote and maintain an adequate system of internal controls, i.e. all the necessary or useful tools for addressing, managing and checking activities in the company, aimed at ensuring compliance with corporate laws and procedures, at protecting corporate assets, efficiently managing activities and providing precise and complete accounting and financial information.

The responsibility for implementing an effective system of internal controls is shared at every level of Eni's organizational structure; therefore, all Eni's People, according to their functions and responsibilities, shall define and actively participate in the correct functioning of the system of internal controls.

Eni promotes the dissemination, at every level of its organization, of policies and procedures characterized by awareness of the existence of controls and by an informed and voluntary control oriented mentality; consequently, Eni's management in the first place and all Eni's People in any case shall contribute to and participate in Eni's system of internal controls and, with a positive attitude, involve its collaborators in this respect.

Each employee shall be held responsible for the corporate tangible and intangible assets relevant to his/her job. No employee can make, or let others make, improper use of assets and equipment belonging to Eni.

Any practices and attitudes linked to the perpetration or to the participation in the perpetration of frauds are forbidden without any exception.

Control and supervisory bodies, Eni Internal Audit department and appointed auditing companies shall have full access to all data, documents and information necessary to perform their own relevant activities.

1.1. Conflicts of interest

Eni acknowledges and respects the right of its People to take part in investments, business and other kinds of activities other than the activity performed in the interest of Eni, provided that such activities are permitted by law and are compatible with the obligations assumed towards Eni. The Self-Regulatory Code of Eni S.p.A. governs any possible conflict of interest of directors and statutory auditors of Eni S.p.A..

Eni's management and employees shall avoid and report any conflicts of interest between personal and family economic activities and their tasks within the company. In particular, everyone shall point out any specific situations and activities of economic or financial interest (owner or member) to them or, as far as they know, of economic or financial interest to relatives of theirs or relatives by marriage within the 2nd degree of kinship, or to persons actually living with them, also involving suppliers, customers, competitors, third parties, or the relevant controlling companies or subsidiaries, and shall point whether they perform corporate administration or control or management functions therein.

Moreover, conflicts of interest are determined by the following situations:

- use of one's position in the company, or of information, or of business opportunities acquired during one's work, to one's undue benefit or to the undue benefit of third parties;
- the performing of any type of work for suppliers, sub-suppliers and competitors by employees and/or their relatives .

In any case, Eni's management and employees shall avoid any situation and activity where a conflict with the Company's interests may arise, or which can interfere with their ability to make impartial decisions in the best interests of Eni and in full accordance with the principles and contents of the Code, or in general with their ability to fully comply with their functions and responsibilities. Any situation that may constitute or give rise to a conflict of interest shall be immediately reported to one's superior within management, or to the body one belongs to, and to the Guarantor. Furthermore, the party concerned shall abstain from taking part in the operational/decision-making process, and the relevant superior within

management, or the relevant body, shall:

- identify the operational solutions suitable for ensuring, in the specific case, transparency and fairness of behaviors in the performance of activities;
- transmit to the parties concerned - and for information to one's superior, as well as to the Guarantor - the necessary written instructions;
- file the received and transmitted documentation.

1.2. Transparency of accounting records

Accounting transparency is grounded on the use of true, accurate and complete information which form the basis for the entries in the books of accounts. Each member of company bodies, of management or employee shall cooperate, within their own field of competence, in order to have managing events properly and timely registered in the books of accounts.

It is forbidden to behave in a way that may adversely affect transparency and traceability of the information within financial statements.

For each transaction, the proper supporting evidence has to be maintained in order to allow:

- easy and punctual accounting entries;
- identification of different levels of responsibility, as well as of task distribution and segregation;
- accurate representation of the transaction so as to avoid the probability of any material or interpretative error.

Each record shall reflect exactly what is shown by the supporting evidence. All Eni's People shall cause that the documentation can be easily traced and filed according to logical criteria.

Eni's People who become aware of any omissions, forgery, negligence in accounting or in the documents on which accounting is based, shall bring the facts to the attention of their superior, or to the body they belong to, and to the Guarantor.

2. Environment, health and public safety protection

Eni's activities shall be carried out in compliance with applicable worker health and safety, environmental and public safety protection agreements, international standards and laws, regulations, administrative practices and national policies of the Countries where it operates.

Eni actively contributes as appropriate to the promotion of scientific and technological development aimed at protecting the environment and natural resources. The operative management of such activities shall be carried out according to advanced criteria for the protection of the environment and energy efficiency, with the aim of creating better working conditions and protecting the health and safety of employees as well as the environment.

Eni's People shall, within their areas of responsibility, participate in the process of risk prevention as well as environmental, public safety and health protection for themselves, their colleagues and third parties.

3. Research, innovation and intellectual property protection

Eni promotes research and innovation activities by management and employees, within their functions and responsibilities. Any intellectual assets generated by such activities are an important and fundamental heritage of Eni.

Research and innovation focus in particular on the promotion of products, tools, processes and behaviors supporting energy efficiency, reduction of environmental impact, attention to health and safety of employees, of customers and of the local communities where Eni operates, and in general sustainability of business activities.

Eni's People shall actively contribute, within their functions and responsibilities, to managing intellectual property in order to allow its development, protection and enhancement.

4. Confidentiality

4.1. Protection of business secret

Eni's activities constantly require the acquisition, storing, processing, communication and dissemination of information, documents and other data regarding negotiations, administrative proceedings, financial transactions, and know-how (contracts, deeds, reports, notes, studies, drawings, pictures, software, etc.) that may not be disclosed to the outside pursuant to contractual agreements, or whose inopportune or untimely disclosure may be detrimental to corporate interest.

Without prejudice to the transparency of the activities carried out and to the information obligations imposed by the provisions in force, Eni's People shall ensure the confidentiality required by the circumstances for each piece of news they have got to know of because of their working function.

Any information, knowledge and data acquired or processed during one's work or because of one's tasks at Eni, belong to Eni and may not be used, communicated or disclosed without specific authorization of one's superior within management in compliance with specific procedures.

4.2. Protection of privacy

Eni is committed to protecting information concerning its People and third parties, whether generated or obtained inside Eni or in the conduct of Eni's business, and to avoiding improper use of any such information.

Eni intends to guarantee that processing of personal data within its structures respects fundamental rights and freedoms, as well as the dignity of the parties concerned, as contemplated by the legal provisions in force.

Personal data must be processed in a lawful and fair way and, in any case, the data collected and stored is only that which is necessary for certain, explicit and lawful purposes. Data shall be stored for a period of time no longer than necessary for the purposes of collection.

Eni undertakes moreover to adopt suitable preventive safety measures for all databases storing and keeping personal data, in order to avoid any risks of destruction and losses or of unauthorized access or unallowed processing.

Eni's People shall:

- obtain and process only data that are necessary and adequate to the aims of their work and responsibilities;
- obtain and process such data only within specified procedures, and store said data in a way that prevents unauthorized parties from having access to it;
- represent and order data in a way ensuring that any party with access authorization may easily get an outline thereof which is as accurate, exhausting and truthful as possible;
- disclose such data pursuant to specific procedures or subject to the express authorization by their superior and, in any case, only after having checked that such data may be disclosed, also making reference to absolute or relative constraints concerning third parties bound to Eni by a relation of whatever nature and, if applicable, after having obtained their consent.

4.3. Membership in associations, participation in initiatives, events or external meetings

Membership in associations, participation in initiatives, events or external meetings is supported by Eni if compatible with the working or professional activity provided. Membership and participation considered as such are:

- membership in associations, participation in conferences, workshops, seminars,

courses;

- drawing up of articles, papers and publications in general;
- participation in public events in general.

In this regard, Eni's management and employees in charge of illustrating, or providing to the outside data or news concerning Eni's objectives, aims, results and points of view, shall not only comply with corporate procedures relating to market abuse, but also obtain the necessary authorization from their superior within management for the lines of action to follow and the texts as well as reports drawn up, such as to agree on contents with the relevant Eni Corporate structure.

IV. Code of Ethics scope of application and reference structures

The principles and contents of the Code apply to Eni's People and activities.

Any listed subsidiaries and power & gas sector subsidiaries subject to unbundling shall receive the Code and adopt it, adjusting it - if necessary – to the characteristics of their company, consistently with their management independence.

The representatives indicated by Eni in the company bodies of partially owned companies, in consortia and in joint ventures shall promote the principles and contents of the Code within their own respective areas of competence.

Directors and management must be the first to give concrete form to the principles and contents of the Code, by assuming responsibility for them both towards the inside and the outside and by enhancing trust, cohesion and a sense of team-work, as well as providing a behavior model for their collaborators in order to have them comply with the Code and make questions and suggestions on specific provisions.

To achieve full compliance with the Code, each of Eni's People may even apply directly to the Guarantor.

1. Obligation to know the Code and to report any possible violation thereof

Each of Eni's People is expected to know the principles and contents of the Code as well as the reference procedures governing own functions and responsibilities.

Each of Eni's People shall:

- refrain from all conduct contrary to such principles, contents and procedures;
- carefully select, as long as within their field of competence, their collaborators, and have them fully comply with the Code;
- require any third parties having relations with Eni to confirm that they know the Code;

- immediately report to their superiors or the body they belong to, and to the Guarantor, any remarks of theirs or information supplied by Stakeholders concerning a possible violation or any request to violate the Code; reports of possible violations shall be sent in compliance with conditions provided for by the specific procedures established by the Board of Statutory Auditors and by the Watch Structure of Eni S.p.A.;
- cooperate with the Guarantor and with the relevant departments according to the applicable specific procedures in ascertaining any violations;
- adopt prompt corrective measures whenever necessary, and in any case prevent any type of retaliation.

Eni's People are not allowed to conduct personal investigations, nor to exchange information, except to their superiors, or to the body that they belong to, and to the Guarantor.

If, after notifying a supposed violation, an employee feels that he or she has been subject to retaliation, then the employee may directly apply to the Guarantor.

2. Reference structures and supervision

Eni is committed to ensuring – even through the Guarantor's appointment –:

- the widest dissemination of the principles and contents of the Code among Eni's People and the other Stakeholders, providing any possible tools for understanding and clarifying the interpretation and the implementation of the Code, as well as for updating the Code as required to meet evolving civil sensibility and relevant laws;
- the execution of checks on any notice of violation of the Code principles and contents or of reference procedures; an objective evaluation of the facts and, if necessary, the adoption of appropriate sanctions;
- that no one may suffer any retaliation whatsoever for having provided information regarding possible violations of the Code or of reference procedures.

2.1. Guarantor of the Code of Ethics

The Code of Ethics is, among other things, a compulsory general principle of the Organizational, Management and Control Model adopted by Eni S.p.A. according to the Italian provision on the "*administrative liability of legal entities deriving from offences*" contained in Legislative Decree no. 231 of June 8, 2001.

Eni S.p.A. assigns the functions of Guarantor to the Watch Structure established pursuant to the above-mentioned Model. Each direct or indirect subsidiary, in Italy and abroad, entrusts the function of Guarantor to its own Watch Structure by formal deed of the relevant corporate body.

The Guarantor is entrusted with the task of:

- promoting the implementation of the Code and the issue of reference procedures; report and propose to the CEO of the company the useful initiatives for a greater dissemination and knowledge of the Code, also in order to prevent any recurrences of violations;
- promoting specific communication and training programs for Eni's management and employees;
- investigating reports of any violation of the Code by initiating proper inquiry procedures; taking action at the request of Eni's People in the event of receiving reports that violations of the Code have not been properly dealt with or in the event of being informed of any retaliation against Eni's people for having reported violations;
- notifying relevant structures of the results of investigations relevant to the adoption of possible penalties; informing the relevant line/area structures about the results of investigations relevant to the adoption of the necessary measures.

Moreover, the Guarantor of Eni S.p.A. submits to the Internal Control Committee and to the Board of Statutory Auditors as well as to the Chairman and to the Chief Executive Officer, which report about it to the Board of Directors, a six-monthly report on the implementation and possible need for updating the Code.

For the performance of his/her tasks, the Guarantor of Eni S.p.A. avails of the "Technical Secretariat of the Watch Structure 231 of Eni S.p.A." that reports thereto and is supported by the relevant Structures of Eni S.p.A.

The Technical Secretariat is responsible for starting and maintaining an adequate reporting and communication flow to and from the Guarantors of subsidiaries.

Each information flow is to be sent to the following email address: organismo_di_vigilanza@eni.it

2.2. Code Promotion Team

The Code is made available to Eni's People in compliance with applicable standards, and is also available on the internet and intranet sites of Eni S.p.A. and of subsidiaries.

In order to promote the knowledge and facilitate the implementation of the Code, a Code Promotion Team reporting to the Guarantor of Eni S.p.A. has been established. The Team makes available within Eni all possible tools for understanding and clarifying the interpretation and the implementation of the Code.

The members of the Team are chosen by the Chief Executive Officer of Eni

S.p.A. upon proposal of the Guarantor of Eni S.p.A.

3. Code review

The Code review is approved by the Board of Directors of Eni S.p.A., upon proposal of the Chief Executive Officer with the agreement of the Chairman, after hearing the opinion of the Board of Statutory Auditors.

The proposal is made taking into consideration the Stakeholders' evaluation with reference to the principles and contents of the Code, promoting active contribution and notification of possible deficiencies by Stakeholders themselves.

4. Contractual value of the Code

Respect of the Code's rules is an essential part of the contractual obligations of all Eni's People pursuant to and in accordance with applicable law.

Any violation of the Code's principles and contents may be considered as a violation of primary obligations under labour relations or of the rules of discipline and can entail the consequences provided for by law, including termination of the work contract and compensation for damages arising out of any violation.

CHAPTER 2
RISK ANALYSIS METHODOLOGY

2.1. Risk analysis and system of internal control

The identification of corporate activities which may entail the risk to commit the offences provided for by Legislative Decree no. 231 of 2001 (hereinafter "Sensitive Activities") is the result of corporate process analysis.

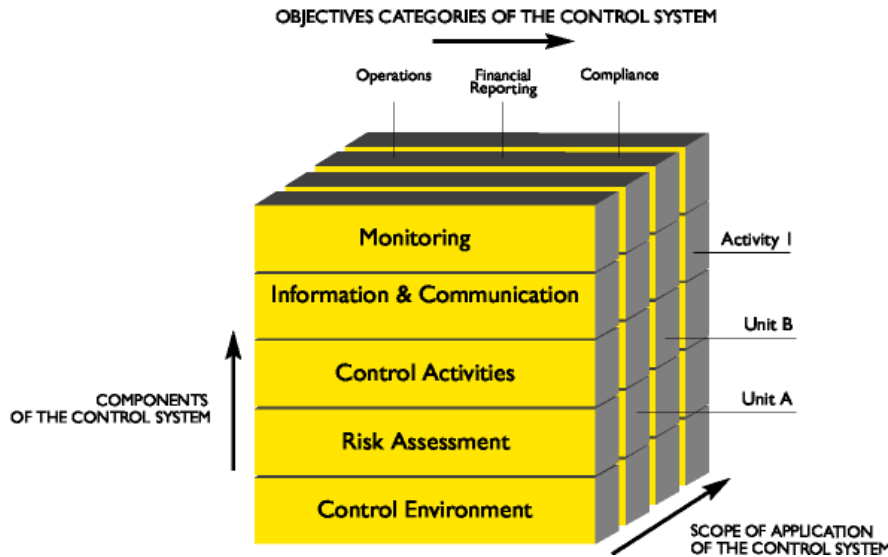
Each Sensitive Activity is associated with a reference person for individual corporate processes (Key Officer), as well as existing operational and management conditions, and existing control factors.

A comparative analysis is then carried out between the existing control environment and the principles and contents of Model 231 (in particular control tools).

According to the document issued by the *Committee of Sponsoring Organizations (CoSO)* entitled *Internal Control-Integrated Framework (CoSolC-IF)*³, the system of internal control can be defined as a set of facilities, procedures and tools prepared by management in order to ensure the achievement of the objectives of corporate functioning efficiency, financial information reliability, compliance with laws and regulations, and protection of corporate assets.

According to the CoSO Report, *Internal Control - Integrated Framework*, the system of internal control is made up of the elements shown below:

³ *Committee of Sponsoring Organizations of the Treadway Commission (1992), internal control-integrated framework, AICPA, www.coso.org.*



Control environment:

It reflects the attitudes and actions of Top Management with reference to control within the organization. The control environment includes the following elements:

- integrity and ethical values;
- management philosophy and style;
- organizational structure;
- assignment of authorities and responsibilities;
- personnel policies and practices;
- personnel's skills.

Risk Assessment:

Definition of processes aimed at identifying and managing the most relevant risks that may prevent the achievement of corporate objectives.

Information and Communication:

Definition of an information system (computer system, reporting flow, system of process/activity indicators) enabling both upper management and operational staff to perform the tasks assigned to them.

Control Activity:

Definition of corporate regulations ensuring an organized management of risks and corporate processes, and allowing to achieve set objectives.

Monitoring:

It is the process checking the quality and results of the internal control system over time.

The above-mentioned components of the system of internal controls are taken into consideration for the analysis of the risk to commit the offences provided for by

Legislative Decree no. 231 of 2001.

In particular, the analysis activity focuses on control environment design aspects, with the identification of sensitive activity types and – after analyzing actual applicability – a check for compliance with the standards applicable to each type of sensitive activity.

The activity objective is to ensure maintenance and updating of the risk area identification, mapping and classification system for the purposes of supervisory activities.

CHAPTER 3

TASKS OF THE WATCH STRUCTURE

3.1. Watch Structure of the Company

3.1.1. Collective Operating Process

The Watch Structure defines and carries out its duties in accordance with the rule of collective operating process and is entrusted with “independent powers of initiatives and control”, pursuant to Article 6, paragraph 1, letter b) of Legislative Decree no. 231 of 2001. The Watch Structure governs its functioning through its own set of rules. The autonomy and independence of the Watch Structure are guaranteed by the position recognized to it within the organizational structure of the company, and by the necessary requisites of independence, good reputation and professionalism of the Watch Structure’s members, as well as by the reporting lines towards Upper Management assigned to the Watch Structure.

In order to help defining and carrying out its activities and to allow full compliance with the requirements of professionalism and action continuity, as well as compliance with legal obligations, the Watch Structure is supported by the appropriate resources of the Company and, where necessary, can utilize, inside Eni, resources from other Company’s departments and external consultants too.

3.1.2. Appointment

The Watch Structure of the Company act as a collegiate body and is made up of the Distrigas’ Responsible for Legal, Regulatory & Public Affairs, and of a Eni’s manager who is appointee exclusively in tasks related to the application of the Legislative Decree 231/2001. The member(s) of the Watch Structure, and any changes thereof, are approved by resolution of the Board of Directors, upon proposal of the Chief Executive Officer

Without prejudice to a possible modification of the Watch Structure’s role based on experience made, member(s) of the Watch Structure may be replaced or may be added thereto in case of:

- assignment of tasks, roles and/or responsibilities within the corporate organizational structure not in line with the Watch Structure’s requirements of "autonomy and independence" and/or "action continuity";
- termination or waiver by any Watch Structure’s member to his/her corporate function and/or office;
- termination or waiver by any Watch Structure’s member to his/her corporate function and/or office because of personal reasons.

Reasons for ineligibility and/or removal of individual members of the Watch Structure are:

- (i) parentage, marriage or affinity within the 4th degree of kinship with members of the Board of Directors, individuals who are representatives, directors or managers of the company or of one of its organizational unit that has financial and functional independence, or with individuals who are responsible for managing or controlling the company and of the auditing company as well as any other parties according to law;
- (ii) conflicts of interest – even potential ones – with the Company or with subsidiaries, compromising the independence thereof;
- (iii) direct or indirect shareholdings allowing to exert a great influence on the Company or on subsidiaries;
- (iv) executive director office held during the three business years before appointment as member of the Watch Structure, in companies subject to bankruptcy, forced liquidation or similar procedures;
- (v) civil service in central or local government during the three years before appointment as member of the Watch Structure;
- (vi) judgment, even not become final, or application of the sanction on request (so-called "plea bargaining"), in Italy or abroad, for the violations relevant to administrative liability of bodies pursuant to Legislative Decree no. 231 of 2001;
- (vii) judgment, even not become final, or "plea bargaining" for a sentence implying legal persons' and undertakings' disqualification, even temporary, from holding public office, or temporary disqualification from holding management office.

Should one of the above-mentioned reasons for replacement or addition or ineligibility and/or removal be applicable to one member, he/she automatically shall be removed from his/her office. The Watch Structure immediately will inform the Chief Executive Officer about this for the submittal of the replacement proposal to the Board of Directors pursuant to this paragraph.

In cases of special seriousness, the Board of Directors may order the suspension of the functions and/or powers of the Watch Structure and the appointment of an *interim* body or the revocation of its powers. Reasons for suspension or revocation are:

- Watch Structure's failure to provide supervision or insufficient supervision arising out of a judgment, even not become final, pronounced towards the Company pursuant to Legislative Decree no. 231 of 2001, or arising out of a plea bargain judgment;
- serious default to the functions and/or powers of the Watch Structure.

3.1.3. Functions, powers and budget of the Watch Structure

The tasks of the Watch Structure are defined as follows:

- (i) supervision on effectiveness of Model 231; monitoring of Model 231 implementation and updating activities;
- (ii) review of Model 231 adequateness, i.e. of effectiveness in preventing unlawful behaviors;

- (iii) analysis on maintenance, in time, of the requisites of soundness and functionality of Model 231; promotion of the necessary updating, in a dynamic sense, of Model 231;
- (iv) approval of the annual schedule of supervisory activities within the Company's structures and departments (hereinafter "Supervision Program"), in compliance with the principles and contents of Model 231 as well as with the plan of checks and controls of the system of internal controls; coordination between the implementation of the Supervision Program and the implementation of scheduled and unscheduled control interventions; examination of the results of the activities carried out and of the relevant reports; drawing up of directives for company departments;
- (v) information flows to company departments and watch structures of subsidiaries;
- (vi) any other task assigned according to law or to Model 231.

While performing its tasks, the Watch Structure has access without any limitation to corporate information for investigation, analysis and control activities. Any company department, employee and/or member of company bodies is subject to an information obligation in case of any request by the Watch Structure, or in case of relevant events or circumstances, for the performance of the activities falling within the field of competence of the Watch Structure.

The Watch Structure is granted:

- on the basis of agreements made from time to time with the people of the Distrigas' Management Team, the power to enter into, modify and/or terminate professional contracts – with autonomous representation powers – with third parties having the specific expertise necessary for the best execution of the task concerned;
- the availability in the annual budget of the company, of the financial resources necessary for the performance of the activities falling within the field of competence of the Watch Structure. Where the total yearly amount of transactions is greater than the sum of 10.000,00 € (ten thousand euros), prior authorization is required of the Chief Executive Officer of the Company.

3.2. Information flows

3.2.1. Information flows of the Watch Structure towards upper management

The Watch Structure is responsible for reporting on the implementation of Model 231, and on possible critical aspects emerged, and for communicating the result of the activities carried out while performing its tasks. The following reporting lines are provided for:

- (i) continuous reporting line, towards the Chief Executive Officer who informs the Board of Directors through the information notes regarding the implementation of the delegations granted;
- (ii) six-monthly report on the activities carried out is drawn up, with indication of the outcome of checks and of changes of legislation on administrative liability of bodies; this six-monthly report is transmitted to Board of Directors;
- (iii) immediate reporting line, in case of ascertained facts of special importance, towards the CEO followed by an information to the Board of Directors.

3.2.2. Information flows towards the Watch Structure: compulsory information notes

The Watch Structure shall be informed by the parties subject to compliance with Model 231 about any events that may cause responsibilities of the Company pursuant to Legislative Decree no. 231 of 2001. In this regard:

- at least on a six-monthly basis, each member of the Management Team other than the Chief Executive Officer shall provide the Watch Structure with an information note on the status of implementation of Model 231 in the activities and structures of his Department, with particular reference to implementing control tools of Model 231 into reference procedures, and to training activities dedicated to Model 231;
- the Chief Financial Officer shall meet the Watch Structure, at least on a six-monthly basis, for the examination of the audits carried out on the management of financial resources;
- the Chief Executive Officer shall transmit to the Watch Structure, on a continuous basis, respectively the notices sent to the Eni's Legal Events Team in coherence with Eni Circular no. 271 of 2007, as well as the Audit reports arranged by Eni Internal Audit Function and the follow up report;
- each manager or employee shall report any behaviors which are not in line with the principles and contents of Model 231, contacting the Watch Structure; consultants, collaborators and business partners, shall report on their activity carried out for the Company directly to the Watch Structure; the Watch Structure shall evaluate the reports received and the actions to be taken.

The reporting parties in good faith are protected against any form of retaliation, discrimination or penalization and in any case confidentiality on their identity shall be ensured, without prejudice to the obligations according to law and the protection of the rights of the company or of the individuals wrongly accused or accused in bad faith.

"Dedicated Information Channels" are established in order to facilitate the communication and information flow. In particular, each information flow shall be addressed to:

E-mail: watchstructuredistrigas@distri.be

Telephone Number 0032 2 557 32 45 (Answering machine)

Fax number 0032 2 557 32 46

**Watch Structure Distrigas NV/SA
For the attention of Michaël Gillis
Nijverheidsstraat/Rue de l'Industrie 10
1000 Brussel/Bruxelles**

3.3. Relations between the Watch Structure of Eni S.p.A. and of subsidiaries

The Watch Structure of Eni S.p.A. promotes the dissemination and knowledge by subsidiaries of the methodology and tools for implementing Model 231. In this regard, dedicated meetings aimed at examining and sharing any significant experience made shall be organized.

The Watch Structures of subsidiaries may, if necessary, use external resources for the execution of checks and controls. In any case, special agreements defining, among other things, service levels, information flows and the protection of confidentiality, shall be entered into.

Any corrective measures on the organizational models of subsidiaries, as a consequence of the checks and controls carried out, shall exclusively be decided on by the subsidiaries themselves. The Watch Structure of any indirectly controlled company of Eni S.p.A. shall inform the Watch Structure of any directly controlled company of Eni S.p.A. about the acknowledged facts, any disciplinary measures and adjustments of its model. In turn, the Watch Structure of the direct subsidiary shall inform the Watch Structure of Eni S.p.A. and the CEO of the direct subsidiary about this. A copy of the information note shall be sent either to the Chief Executive Officer of Eni, or to the CFO of Eni, or to the relevant Division General Manager, or to the relevant Eni Corporate Manager.

Upon request of the Watch Structure of Eni S.p.A., or in case of events or circumstances relevant to the performance of the activities falling within the field of competence of the Watch Structure of Eni S.p.A, the Watch Structures of the subsidiaries shall report to the Watch Structure of Eni S.p.A.

3.4. Relations between the Watch Structure of the Company and of subsidiaries

The Watch Structure of the Company promotes the dissemination and knowledge by subsidiaries of the methodology and tools for implementing Model 231. In this regard, dedicated meetings aimed at examining and sharing any significant experience made shall be organized.

The Watch Structures of subsidiaries may, if necessary, use external resources for the execution of checks and controls. In any case, special agreements defining, among other things, service levels, information flows and the protection of confidentiality, shall be entered into.

Any corrective measures on the organizational models of subsidiaries, as a consequence of the checks and controls carried out, shall exclusively be decided on by the subsidiaries themselves. The Watch Structure of any controlled company shall inform the Watch Structure of the Company about the acknowledged facts, any disciplinary measures and adjustments of its model.

Upon request of the Watch Structure of the Company, or in case of events or circumstances relevant to the performance of the activities falling within the field of competence of the Watch Structure of the Company, the Watch Structures of the subsidiaries shall report to the Watch Structure of the Company.

3.5 Collecting and keeping information

Any information, report, notice provided for in Model 231 is kept by the Watch Structure in a paper and/or computer archive. Without prejudice to legitimate orders of Authorities, any data and information contained in the archive is made available to parties outside the Watch Structure only with the prior authorization of the Watch Structure itself.

CHAPTER 4

ADDRESSEES OF THE MODEL 231 AND EXTENSION THEREOF

4.1. Foreword

The principles and contents of Model 231 are widely publicized both inside and outside the Company.

The Watch Structure of the Eni monitors the initiatives for the extension of Model 231 to subsidiaries as well as for internal communication and training. The Watch Structure of the Company monitors the initiatives for the communication and training and monitors the initiatives for the extension of Model 231 to its subsidiaries as well as for communication and training.

4.2. Addressees of Model 231

The principles and contents of Model 231 concern the members of corporate bodies, of management, and the employees of the Company as well as everybody who work in Italy and abroad for the achievement of the Company's objectives (hereinafter referred to as the "Addressees of Model 231").

4.3. Training and Communication

Communication and personnel training are important requirements for the implementation of Model 231. The Company undertakes to facilitate and promote the knowledge of Model 231 by management and employees - with different knowledge degrees based on their function and role – and to promote their constructive contribution to a better understanding of the Model 231 principles and contents.

4.3.1. Communication to the members of corporate bodies

Each individual member of all corporate bodies is formally informed of Model 231 by the Watch Structure, and must sign a declaration stating that they have read Model 231 and agree with its principles and contents. This declaration is filed and kept by the Watch Structure.

4.3.2. Training and communication to managers, Unit Officers and Key Officers

The principles and contents of Model 231 are formally communicated by the Watch Structure to all Company managers (on the rolls and in office), all Officers in charge of Units and Key Officers (the latter if not belonging to the first two categories).

The principles and contents of Legislative Decree no. 231 of 2001 and of Model

231 are also explained in training courses. Attendance to the courses is mandatory. The structure of the training courses is approved by the Watch Structure upon proposal of the relevant company departments.

4.3.3. Communication to supervisors, office staff and manual workers (non Key Officers)

Model 231 is displayed on company notice boards and notified to each employee of the company. In addition, specific initiatives are focused to ensuring that supervisors, office staff and manual workers (non Key Officers) are informed of the Model 231.

4.3.4. Training and communication by means of computer tools

Model 231 is available for consultation by all employees on the Company intranet site; in addition, it is available for consultation by all visitors – including non employees – of the internet site of the Company. Specific training and communication initiatives may also be carried out by using computer based distance learning techniques.

4.4. Communication to third parties and the market

In accordance with the regulations contained in Eni's Code of Ethics, all individuals who have business relations with the Company are informed of the principles and contents of Model 231. All agreements with third parties who have contractual relationships with the Company must include a clause, to be accepted by the third party concerned, requiring such party to respect the law and the reference principles of Model 231.

In this regard, internal regulations carve out standard clauses providing for the application of Model 231 in whole or in part according to the activity governed by the contract such as providing for the right to terminate the contract, and/or the payment of penalties, and/or other tools and remedies protecting the Company.

4.5 Extension of Model 231 to subsidiaries

Model 231 also represents a set of principles and the point of reference for defining the model of each subsidiary.

Subsidiaries must align to the general activity transparency standards and the specific control standards contained in the Model such as identify other specific measures linked to the characteristics of each single company (organizational structures and business activities). Each subsidiary shall establish its own autonomous and independent Watch Structure.

In line with the above:

- i) Model 231 is transmitted to each subsidiary either by the Chief Executive Officer of the parent company;
- ii) each subsidiary adopts and/or updates its model in accordance with the above; the General Principles are fundamental elements which may not be changed by any subsidiary;
- iii) a copy of the subsidiary's model, and of its revisions thereof, is sent by the CEO of the subsidiary either to the Chief Executive Officer of the parent company, to the Watch Structure of the parent company and in any case to the Watch Structure of Eni S.p.A.

The representatives indicated by the Company in the corporate bodies of partially owned companies, in consortia and joint ventures, promote the principles and contents of Model 231 within their own field of competence.

The Watch Structure monitors the progress of the extension of Model 231 to subsidiaries.

CHAPTER 5

DISCIPLINARY SYSTEM STRUCTURE

5.1. Function of the disciplinary system

The sanctions commensurate with the violation committed, that are applicable in case of violation of Model 231, are designed to contribute to: (i) the effectiveness of Model 231, and (ii) the effectiveness of the control process carried out by the Watch Structure.

For this purpose, a disciplinary system suitable for punishing the failure to comply with the prescriptions contained in Model 231 is established, with reference both to individuals in apical positions and individuals subject to the command of others. The disciplinary system is applied independently from the development and results of any possible criminal procedure carried out by the relevant judicial Authorities.

The Watch Structure reports any violation of Model 231 to the relevant departments, and monitors, along with the Eni's Human Resources and Organization Management, the application of disciplinary measures.

5.2. Violation of Model 231

Possible violations of Model 231 according to law are for example:

- (i) actions or practices that do not comply with the prescriptions contained in Model 231 and/or in Eni's Code of Ethics, or the failure to carry out actions or adopt practices prescribed by Model 231 and/or by Eni's Code of Ethics, when carrying out Sensitive Activities;
- (ii) actions or practices that do not comply with the prescriptions contained in Model 231 and/or in Eni's Code of Ethics, or the failure to carry out actions or adopt practices prescribed by Model 231 and/or by Eni's Code of Ethics, when carrying out activities connected with Sensitive Activities and/or supply management processes, or the failure to comply with the obligation to inform the Watch Structure as laid down in Model 231 that:

- (a) expose the Company to situations characterized by an objective risk of committing one of the offences referred to in Legislative Decree 231/2001; and/or
- (b) are univocally aimed at facilitating the commission of one or more offences referred to in Legislative Decree 231/2001; and/or
- (c) are such to determine application to the Company of sanctions provided for by Legislative Decree 231/2001.

It is hereby specified that, while performing Sensitive Activities, failure to comply with reference corporate procedures embedding control tools is a violation of Model 231.

5.3. Measures for supervisors, office staff and manual workers

Upon each notice of violation of Model 231 notified by the Watch Structure, the procedure "Investigation on alleged unlawful behaviors of the Company's employees" is put into operation by the Eni's Human Resources and Organization Management:

- (i) when, following ascertainment of a failure based on the relevant contract, a violation of Model 231 or of the Code of Ethics is unveiled, the disciplinary measure provided for by the applicable contract is identified pursuant to the above-mentioned procedure, and applied by Manager in charge of Human Resources to the defaulting party;
- (ii) the sanctions applied are proportional to the gravity of the offence. The following aspects shall be taken into consideration: intentionality of the behavior or relevance of negligence; overall behavior of the employee with particular reference to previous disciplinary records, if any; level of responsibility and autonomy of the employee who has breached disciplinary rules; seriousness of the effects of the violation, i.e. level of the risk that the Company may reasonably be exposed to – pursuant to Legislative Decree no. 231 of 2001 – because of the employee's behavior; any other particular circumstances relating to the committed violation of disciplinary rules.

The disciplinary measures provided for by the applicable laws and/or contract are:

- written warning (a written confirmation of a verbal warning);
- written reprimand
- suspension from work and the individual's salary for a maximum of 12 days
- dismissal for just cause (result of a serious fault ex art 6 of labour rules)⁴.

⁴ In case of dismissal the applicable rules and procedures have to be followed and the interpretation of "serious fault" could be subject to appreciation by the judge, following an appeal by the dismissed person

The relevant Manager in charge of Human Resources is responsible for informing the Watch Structure about the disciplinary sanctions that have been applied or about any provision of closure of the procedure and the reasons therefor.

All legal and contractual obligations concerning the application of disciplinary sanctions shall be complied with.

Any employment relationships with employees working abroad, also due to secondment, are governed by the applicable provisions pursuant to the rules provided by the Convention of Rome of June 19, 1980 on the law applicable to contractual obligations, enforced by law no. 975 of December 18, 1984, within the contracting States such as, outside them, by the rules from time to time applicable.

5.4. Measures for managers

When the Watch Structure indicates that a violation of Model 231 has taken place, if the violation has been committed by one or more managers and it has been established pursuant to paragraph 5.3 lett. (i) above, the company adopts the relevant regulations and sanctions towards the defaulting party as provided for by law and the applicable contract, making reference to the criteria laid down in paragraph 5.3 lett. (ii). If the violation of Model 231 undermines the position of trust, the sanction of just cause dismissal shall apply.

5.5. Measures for Directors

The Watch Structure informs the Chairman and the Chief Executive Officer of any violation of Model 231 by one or more members of the Board of Directors. The Board of Directors, with the abstention of the party concerned, subsequently carries out all necessary investigations, and takes the appropriate disciplinary measures, which may include the precautionary revocation of the delegated powers, such as the calling of the Shareholders' Meeting in order to provide for replacement, if necessary.

CHAPTER 6

CONTROL TOOLS

6.1. Structure of control tools

The tools aimed at preventing the risk of committing the offences referred to in Legislative Decree no. 231 of 2001 support compliance of Eni's Code of Ethics⁵, a general compulsory principle of Model 231, and are structured on two control levels:

1. **general standards of transparency of the activities** , which must always be present in all Sensitive Activities taken into consideration by Model 231;
2. **specific control standards**, which contain special provisions aimed at governing the typical aspects of Sensitive Activities and which must be included in reference corporate procedures. These procedures indicate Model 231 among reference regulations.

General standards of transparency of the activities are:

- a) **Segregation of duties:** there must be segregation of duties between executing parties, controlling parties and authorizing parties⁶;
- b) **Rules:** company regulations must exist which are capable of providing at least general reference principles for governing sensitive activities;
- c) **Signatory powers and powers of authorization:** formal rules must exist for the exercise of signatory powers and internal powers of authorization;
- d) **Traceability:** the parties or departments concerned and/or the information system used must ensure the identification and traceability of sources, of information and of the checks carried out supporting formation and implementation of Company's decisions, as well as financial resources management modalities.

The competent departments ensure that the general transparency standards referring to Sensitive Activities are embedded into corporate procedures. Corporate procedures are communicated and disseminated by the relevant departments in

⁵ Compliance with the principles and contents of Eni's Code of Ethics is also required for preventing crimes against individuals pursuant to law no. 7 of 2006 ("female genital mutilation practices"). In any case, any behaviors constituting physical or moral violence are forbidden without any exceptions.

⁶ This standard is defined as follows:

- the segregation principle must take into consideration the sensitive activity within the context of the specific process in question;
- segregation occurs in case of codified, complex and organized systems where individual phases are identified and governed in a consistent way within management, with a consequent limitation of enforcement discretion, such as traced through the decisions made.

compliance with applicable laws and contracts. The Company's management and employees are required to comply with corporate procedures.

6.2. Sensitive Activities and specific control standards

The identification of "*Sensitive Activities and specific control standards of Model 231*" approved by the Board of Directors, upon approval of Model 231, and by the Chief Executive Officer, upon future updates, includes special provisions aimed at governing the typical aspects of Sensitive Activities.

"*Sensitive activities and specific control standards of Model 231*" (i) are kept by the Watch Structure, (ii) are notified by the Watch Structure to the person in charge of the Company's Unit and to the HR management. Specific control standards are embedded into corporate procedures referring to Sensitive Activities by the relevant departments.

Such Sensitive Activities and standards, moreover, are notified to the Internal Audit department of Eni for the performance of its activity.

Reference corporate procedures are communicated and disseminated by the relevant company departments in compliance with applicable laws and contracts. Without prejudice to the compliance with Eni's Code of Ethics, a compulsory general principle of Model 231, the Company's management and employees are required to comply with corporate procedures.

6.3. Supply management processes

The risk assessment carried out considered the following supply management processes:

- 1) **Financial transactions:** the Company's payment management process and corresponding flows to any relevant service company, including credit management and facilitated financing,
- 2) **Procurement of goods and services:** process of procurement of goods and services with reference to i) centralized purchases, also when managed by the the relevant Eni function; ii) process phases concerning procurement requests, supplier selection and contracting stages, (iii) the adoption and management of open contracts, (iv) review of contracts entered into,
- 3) **Consultancy and professional services:** award process for professional services,
- 4) **Intermediation:** management process for intermediation relationships,
- 5) **Benefits:** benefits in kind management process with particular reference to the management of gifts, sponsorships, donations and costs of representation,
- 6) **Agents' management:** agents' management process with particular reference to: the characteristics of existing agency contracts and procedures according to

which the agent is permitted to assume obligations on the Company's behalf; the activities included within the agency's relation; the agent selection and appointment procedures; procedures for the recognition of commissions and the reimbursement of expenses, and the amount of commissions and expenses; procedures for the payment of commissions and expenses; the Company's control procedures regarding the activity of its own agents,

- 7) **Trading in crude, natural gas and derivatives:** process of procurement, acquisition and sale of crude, natural gas and derivatives on the marketplace, with particular reference to dealer selection, negotiation and conclusion of contracts and claims management,
- 8) **Forwarding/transport/storage of crude, natural gas and petroleum products:** management of processes for the forwarding/transport/storage of crude, natural gas and petroleum products,
- 9) **Development and implementation of Commercial Policies:** process for the definition and enforcement inherent to the Development and Implementation of the commercial policies (e.g. transfer pricing, commercial discount policy),
- 10) **Hiring of personnel:** personnel selection and recruitment process,
- 11) **Contract management:** process for managing the contracts entered into by the Company,

and showed that supply management process currently existing within the Company are the no. 1 (*Financial transactions*), no. 2 (*Procurement of goods and services*), no. 3 (*Consultancy and professional services*), no. 5 (*Benefits*), no. 7 (*Trading in crude, natural gas and derivatives*), no. 8 (*Forwarding/transport/storage of crude, natural gas and petroleum products*), no. 9 (*Development and implementation of Commercial Policies*), no. 10 (*Hiring of personnel*) and no. 11 (*Contract management*).

The supply management process currently existing within the Company are governed by corporate procedures, in which the relevant departments ensure that the following standards are embedded: (a) general standards of transparency in the activities (paragraph 6.1), and (b) specific control standards (paragraph 6.2) aimed at governing the peculiar aspects of the Sensitive Activities linked to the above-mentioned supply management processes.

Reference corporate procedures are communicated and disseminated by the relevant departments in compliance with applicable laws and contracts. Without prejudice to the compliance with Eni's Code of Ethics, a compulsory general principle of Model 231, the Company's management and employees are required to comply with corporate procedures.

CHAPTER 7

RULES FOR UPDATING MODEL 231

7.1. Foreword

Because of the complexity of the organizational structure of the Company and of the Model 231 that is encompassed within the latter, the updating of Model 231 is based on an innovation implementation program (hereinafter referred to as the "Implementation Program").

7.2. Implementation Program drafting criteria

It is necessary to draw up the Implementation Program in case of (a) legislative changes with reference to the regulations on the liability of companies for violations of administrative rules deriving from offences, (b) periodical review of Model 231 also in connection with significant changes in the organizational structure or business activities of the Company, (c) significant violations of Model 231 and/or relating outcomes of checks on the Model 231 effectiveness, or of experience in the public domain within the sector concerned. The activity carried out is aimed at keeping the Model 231 effective in time.

The task of drawing up the review of Model 231 is entrusted to the Chief Executive Officer, who is also in charge of its implementation, according to the methodology and the principles provided for in Model 231. In detail:

- the Watch Structure reports to the Chief Executive Officer any information determining the need to update Model 231;
- the Chief Executive Officer starts the Implementation Program, informing the Board of Directors about this;
- the Implementation Program is drawn up and enacted by a multifunctional Team ("Team 231"), established by the Chief Executive Officer with the cooperation of the relevant company departments; the Implementation Program identifies the activities necessary for updating Model 231 with the definition of responsibilities, timeline and implementation modes. Team 231 deals in particular with the identification of the legal and statutory requirements for the proper updating of Model 231, as well as the modification and/or integration of Sensitive Activities and control standards;
- the results of the Implementation Program are submitted to the Chief Executive Officer who approves them along with the measures to take within the latter's field of competence and, as far as General Principles are concerned, proposes to the Board of Directors the approval of these results and the actions to be taken.

The Watch Structure monitors the progress and results of the Implementation

Program as well as the enactment of the measures taken and informs the Chief Executive Officer and the Board of Directors about the outcome of these activities.