

REPORT ON SAIPEM'S REMUNERATION POLICY AND COMPENSATION PAID 2021

APPROVED BY THE BOARD
OF DIRECTORS
ON MARCH 12, 2021



MISSION

To complete extraordinary projects by pushing beyond the frontiers of innovation, opening the way for our clients to the energy of the future.

VALUE

Creative intelligence; care for people and planet; striving for trust; enhancement of cultural identities.

THE COUNTRIES IN WHICH SAIPEM OPERATES

EUROPE

Albania, Austria, Bulgaria, Croatia, Cyprus, France, Germany, Italy, Luxembourg, Netherlands, Norway, Poland, Portugal, Romania, Serbia, Spain, Sweden, Switzerland, Turkey, United Kingdom

AMERICAS

Argentina, Bolivia, Brazil, Canada, Chile, Colombia, Ecuador, Guyana, Mexico, Peru, United States, Venezuela

CIS

Azerbaijan, Georgia, Kazakhstan, Russia

AFRICA

Algeria, Angola, Congo, Egypt, Equatorial Guinea, Ghana, Libya, Mauritania, Morocco, Mozambique, Nigeria, Senegal, South Africa, Tunisia, Uganda

MIDDLE EAST

Iraq, Israel, Kuwait, Oman, Qatar, Saudi Arabia, United Arab Emirates

FAR EAST AND OCEANIA

Australia, Bangladesh, China, India, Indonesia, Malaysia, Pakistan, Singapore, Taiwan, Thailand, Vietnam

REPORT ON SAIPEM'S REMUNERATION POLICY AND COMPENSATION PAID

2021

Letter from the Chairman of the Compensation and Nominations Committee	2
Introduction	4
Overview	6
2021 Remuneration Policy	6
2020 Policy Report - Results of shareholder vote on Section I	7
Executive summary: Saipem 2021 Remuneration Policy	9
Section I - 2021 Remuneration Policy	16
Strategy, Sustainable development, Working conditions and Remuneration Policy	16
Link between Strategy, Sustainable development and Remuneration Policy	16
Working conditions and Remuneration Policy	17
Governance of the remuneration process	18
Bodies and persons involved	18
Compensation and Nominations Committee	18
2021 Remuneration Policy approval process	21
Possible exceptions to elements of the 2021 Remuneration Policy	22
Aims and general principles of the Remuneration Policy	22
Aims	22
General principles	22
2021 Remuneration Policy Guidelines	24
Chairman of the Board of Directors, Statutory Auditors and non-executive Directors	25
Chief Executive Officer-CEO	26
Senior Managers with strategic responsibilities	30
Section II - Compensation paid and other information	34
Report on compensation paid - 2020	34
Overview	34
Implementation of 2020 remuneration policies	37
Report on Compensation Paid for 2020 - Results of shareholder vote on Section II	38
Fixed compensation	38
Compensation for service on Board Committees	38
Variable incentives	38
Benefits	41
Ancillary remuneration instruments	42
Annual change in compensation and the performance of the Company	42
Compensation paid in 2020	43
Table 1 - Compensation paid to Directors, Statutory Auditors and Senior Managers with strategic responsibilities	43
Table 3A - Incentive plans based on financial instruments, other than stock options, for Directors and Senior Managers with strategic responsibilities	45
Table 3B - Monetary Incentive Plans for Directors and Senior Managers with strategic responsibilities	46
Shares held	47
Table 4 - Shares held by Directors and Senior Managers with strategic responsibilities	47
Annex pursuant to Article 84-bis of the Consob Issuers' Regulation - 2020 Allocation of the Share-based Long-term Variable Incentive (LTI) Plan 2019-2021 and 2021 Allocation of the Short-term Variable Incentive Plan 2021-2023	48
Table 1 of form 7 in Annex 3A to Regulation No. 11971/1999	48

The Report is published in the "Governance" section of Saipem's website (www.saipem.com)

LETTER FROM THE CHAIRMAN OF THE COMPENSATION AND NOMINATIONS COMMITTEE



Paolo Fumagalli

Dear Shareholders,

as the Chairman of the Compensation and Nominations Committee and on behalf of the other members, Federico Ferro-Luzzi and Paul Schapira, I am pleased to present to you our 2021 Report on Remuneration Policy and Compensation Paid (Policy Report), which was approved by the Board of Directors on March 12, 2021. Consistent with the promise made when our Committee was established, this Policy Report has been prepared in order to assure Shareholders and Investors of maximum transparency regarding the quality of the remuneration systems adopted, highlighting their consistency with the business strategy of the Company while seeking to align the interests and motivations of Management with the priority objective of creating sustainable value for the stakeholders over the long term.

The 2020 AGM confirmed the high level of approval for Saipem's Policy Report, which was very well received by the Shareholders. This reflects constant effort by the Compensation and Nominations Committee to recommend suitable guidelines to the Board of Directors for the definition and implementation of remuneration policies aligned with best practices and domestic and international benchmarks, which continue to represent an important point of reference when assessing the adequacy and overall consistency of the remuneration paid.

From the beginning, the Compensation and Nominations Committee has worked on a radical overhaul of the remuneration policies adopted, seeking their continuous improvement via targeted action on the variable incentive systems, with a view to simplifying and strengthening the alignment of business performance with the creation of value for the Shareholders. The objective is to strike a suitable balance between the outlook and expectations of Stakeholders and the results achieved by Saipem over the long term.

In this context, the principal innovations introduced during the 2018-2021 mandate included:

- revision of the share-based Long-term Variable Incentive (LTI) Plan approved at the Shareholders' Meeting held on April 30, 2019;
- addition to the Short-term Variable Incentive (STI) Plan, approved at the Shareholders' Meeting held on April 29, 2020, of a bonus reserved solely for Management in the form of shares subject to deferral for three years;
- application of a new multiplier to the individual performance score in the event of operations or business development opportunities not envisaged

in the strategic plan, but which contributed to pursuit of the strategic objectives, identified applying the criterion of importance;

- introduction of a new performance score coefficient linked to the "New Contracts" objective, with a view to recognising better the contribution made by Management to the acquisition of new non-oil projects, consistent with the strategic focus of Saipem on the energy transition and climate change matters.

When preparing this Policy Report, special attention was given to describing, in an even clearer and more immediate manner, how our Remuneration Policy is consistent with the business strategy and explaining the process of engagement followed in order to consolidate dialogue with the Shareholders and principal Proxy Advisors.

In particular, the 2021 Remuneration Policy Guidelines were determined after considering carefully the orientation expressed by the Shareholders that voted on the 2020 Policy. They envisage the introduction of further changes to the incentive systems that are intended to represent another significant step towards simplification and transparency for investors, such as:

- revision of the incentive curve of the Short-term Incentive (STI) Plan in order to allow investors to understand better the actual outcomes and, therefore, assess how the incentives paid align with the performance achieved, as well as to incentivise over-performance with respect to the target;
- enhancing the performance score coefficient linked to the "New Contracts" objective by increasing the required percentage of the outstanding "Non Oil Related" element of the orderbook, thus leveraging the ability to seek out opportunities in important new markets that will drive the progressive decarbonisation of the existing portfolio;
- introduction of a new business-based indicator "cumulative Adjusted EBITDA" over the three-year period 2021-2022-2023 for the 2021 allocation of the Long-term Incentive Plan 2019-2021, in order to emphasise better the creation of value for Saipem over time;
- description of the contribution made by the Remuneration Policy to achievement of the corporate strategy and pursuit of the long-term interests and sustainability of the company;
- clarification of the link between the working conditions at Saipem and the Remuneration Policy;
- presentation in chart form of the annual change in the compensation paid and the performance achieved by the Company;
- further disclosures in Section II about the performance achieved with respect to both the

Short-term Incentive Plan and the share-based Long-term Incentive Plan, so that effective comparisons can be made;

- clearer description of the procedural conditions to be satisfied in exceptional circumstances that require temporary exceptions to be made to certain elements of the Remuneration Policy.

In view of the changes in the global environment consequent to the sudden and unforeseeable COVID-19 emergency, which has generated widespread uncertainty, the 2021 Remuneration Policy Guidelines envisage focus on the definition of objectives for 2021 that are consistent with the Strategic Plan of the Company and fully aligned with the expectations of investors.

In this context, the business strategy of pursuing sustainable success is well supported by the link between the short- and long-term performance parameters and the principal strategic guidelines, which take account of the important business and non-financial (ESG) objectives.

The 2021 Remuneration Policy confirms the growing attention paid by Saipem to ESG (Environmental, Social, Governance) objectives and the support for stronger climate policies, consistent with the international principles adopted (e.g. Global Compact) and the UN Sustainable Development Goals (SDGs), as well as with the European guidelines intended to support economic recovery and sustainable development.

The Committee also proposed Remuneration Policy Guidelines for the new mandate 2021-2024 to the Board of Directors on March 12, 2021. They include the definition of compensation commensurate with the complexity of the role and the commitment required, in line with market benchmarks. The new Board of Directors, acting on a proposal from the new

Compensation and Nominations Committee, will be entitled, as in the past, to determine the compensation for the specific mandates granted and the membership of Committees.

Preparation of the Policy Report, which explains the above guidelines in more detail, took account of the changes made with regard to remuneration in Legislative Decree No. 49 dated May 10, 2019, which implemented Directive (EU) 2017/828 (Shareholder Rights Directive II, "SHRD II"), as well as the recommendations of the Corporate Governance Code for listed companies promoted by Borsa Italiana (the "Corporate Governance Code"), the latest version of which was approved in January 2020.

Convinced that the Remuneration Policy represents a key driver for the creation of sustainable value, I trust that the 2021 Report on Remuneration Policy and Compensation Paid presented for your examination will, once again, confirm the constant efforts made by the Committee in recent years and meet with your approval.

At the end of our mandate, I would like to take this opportunity to thank directors Federico Ferro-Luzzi and Paul Schapira for their excellent team work, the members of the Board of Statutory Auditors who participated in our activities, Saipem Management for the active collaboration provided and, in particular, Committee Secretary Massimo Rocuzzo, Deputy-Secretary Adriana Gea and all those who assisted the Committee in various ways for their precious contributions. Sincere best wishes also go to the incoming members of the new Committee.

March 12, 2021

*The Chairman of the Compensation
and Nominations Committee*

INTRODUCTION

This Report on Remuneration Policy and Compensation Paid (hereinafter, the "Policy Report") was approved by the Board of Directors of Saipem on March 12, 2021, acting on a proposal from the Compensation and Nominations Committee, whose members are all non-executive and independent Directors. The Report was prepared and finalised in compliance with the requirements of current laws and regulations: Article 123-*ter* of Legislative Decree No. 58 dated 24 February 1998, as incorporated in the Consolidated Finance Law (hereinafter, "TUF"); Article 84-*quater* of the Consob Issuers' Regulation (Decision No. 11971 dated May 14, 1999, as amended) and related Annex 3A, forms 7-*bis* and 7-*ter*, as well as in conformity with the recommendations of the Corporate Governance Code for listed companies promoted by Borsa Italiana (hereinafter, the "Corporate Governance Code"), the latest version of which, approved in January 2020, has been adopted by Saipem¹. In keeping with the guidelines set out in the Company's Strategic Plan, the Remuneration Policy promotes alignment of the interests of Management with the priority objective of creating value for the stakeholders over the long term.

This 2021 Report on Remuneration Policy and Compensation Paid (Remuneration Policy) defines and explains:

- in Section I, the Remuneration Policy to be adopted in 2021 by Saipem SpA (hereinafter, "Saipem" or the "Company") for the remuneration of Directors, Statutory Auditors and Senior Managers with strategic responsibilities², subject to its approval at the Shareholders' Meeting called to approve the financial statements as of December 31, 2020. Among other aspects, Section I describes the duration of the Remuneration Policy, its underlying principles and the general aims pursued by the Policy, the corporate bodies involved, and the procedures followed for its adoption and implementation. The general principles and Guidelines defined in the first section of this Policy Report are also applied by the direct and indirect subsidiaries of Saipem when determining their remuneration policies;
- in Section II, the compensation paid for 2020 to the (executive and non-executive) Directors, Statutory Auditors and Senior Managers with strategic responsibilities of Saipem.

These two sections of the Policy Report are both preceded by a summary of the main information, in order to give the market and investors an easy-to-read understanding of the key elements of the 2021 Policy. Lastly, Section II of the Policy Report identifies the equity interests held by the Directors, Statutory Auditors and Senior Managers with strategic responsibilities and contains information about the elements of remuneration relating to 2020, as required under current regulations³. The text of this Policy Report is sent to Borsa Italiana and made available to the public at the registered office of the Company and on its website in the "Governance" section, no more than twenty-one days prior to the date of the Shareholders' Meeting called to approve the financial statements for 2020 and Section I of the Policy Report, as well as to express a non-binding vote on Section II of the Policy Report, as required under current regulations⁴.

Information on the financial instrument-based compensation plans currently in force is available in the "Governance" section of Saipem's website⁵. In compliance with current legislative and regulatory obligations⁶, the preparation of this Policy Report took into consideration analyses and further details regarding the results of voting at the Shareholders' Meeting, the feedback received from shareholders and the main Proxy Advisors on the Saipem 2020 Policy Report and their indications for the 2021 Policy, as well as the results of engagement activities with the Proxy Advisors, indications contained in the new Issuers' Regulation, the recommendations contained in the new Corporate Governance Code and the market practices of leading listed companies.

In particular, the following points were considered:

- make more disclosures about the results achieved;
- explain how the Remuneration Policy contributes to the business strategy and the pursuit of long-term interests;
- confirm, as in the past, the adoption of both financial and non-financial objectives for the systems of variable remuneration;
- define objectives for the various ESG topics based more precisely on the results of the materiality analysis considering, with enhanced focus, those aspects of the sustainability of Saipem's business deemed by the stakeholders to be of greater significance over time;

(1) For more information on the terms of Saipem's adoption of the Corporate Governance Code, please refer to the "Governance" section of the Company's website (<http://www.saipem.com>) and to the document entitled "Corporate Governance and Shareholding Structure Report 2020".

(2) The definition of "Senior Managers with strategic responsibilities" identified in Article 65, para. 1-*quater*, of the Issuers' Regulation – which references Annex 1 to Consob Regulation No. 17221 dated March 12, 2010 on instructions regarding transactions with related parties, as amended – includes persons who, directly or indirectly, have the power and responsibility to plan, direct and control the activities of the Company, such as the (executive and non-executive) board directors of the Company. Saipem Senior Managers with strategic responsibilities, other than Directors and Statutory Auditors, are those who sit on the Advisory Committee and, in any case, those who report directly to the CEO/the Chairman/the Board of Directors of Saipem SpA.

(3) Article 114-*bis* TUF and Article 84-*bis* of the Consob Issuers' Regulation.

(4) Directive (EU) 2017/828 and Article 123-*ter* of Legislative Decree No. 58/1998, para. 6, as amended by Legislative Decree No. 49/2019.

(5) At the address: http://www.saipem.com/sites/SAIPEM_it_IT/area/GOVERNANCE-saipem-governance.page.

(6) Article 123-*ter* of Legislative Decree No. 58/1998 and Article 84-*quater* of the Consob Issuers' Regulation (Decision No. 11971/1999, as amended).

- > explain the procedure followed when making exceptions to the 2020 Policy;
- > disclose the trends in the compensation of directors and employees and in the performance of Saipem.

On March 12, 2021, the Board of Directors of Saipem resolved to submit: (i) Section I of the 2021 Report on Remuneration Policy to a binding vote at the Shareholders' Meeting; and (ii) Section II on the Compensation Paid for 2020 to a consultative vote.

OVERVIEW

2021 Remuneration Policy

The Remuneration Policy of Saipem, valid for one year, is designed to: (i) promote alignment of the interests of Management with the priority objective of creating sustainable value for the stakeholders over the long term; (ii) promote the corporate mission and values; (iii) attract, retain and motivate professional and managerial talents; (iv) incentivise the achievement of strategic objectives and the sustainable growth of the business.

On March 12, 2021, the Board of Directors approved the 2021 Policy Guidelines on a proposal from the Compensation and Nominations Committee, following an analysis of the relevant regulatory environment and market practices in Italy and abroad, as well as a comparative analysis of the remuneration paid, carried out with support from an international consultancy. Definition of the Policy Guidelines took account of the orientation expressed by the shareholders that voted at the Shareholders' Meeting on the 2020 Remuneration Policy.

The 2021 Remuneration Policy envisages retaining the elements of remuneration identified in the current Policy, while making some improvements to the instruments used. In particular, with a view to simplification and incentivising over performance against target, the Short-term Variable Incentive Plan 2021-2023 includes a new linear incentive curve based on a 50-150 point performance scale, corresponding to an incentive level linked to a 50-150% performance score. The new incentive curve is linear for scores of 100 points or more; the target score (100 points) and the maximum score (150 points) correspond to an incentive level of 100% and 150% respectively, while the incentive percentage for scores of less than 100 points is 50%; the incentive is zero for scores of less than 70 points (the trigger threshold), consistent with the 2020 Remuneration Policy.

Consistent with the Saipem strategy that focuses particular attention on the energy transition and climate change topics, the coefficient has been enhanced to 1.1 will be applied to the score obtained for the "New Contracts" objective, if the outstanding "Non Oil Related" element of the orderbook represents 75% or more of the entire Order portfolio at December 31, 2021, without exceeding the maximum score of 15 points. Operations intended to increase the value of Saipem and its assets over the time horizon of the Saipem Strategic Plan will again be deemed strategic in 2021; accordingly, as in the past, a multiplier will be applied to the individual performance score in order to guide Management towards higher value-added operations, reward the exceptional commitment required and facilitate the motivation of personnel with a significant impact on the successful outcome of those operations.

Additionally, in order to support better the creation of value over time, the 2021 allocation of the Long-term Incentive Plan 2019-2021 will include another business-based indicator with a 20% weighting: "Cumulative Adjusted EBITDA over the three-year period 2021-2022-2023".

Finally, the mandate of the current Board of Directors will end at the Shareholders' Meeting called for April 30, 2021 to approve the financial statements as of December 31, 2020. The 2021 Remuneration Policy Guidelines will be made available to the new Board of Directors, which will be responsible for the determining the compensation of the Directors with specific responsibilities, pursuant to Article 2389, para. 3, of the Italian Civil Code, and the compensation of the non-executive Directors for their membership of Board committees, in line with the legislative provisions and company regulations.

The 2021 Remuneration Policy, illustrated in detail in this Section I of the Remuneration Report, envisages the following:

- the 2021 Remuneration Policy Guidelines for the Chairman, the non-executive Directors and the Chief Executive Officer-CEO currently in office reflect the resolutions adopted by the Board of Directors on June 28, 2018 and do not envisage any changes with respect to the Policy approved in the previous year;
- the Remuneration Policy Guidelines for the new mandate 2021-2024, approved by the Board of Directors on March 12, 2021, will apply to the Chairman, the non-executive Directors and the Chief Executive Officer-CEO appointed at the Shareholders' Meeting on April 30, 2021; those Guidelines include the definition of compensation commensurate with the complexity of the role and the commitment required, in line with market benchmarks. The new Board of Directors, acting on a proposal from the new Compensation and Nominations Committee, will be entitled, as in the past, to determine the compensation for the specific mandates granted and the membership of Committees;
- the 2021 Remuneration Policy Guidelines for the Statutory Auditors currently in office reflect the resolutions adopted at the Shareholders' Meeting held on April 29, 2020 and, therefore, do not envisage any changes with respect to the Policy approved in the previous year;
- consistent with the 2020 Remuneration Policy, the 2021 Remuneration Policy Guidelines for the Senior Managers with strategic responsibilities envisage adoption of the Short-term Variable Incentive Plan 2021-2023 for all Management personnel, which includes a new linear incentive curve based on a 50-150 point performance scale, corresponding to an incentive level linked to a 50-150% performance score. The new incentive curve is linear for scores of 100 points or more; the target score (100 points)

and the maximum score (150 points) correspond to an incentive level of 100% and 150% respectively, while the incentive percentage for scores of less than 100 points is 50%; the incentive is zero for scores of less than 70 points (the trigger threshold), consistent with the 2020 Remuneration Policy. In addition, enhancement of the coefficient of 1.1 will be applied to the score obtained for the “New Contracts” objective, if the outstanding “Non Oil Related” element of the orderbook represents 75% or more of the entire Order portfolio at December 31, 2021, without exceeding the maximum score of 15 points.

When deciding Remuneration Policy, Saipem also considers other aspects that complement the fixed and variable economic-monetary elements, mainly by providing pension and social security benefits. The table on the following pages (“Executive Summary: 2021 Saipem Remuneration Policy”) shows the main elements of the 2021 Guidelines approved for the remuneration of the Chief Executive Officer-CEO and the Senior Managers with strategic responsibilities (SMSR).

The Remuneration Policy is designed to be consistent with the business strategy and helps to promote alignments of the interests and motivations of Management with the interests of the shareholders and all stakeholders, including achievement of the priority objective of creating sustainable value over the long term.

Implementation of the business strategy is assured via the definition, by the Board of Directors, of short- and long-term priorities that are translated into objectives assigned to the Chief Executive Officer-CEO, with subsequent deployment to Management as a whole, supported by constant checks and monitoring of the progress made.

For this purpose, the variable incentive plans cover several years, with the deferral for three years of part of the short-term incentive, and include a substantial long-term incentive element.

The 2021 Remuneration Policy confirms the growing attention paid by Saipem to ESG (Environmental, Social

& Governance) objectives and support for the strengthening of climate policies, consistent with the orientation consolidated at international level including, in particular, the Paris Climate Accords.

Saipem is committed to creating a work environment where different characteristics or personal or cultural orientations are considered a resource and a source of mutual enrichment, as well as being an inalienable element of business sustainability.

In compliance with the applicable regulations and the principles underpinning the corporate Code of Ethics, Saipem guarantees equal opportunities to all personnel with fair contractual conditions and remuneration based exclusively on merit and expertise, without discrimination of any kind.

This environment ensures that the cornerstone of the Remuneration Policy – and, more in general, the Management of personnel – is the recognition of merit and the application of distinctive and critical professional skills. In fact, Remuneration Policy is defined and implemented in a manner that is fully consistent with the results of the skill and performance assessments of each individual, at the same time ensuring alignment with specific job market needs and the employment laws and regulations applicable in the markets in which Saipem operates.

2020 Policy Report Results of shareholder vote on Section I

In accordance with current legislation (Article 123-ter, para. 6, of Legislative Decree No. 58/1998), the Shareholders’ Meeting held on April 29, 2020 cast a binding vote on Section I of the 2020 Policy Report, with about 99% of the votes in favour.

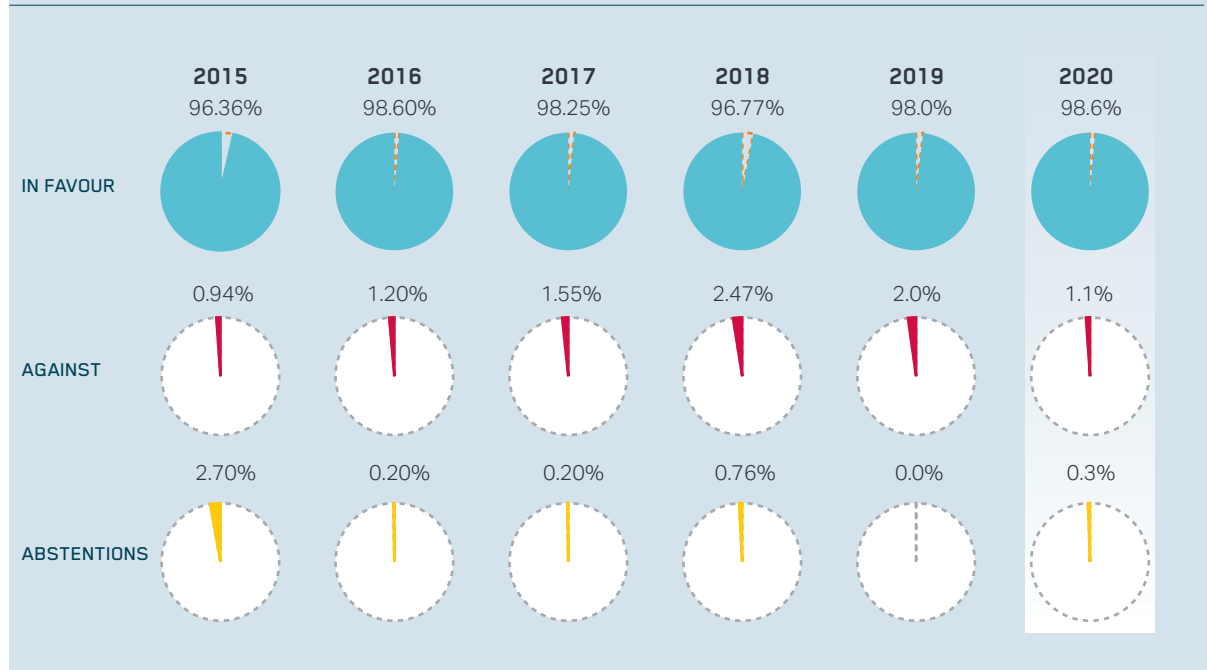
More specifically, 98.6% of all the votes cast in 2020 were in favour, including 95.63% of the institutional investors; overall approval has averaged 97.90% over the past four years.

Market developments are monitored constantly and, subsequent to the Shareholders’ Meeting, the

Compensation and Nominations Committee analysed the results of voting in various ways, including on a comparative basis, with particular reference to the votes cast by institutional investors. Examination of the voting recommendations made by Proxy Advisors and analysis of the results of engagement with Saipem shareholders


also provided valid support when defining the 2021 Remuneration Policy Guidelines and aligning with market expectations for the transparency (ex-ante and ex-post) of current incentive plans. Particular attention was also paid to the Pay for Performance model, ensuring its alignment with recent regulatory changes.

RESULTS OF VOTE HELD AT SHAREHOLDERS' MEETING - SECTION I


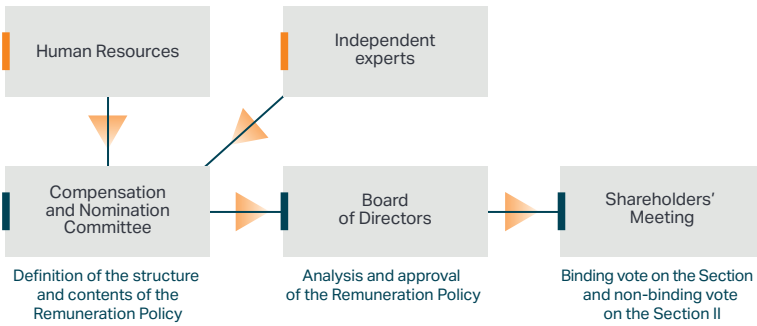


EXECUTIVE SUMMARY: SAIPEM 2021 REMUNERATION POLICY

VALUES AND MISSION

Principle	Description
 <p>Our Values:</p> <ul style="list-style-type: none"> > Creative intelligence > Care for people and planet > Striving for trust > Enhancement of cultural identities. <p>See page 17 of this Policy Report</p>	<p>The values and responsibilities that Saipem recognises, accepts, agrees with and adopts, thus contributing to a better future for all, are described in the Code of Ethics approved by the Board of Directors on March 19, 2019.</p> <p>All Saipem People, without distinct or exception, shall align their actions and behaviour with the principles and content of the Code of Ethics. Relations among Saipem People, at all levels, shall be characterised by honesty, fairness, cooperation, loyalty and mutual respect.</p> <p>As required under current regulations⁷, Saipem 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, and to protecting working conditions as regards both mental and physical health of the workforce and their dignity. Saipem 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 fair statutory and wage treatment exclusively based only on merit and expertise, without discrimination of any kind.</p>


GOVERNANCE OF THE REMUNERATION PROCESS

Principle	Description
 <p>The principal parties involved are:</p> <ul style="list-style-type: none"> > Shareholders' Meeting > Board of Directors > Compensation and Nominations Committee > Human Resources > Independent Experts. <p>See page 18 of this Policy Report</p>	<p>The Compensation and Nominations Committee determines the structure and content of the Policy for the remuneration of the Chairman, the Directors, the Chief Executive Officer-CEO and the Senior Managers with strategic responsibilities, considering the various forms of compensation and economic benefits, as well as the general criteria for the short- and long-term incentive plans, including share-based plans.</p> <p>The Compensation and Nominations Committee submits the Policy to the Board, which approves its content for presentation to the Shareholders' Meeting called to approve the annual financial statements. In addition, with regard to determining the remuneration of the Chief Executive Officer-CEO and the Directors with specific responsibilities, the Board takes the opinion of the Board of Statutory Auditors into consideration.</p> <p>If necessary, the Committee may obtain support from independent experts in this area. Having examined and approved the Policy, the Board of Directors submits Section I of the Report on Remuneration Policy to a binding vote at the Shareholders' Meeting and Section II on the compensation paid to a consultative vote.</p>  <pre> graph TD HR[Human Resources] --> CN[Compensation and Nomination Committee] IE[Independent experts] --> CN CN --> BD[Board of Directors] BD --> SM[Shareholders' Meeting] </pre> <p>Definition of the structure and contents of the Remuneration Policy</p> <p>Analysis and approval of the Remuneration Policy</p> <p>Binding vote on the Section I and non-binding vote on the Section II</p>


(7) Article 84-*quater* of the Consob Issuers' Regulation (Decision No. 11971 dated May 14, 1999, as amended) and related Annex 3A, form 7-*bis*.

EXECUTIVE SUMMARY: SAIPEM 2021 REMUNERATION POLICY


OBJECTIVES AND PRINCIPLES OF THE REMUNERATION POLICY

Principle	Description
 <p>Guarantee fair remuneration, appropriate to the role and responsibilities assigned, in accordance with the principles of diversity, equal opportunities, recognition of the knowledge and professionalism of personnel, fairness and non-discrimination, compliant with all laws and internal and external regulations, and consistent with market benchmarks and the level of performance achieved.</p> <p>See page 22 of this Policy Report</p>	<p>The Saipem Remuneration Policy is determined with reference to the Governance model adopted by the Company and the recommendations of the Corporate Governance Code, in order to attract, motivate and retain professional and managerial talents, incentivise the achievement of strategic objectives and the sustainable growth of the business, align the interests of Management with the priority objective of creating sustainable value for the stakeholders, especially over the long term, and promote the corporate mission and values.</p>


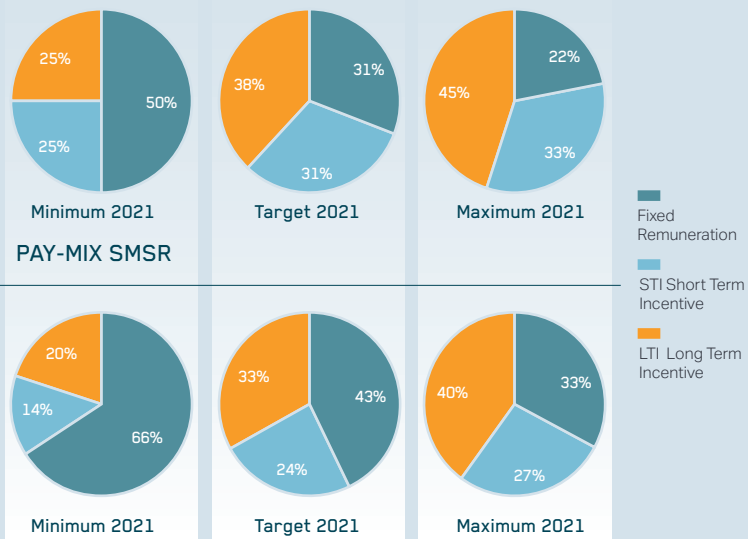
PRINCIPAL CHANGES WITH RESPECT TO 2020

Principle	Description
 <p>New mandate 2021-2024</p>	<p>The 2021 Remuneration Policy has been prepared in a manner consistent with the relevant regulations and adopts the requirements of Directive SHRD II. The principal changes made with respect to the 2020 Policy include:</p> <ul style="list-style-type: none"> ➤ Definition of Guidelines for the remuneration of the Directors appointed for the new Board mandate. ➤ Update of the panel of firms comprising the reference market for analysing the remuneration of the CEO, the Chairman, the Directors and the Statutory Auditors. ➤ Revision of the incentive curve for the Short-term Variable Incentive Plan 2021-2023, with a focus on simplification. ➤ Expanded description of the contribution made by the Policy to achievement of the corporate strategy and pursuit of the long-term interests and sustainability of the company. ➤ Greater weight for the ESG indicators, now totalling 30%, within the 2021 objectives. ➤ Enhancement of the coefficient of 1.1 to be applied to the score obtained for the "New Contracts" objective, if the outstanding "Non Oil Related" element of the orderbook represents 75% or more of the entire Order portfolio at December 31, 2021, without exceeding the maximum score of 15 points. ➤ Strengthened description of the procedural conditions to be satisfied in exceptional circumstances that require temporary exceptions to be made to certain elements of the Remuneration Policy on page 22. ➤ The 2021 allocation of the Long-term Incentive Plan 2019-2021 includes a new business-based indicator with a 20% weighting: Cumulative Adjusted EBITDA over the three-year period 2021-2022-2023. ➤ Improvement of the overview that introduces and summarises the main contents of Section II of this Policy Report. ➤ Further expansion of the disclosure made about the results achieved, presented on an accruals basis. ➤ Addition of the annual change in the overall remuneration of Chief Executive Officer-CEO, the average overall remuneration of all employees and the performance of the company.
Update of peer group benchmark	
Simplification of the curve of the Short-term Incentive Plan	
Description of the link between Remuneration Policy, Strategy and Sustainability	
Greater weight for the ESG indicators Environmental, Social & Governance	
Enhancement of the coefficient linked to the "New Contracts" objective	
Procedural conditions for exception to the 2021 Remuneration Policy	
Additional business-based indicator for the Long-term Incentive Plan 2019-2021 - Allocation 2021	
Improvement of the Overview (Section II)	
Further disclosure of results (Section II)	
Annual change in compensation and the performance of the company (Section II)	

LINK BETWEEN RESULTS AND REMUNERATION


Principle	Description
 <p>The variable remuneration of those executive roles that strongly influence corporate results is characterised by the significant incidence of long-term incentive components, through appropriate deferral of their incentives over a period of at least three years, with part of the long-term incentives subject to a further two-year retention period, consistent with the long-term nature of the business pursued.</p>	<p>The objectives linked to variable remuneration are predetermined, measurable and complementary to each other, in order to identify the priorities considered when determining the overall performance of the Company and the divisions, in line with the Strategic Plan and with the expectations of shareholders and other stakeholders, and promote a strong results-based orientation.</p> <p>The incentives linked with variable compensation are paid following a scrupulous process of checking the results actually achieved, assessing achievement of performance targets assigned net of the effects of external variables, with a view to recognising the actual company performance attributable to Management action.</p>

ELEMENTS COMPRISING THE REMUNERATION PACKAGE


Principle	Description																																
 <p>The 2021 Remuneration Policy Guidelines set pay-mixes consonant with managerial roles, with a greater weight given to the variable element (in particular the long-term element) for positions that have a greater influence on company results, as shown in the pay-mix chart shown below, which was calculated considering the monetisation of short- and long-term incentives in the event of achieving minimum, target and maximum results.</p>	<div data-bbox="657 840 1088 869"> <p>PAY-MIX CEO NEW MANDATE 2021-2024</p> </div>  <table border="1"> <caption>CEO PAY-MIX (2021)</caption> <thead> <tr> <th>Result</th> <th>Fixed Remuneration</th> <th>STI Short Term Incentive</th> <th>LTI Long Term Incentive</th> </tr> </thead> <tbody> <tr> <td>Minimum 2021</td> <td>50%</td> <td>25%</td> <td>25%</td> </tr> <tr> <td>Target 2021</td> <td>31%</td> <td>31%</td> <td>38%</td> </tr> <tr> <td>Maximum 2021</td> <td>22%</td> <td>33%</td> <td>45%</td> </tr> </tbody> </table> <table border="1"> <caption>SMsR PAY-MIX (2021)</caption> <thead> <tr> <th>Result</th> <th>Fixed Remuneration</th> <th>STI Short Term Incentive</th> <th>LTI Long Term Incentive</th> </tr> </thead> <tbody> <tr> <td>Minimum 2021</td> <td>66%</td> <td>14%</td> <td>20%</td> </tr> <tr> <td>Target 2021</td> <td>43%</td> <td>24%</td> <td>33%</td> </tr> <tr> <td>Maximum 2021</td> <td>33%</td> <td>27%</td> <td>40%</td> </tr> </tbody> </table>	Result	Fixed Remuneration	STI Short Term Incentive	LTI Long Term Incentive	Minimum 2021	50%	25%	25%	Target 2021	31%	31%	38%	Maximum 2021	22%	33%	45%	Result	Fixed Remuneration	STI Short Term Incentive	LTI Long Term Incentive	Minimum 2021	66%	14%	20%	Target 2021	43%	24%	33%	Maximum 2021	33%	27%	40%
Result	Fixed Remuneration	STI Short Term Incentive	LTI Long Term Incentive																														
Minimum 2021	50%	25%	25%																														
Target 2021	31%	31%	38%																														
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Maximum 2021	33%	27%	40%																														

EXECUTIVE SUMMARY: SAIPEM 2021 REMUNERATION POLICY

FIXED ELEMENT

Principle	Description
 <p>Recognises the skills, experience and contribution required by the role assigned.</p> <p>See pages 26 and 30 of this Policy Report</p>	<p>Fixed remuneration may be adjusted periodically in the context of the annual salary review involving all managers, following verification of their pay positioning against benchmarks compatible with the characteristics of Saipem and the roles assigned. These checks are carried out using a structured system of salary bands. The Saipem remuneration Policy envisages the use of merit matrices, in order to subordinate salary increases to an analysis of the pay positioning of personnel in terms of internal fairness and comparison with the reference market, in addition to assessment of their merit and skills possessed.</p> <p>The annual fixed remuneration of the current Chief Executive Officer-CEO is €1,045,000. The remuneration of the Chief Executive Officer-CEO to be appointed for the new mandate will be approved by the new Board of Directors acting on a proposal from the new Compensation and Nominations Committee, considering the mandates granted and duties assigned, as well as any variations will take into account the reference market benchmarks presented in table "Market references" on page 24.</p> <p>The remuneration of the SMSR is determined with reference to the level of the role assigned, with possible adjustments following annual reviews of competitive positioning. Annual adjustments are envisaged as part of the salary review process.</p>

VARIABLE ELEMENT

Principle	Description																
 <p>The remuneration structure for the Chief Executive Officer-CEO and for the Senior Managers with strategic responsibilities is a balanced mix of a fixed element commensurate with the powers and/or responsibilities assigned and a variable element with a maximum limit designed to link remuneration to performance targets that are actually achieved.</p>	<p>The short- and long-term incentive systems are linked to the attainment of a series of economic-financial, business development and operating targets set with a view to achieving sustainable results over the long term, in line with the Company's Strategic Plan and with the responsibilities assigned.</p> <p>The incentive levels (for the short-term incentive, the percentage to be applied to the annual incentive for on target performance as shown in table on page 27 and, for the long-term incentive, the percentage to be applied to fixed remuneration as shown in table on page 29) linked to the performance score envisaged in the variable incentive systems for the Chief Executive Officer-CEO and the SMSR are shown below:</p> <table border="1" data-bbox="630 1137 1406 1384"> <thead> <tr> <th colspan="4">VARIABLE INCENTIVE SCHEMES 2021</th> </tr> <tr> <th></th> <th>Min</th> <th>Target</th> <th>Max</th> </tr> </thead> <tbody> <tr> <td>STI - Short-Term Incentive</td> <td>50%</td> <td>100%</td> <td>150%</td> </tr> <tr> <td>LTI - Long Term Incentive</td> <td>40%</td> <td>100%</td> <td>160%</td> </tr> </tbody> </table> <p>Consistent with the 2020 Remuneration Policy, the minimum performance level (trigger threshold) for the short-term incentive is 70 points.</p>	VARIABLE INCENTIVE SCHEMES 2021					Min	Target	Max	STI - Short-Term Incentive	50%	100%	150%	LTI - Long Term Incentive	40%	100%	160%
VARIABLE INCENTIVE SCHEMES 2021																	
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STI - Short-Term Incentive	50%	100%	150%														
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SHORT-TERM VARIABLE INCENTIVE SYSTEM - STI

Principle	Description
<p>The short-term variable element promotes achievement of the annual budget objectives. All managers are included in the Plan.</p>	<p>The Short-term Incentive Plan envisages the payment of a monetary incentive on achievement of the performance targets set for the previous year.</p> <p>2021 CEO objectives - Saipem sheet:</p> <ul style="list-style-type: none"> > Adjusted Free Cash Flow (weight 30%) > Adjusted EBITDA (weight 30%) > ESG indicators (HSE, Digital Transformation and Balanced Gender Opportunity) (weight 30%) > New Contracts (weight 10%). <p>A coefficient of 1.1 will be applied to the score obtained for the "New Contracts" objective, if the outstanding "Non Oil Related" element of the orderbook represents 75% or more of the entire Order portfolio at December 31, 2021, without exceeding the maximum score of 15 points.</p> <p>SMSR objectives:</p> <ul style="list-style-type: none"> > business and individual objectives broken down on the basis of objectives allocated to the CEO and assigned in relation to the area of responsibility for the role covered. <p>Measurement of objectives:</p> <ul style="list-style-type: none"> > performance scale: 50-150 points (target=100) > below 50 points the outcome of the objective is deemed to be zero > consistent with the 2020 Remuneration Policy, the minimum incentive (trigger) threshold is an overall performance score of 70 points > new linear incentive curve based on a 50-150 point performance scale corresponding to an incentive level linked to a 50-150% performance score; the new incentive curve is linear for scores of 100 points or more > incentive level linked to the performance score: Min: 50%; on Target: 100%; Max: 150% > multiplier adjusting the individual score of 1.2 (only for scores >100 points) in the event of operations or opportunities not included in the Strategic Plan, with exceeding the maximum score of 150 points. This additional portion of the bonus is deferred for 3 years and subject to another performance condition (Saipem Sheet score for the three-year period) which enables the deferred amount to be adjusted by +/-50%. If average performance over the three-year period is lower than 70 points, the deferred incentive will not be paid. Aims: guide Management towards operations that may increase shareholder and stakeholder value, reward the exceptional commitment required and facilitate the motivation and retention of resources with a significant impact on the successful outcome of those operations. <p>Incentive levels:</p> <ul style="list-style-type: none"> > current CEO: incentive % on fixed remuneration, on target 90%; Max 135% > CEO to be appointed for the new mandate: incentive % on fixed remuneration, Max 150% > SMSR: maximum incentive % on fixed remuneration, on target 45%; Max 67.5%. <div data-bbox="638 1265 1396 1646" style="border: 1px solid #ccc; padding: 10px; margin: 10px 0;"> <p style="text-align: center;">INCENTIVE CURVE</p> </div> <p>Deferral STI SMSR (CEO excluded) additional share element of the STI for the three-year period 2021-2023 (performance 2020-2022):</p> <ul style="list-style-type: none"> > allocation: beneficiaries of the STI and minimum individual performance score >100 points > additional bonus in the form of shares, calculated as a percentage of fixed remuneration depending on the score obtained: on target (100 points) 15%; maximum (150⁸ points) 22.5% > deferral for three years > assignment: beneficiaries still employed by the Company at the end of the three-year vesting period. <p>Clawback mechanisms: the clawback rules described on page 23 apply to the incentives.</p>


















See pages 26 and 30 of this Policy Report

(8) Modification of the performance scale from 70-130 points to 50-150 points does not affect determination of the additional bonus in the form of shares, the maximum percentage for which remains 22.5%, consistent with the 2020 Remuneration Policy.

EXECUTIVE SUMMARY: SAIPEM 2021 REMUNERATION POLICY

LONG-TERM VARIABLE INCENTIVE SYSTEM - LTI

Principle	Description										
<p>The long-term variable element promotes alignment of the interests of Management with those of the shareholders and other stakeholders in creating sustainable value over the long term. All managers are included in the Plan.</p> <p>See pages 27 and 31 of this Policy Report</p>	<p>The third and final allocation of the Long-term Incentive Plan 2019-2021 will be made in 2021. This Plan envisages the assignment without charge of ordinary shares in Saipem SpA, differentiated depending on the level of the role, on achievement of the following performance conditions, measured at the end of the three-year reference period:</p> <div style="border: 1px solid #ccc; padding: 10px; margin: 10px 0;"> <p style="text-align: center;">LTI</p> <table style="width: 100%; text-align: center;"> <tr> <td style="width: 20%;"> 35%</td> <td style="width: 20%;"> 15%</td> <td style="width: 20%;"> 15%</td> <td style="width: 20%;"> 15%</td> <td style="width: 20%;"> 20%</td> </tr> <tr> <td style="width: 20%;">Total Shareholder Return - Peer Group E&C</td> <td style="width: 20%;">Total Shareholder Return - Peer Group Drilling</td> <td style="width: 20%;">Adjusted Net Financial Position</td> <td style="width: 20%;">Adjusted ROAIC (Return on Average Invested Capital)</td> <td style="width: 20%;">Cumulative Adjusted EBITDA over three-year period 2021-2022-2023</td> </tr> </table> </div> <p>For the 2021 allocation, a new business-based indicator has been introduced – cumulative adjusted EBITDA over the three-year period 2021-2022-2023 – with a weighting of 20%. The weightings of the other business-based indicators have been adjusted accordingly, without changing the overall 50% weighting for business-based indicators envisaged in the Plan. Three-year Vesting + Co-Investment of 2 years for the Chief Executive Officer-CEO. Three-year Vesting + Retention Premium of 2 years for strategic personnel. For the current Chief Executive Officer-CEO, the incentive level on target is 100% of fixed remuneration, while the maximum is 160% of fixed remuneration. In addition, a further 25% of the shares accrued at the end of the Co-Investment period will be recognised. To maintain continuity, the Chief Executive Officer-CEO appointed for the new mandate will benefit from the same Long-term Incentive Plan 2019-2021 with Co-investment. For the SMSR, the incentive levels on target are differentiated depending on the role assigned, up to a maximum of 65% of fixed remuneration on target and 104% of fixed remuneration at maximum level. In addition, a further 25% of the shares accrued at the end of the Retention Premium period will be recognised. The maximum value at the end of the vesting period shall not exceed four times the value of the shares at the moment assigned. Shares are allocated every year. The vesting period is three years. The Retention Premium/Co-investment period extends for two years after the end of the vesting period. The effects of terminating the employment relationship are described in the paragraphs on the long-term variable incentive on pages 28 and 32. Clawback mechanisms: the clawback rules described on page 23 apply to the incentives.</p>	 35%	 15%	 15%	 15%	 20%	Total Shareholder Return - Peer Group E&C	Total Shareholder Return - Peer Group Drilling	Adjusted Net Financial Position	Adjusted ROAIC (Return on Average Invested Capital)	Cumulative Adjusted EBITDA over three-year period 2021-2022-2023
 35%	 15%	 15%	 15%	 20%							
Total Shareholder Return - Peer Group E&C	Total Shareholder Return - Peer Group Drilling	Adjusted Net Financial Position	Adjusted ROAIC (Return on Average Invested Capital)	Cumulative Adjusted EBITDA over three-year period 2021-2022-2023							




BENEFITS


Principle	Description
<p>These supplement the compensation package, seen in terms of total reward, through the allocation of benefits in kind, mainly of a health and social security nature. Recipients: all managers.</p> <p>See pages 30 and 33 of this Policy Report</p>	<ul style="list-style-type: none"> > Supplementary pension > Supplementary healthcare > Insurance cover for death or permanent invalidity and work and non-work related injuries > Company car for business and personal use. <p>Assignment of a car for business and personal use, subject to periodic review if the role assigned is changed. The current CEO is entitled to reimbursement for actual travel between Rome and Milan once each week. The CEO appointed for the new mandate will be entitled to the reimbursement of travel expenses, if the place of residence is more than 400 kilometres from the offices of the Company.</p>




SUPPLEMENTARY INDMENITIES

Principle	Description
 <p>Termination indemnities to protect the company from potential competition risks and potential risks linked to disputes. Tools for retaining and protecting the know-how of the Group.</p> <p>See pages 29 and 32 of this Policy Report</p>	<p>Current CEO: all-inclusive indemnity of €1,800,000 in case of early termination of the current mandate, excluding dismissal for just cause, and in case of resignation caused by demotion or change of control. No-competition agreement amounting to €1,200,000 for the first 12 months of the agreement and €600,000 for the next 6 months.</p> <p>Chief Executive Officer-CEO appointed for the new mandate: end-of-mandate indemnity and no-competition agreement determined in accordance with the recommendation of the Corporate Governance Code and not amounting, in total, to more than 2 years of fixed remuneration and target variable remuneration.</p> <p>SMSR: leaving indemnity (in accordance with the national collective employment contract). Possibility of agreeing supplementary indemnities based on internal policy criteria: Severance payment if a change of control results in termination of employment due to resignation or dismissal and/or demotion (maximum of 2 years of remuneration). No-competition agreements: may be activated on termination of the employment relationship (12 months' salary for each year of the agreement). Minimum-term agreements for the protection of know-how (12 months' salary for each year of the agreement). These instruments may be activated during the employment relationship or upon termination of employment.</p>

CLAWBACK

Principle	Description
 <p>Adoption of clawback mechanisms via a specific Regulation approved by the Board of Directors, acting on a proposal from the Compensation and Nominations Committee.</p> <p>See page 23 of this Policy Report</p>	<p>A clawback regulation allows for the return of all forms of variable remuneration in cases of manifestly incorrect or maliciously altered data and infringements of laws and regulations, the Code of Ethics or other internal regulations.</p>

COMPLIANCE WITH REGULATIONS

Principle	Description
 <p>The Report on Remuneration Policy and Compensation Paid is prepared and finalised in compliance with current legal and regulatory obligations, as well as in compliance with the recommendation of the Corporate Governance Code for listed companies promoted by Borsa Italiana.</p>	<p>In particular:</p> <ul style="list-style-type: none"> ➤ Directive (EU) 2017/828 ➤ Article 123-<i>ter</i> of Legislative Decree No. 58 dated February 24, 1998, as incorporated in the Consolidated Finance Law ("TUF") and amended by Legislative Decree No. 49/2019 ➤ Article 84-<i>quater</i> of the Consob Issuers' Regulation (Decision 11971 dated May 14, 1999, as amended) and related Annex 3A, forms 7-<i>bis</i> and 7-<i>ter</i> ➤ Recommendations of the Corporate Governance Code for listed companies promoted by Borsa Italiana, the latest version of which was approved in January 2020.

SECTION I - 2021 REMUNERATION POLICY

Strategy, Sustainable development, Working conditions and Remuneration Policy

Link between Strategy, Sustainable development and Remuneration Policy

The Remuneration Policy is designed to be consistent with the business strategy and helps to promote alignments of the interests and motivations of Management with the interests of the shareholders and all stakeholders, including achievement of the priority objective of creating sustainable value for the shareholders and all other stakeholders over the long term.

Implementation of the business strategy is assured via the definition, by the Board of Directors, of short- and long-term priorities that are translated into objectives assigned to the Chief Executive Officer-CEO, with subsequent deployment to Management as a whole, supported by constant checks and monitoring of the progress made.

For this purpose, the variable incentive plans cover several years, with the deferral for three years of part of the short-term incentive, and include a substantial long-term incentive element.

The link between the Remuneration Policy and business strategy of Saipem has been a fundamental point of reference in efforts to tackle the changing and challenging market conditions caused, not least, by the COVID-19 pandemic.



In responding early to current and future market requirements and the pressures associated with climate change, the Saipem strategy remains ever more focused on the energy transition. The attention paid by Saipem to safety matters has been further heightened by monitoring a new metric that both clients and competitors consider important: the HLF (High Level Frequency Rate), which broadens the scope of the analysis to include near misses, not least in order to identify events that might have caused serious injuries. Taken together with the long-established TRIFR (Total Recordable Injuries Frequency Rate), the prevention-based system for ensuring the safety of personnel is now more complete and integrated.

In order to remain as competitive as ever, Saipem intends to support the traditional areas of business activity with significant growth in non-oil sectors, such as gas and LNG. Technical solutions will minimise the

carbon footprint of existing installations, with a view to achieving net zero carbon emissions throughout the value chain. Close attention is dedicated to the technological portfolio with regard to the emerging green technologies, such as hydrogen, biotechnologies and hybrid solutions. Consistent with this Saipem strategy, the coefficient has been enhanced for the performance score linked to the "New Contracts" objective, with a view to recognising better the contribution made by Management to the acquisition of new non-oil projects. The 2021 Remuneration Policy confirms the growing attention paid by Saipem to ESG (Environmental, Social & Governance) objectives and support for the strengthening of climate policies, consistent with the orientation consolidated at international level including, in particular, the Paris Climate Accords. Consistent with the efforts of institutions, clients, lenders and contractors, Saipem is seeking to complete the actions already in progress to devise a strategy and

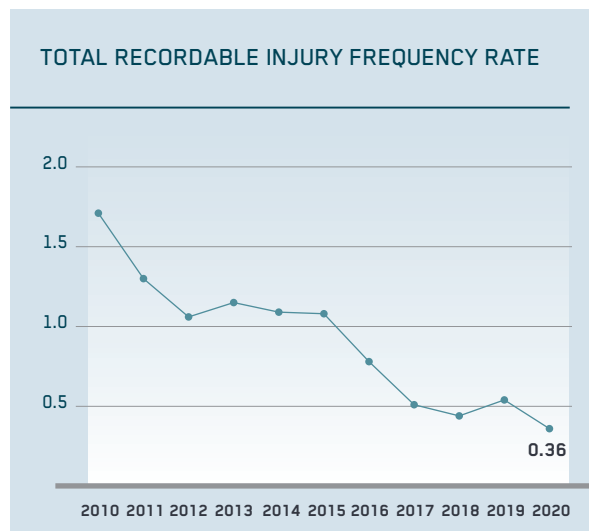
implementation plan that will achieve the objective of net zero GHG emissions by 2050.

The Strategic Plan for 2021-2024 outlines the role of Saipem as a global player in the energy transition, with actions designed to help combat climate change, both directly and indirectly, and guarantee the market availability of a reliable partner for a sustainable business. The Plan also details the priorities and actions to be taken in order to play a decisive role in the market of the future, where the paradigm will comprise the commitment and sustainability objectives of the company, ensuring the sustainable growth of the Group and the creation of value for all stakeholders.

Via a structured and detailed analysis of materiality, directly involving representatives of the stakeholders, Saipem has identified the areas of greatest priority for the business, in which the company can make the most significant contribution in terms of value creation, the safety of personnel, the reduction of climate-altering emissions and technological innovation. Gender diversity is also very important in order to recognise more fully the value of our human capital.

Given all these factors, Saipem focuses attention on the following objectives:

- ensure the safety of personnel by continued monitoring of the injury frequency rate (TRIFR) and the introduction of an additional metric, the HLFRR (High Level Frequency Rate), with a view to measuring all near misses that might have caused serious injuries and understanding better the most critical areas, so that suitable programmes can be implemented to constrain the underlying causes;



- reduce CO₂ emissions, in order to help combat climate change in line with global and sector objectives;
- ensure support towards digital transformation;
- monitor the voluntary turnover rate of women.

The breadth of the objectives linked to ESG/Sustainability factors and the materiality of the strategic topics for the business represent a commitment made by the company to all stakeholders, consistent with the international principles adopted by

Saipem (e.g. Global Compact) and the reference framework represented by the UN 2030 objectives (Sustainable Development Goals, SDGs), as well as with the European guidelines intended to support economic recovery and sustainable development. The attention dedicated to these topics by the Board of Directors has also resulted in a steady increase in the weighting of sustainability parameters within the short-term incentive system, which has risen from 15% in 2019 to 30% in 2020 and 2021.

Working conditions and Remuneration Policy

In compliance with the applicable regulations and the principles underpinning the corporate Code of Ethics, Saipem guarantees equal opportunities to all personnel with fair contractual conditions and remuneration. Saipem strives to guarantee an inclusive working environment, free from discrimination of any kind, in which different personal and cultural characteristics and orientations are recognised as a resource. In this regard, the company not only seeks to comply with and apply the regulatory framework in each country of operation, but also to develop corporate policies that guarantee equal opportunities for every type of worker, discourage prejudice, harassment and discrimination of any kind (linked for example to skin colour, nationality, ethnic origin, culture, religion, sexual orientation, age or disability), with full respect for human rights.

This context guarantees that the cornerstones of the Remuneration Policy – and, more generally, the Management of personnel – comprise the principle of internal fairness and the recognition of merit and distinctive and critical professional skills. In fact, Remuneration Policy is defined and implemented in a manner that is fully consistent with the HR strategic planning process and the results of the skill and performance assessments of each individual, at the same time ensuring alignment with specific job market needs and the employment laws and regulations applicable in the markets in which Saipem operates.

Always considering the specific local circumstances, Saipem also strives to give all personnel (regardless of their contracts, but always in compliance with the applicable current legislation) additional benefits in the form of supplementary pensions and healthcare, transportation services and supporting policies, welfare initiatives and family assistance, meals and training courses.

The COVID-19 pandemic that spread worldwide during 2020 also caused Saipem to rethink its work-related processes in order to safeguard the health of personnel, while also ensuring business continuity. In this light, the Human Resources Function made major efforts to rethink and digitalise the various work-related processes. Drawing on the skills of personnel and their ability to take personal responsibility, it was possible to continue business activity on a remote and innovative basis.

Governance of the remuneration process

Bodies and persons involved

The Remuneration Policy for the Saipem Board of Directors and Senior Managers with strategic responsibilities is defined in accordance with legislation and company regulations and the Saipem Governance model, which defines the bodies and persons involved as the following: Shareholders' Meeting, Board of Directors and Compensation and Nominations Committee.

Compensation and Nominations Committee

Composition, appointment and powers

The Remuneration Committee that, as of February 13, 2012, was renamed the "Compensation and Nominations Committee", was established by the Board of Directors in 1999. Committee membership and appointments, its tasks and its operating procedures are regulated by a specific set of rules,

which were approved by the Board of Directors and published on the company website. In accordance with the most recent recommendations of the Corporate Governance Code, the Committee comprises three non-executive, independent directors. In line with the Corporate Governance Code (Article 5, recommendation 26), the Regulation also requires at least one Committee member to have adequate knowledge and experience of financial and compensation matters, which is evaluated by the Board at the time of appointment. In the case of operations involving the remuneration of the directors and senior managers with strategic responsibilities, the Compensation and Nominations Committee replaces in the Control and Risks Committee with regard to its Related-Party Transactions functions. From May 3, 2018, the Committee comprises the following non-executive, independent Directors: Paolo Fumagalli as Chairman; Federico Ferro-Luzzi and Paul Schapira. The Corporate Human Resources Manager or, alternatively, the People Development, Recruitment and Compensation Manager, performs the role of Committee Secretary.

BODIES AND PERSONS INVOLVED

BODY	ROLE AND RELEVANT ACTIVITIES
Shareholders' Meeting	<ol style="list-style-type: none"> 1. Establishes the compensation of the members of the Board of Directors when they are appointed and for the whole of their term of office; 2. Resolves on the Report on Remuneration Policy and Compensation Paid, with binding vote on Section I and consultative vote on Section II
Board of Directors	<ol style="list-style-type: none"> 1. Establishes the remuneration of Directors assigned special duties (Chairman and Chief Executive Officer-CEO) and for service on Board Committees, having consulted the Statutory Auditors; 2. Defines performance targets and approves the results for the performance plans used to establish the variable remuneration of the Chief Executive Officer-CEO; 3. Approves the general criteria for the remuneration of Senior Managers with strategic responsibilities; 4. Defines the remuneration of the Internal Audit Manager in accordance with the remuneration policies of the Company, having consulted the Audit and Risk Committee and the Board of Statutory Auditors; 5. Makes temporary exceptions to the remuneration policy, if consistent with pursuit of the long-term interests and sustainability of the Company taken as a whole, or to maintain market competitiveness
Remuneration and Nominations Committee	<p>Provides support to the Board of Directors by proposing and consulting on remuneration matters.</p>

COMPENSATION AND NOMINATIONS COMMITTEE

NAME	ROLE
Paolo Fumagalli	Chairman
Federico Ferro-Luzzi	Member
Paul Schapira	Member

15 meetings in 2020, average length: 1 hour and 51 minutes;
average rate of participation: 100%

Role of the Committee

The Committee makes recommendations and provides advice to the Board of Directors, in accordance with the recommendations of the Corporate Governance Code, the last update of which was approved in January 2020 (Article 4, recommendations 19, 23 and 24 and Article 5, recommendation 25). In particular, it performs the following functions:

- > submits the Report on Remuneration Policy and Compensation Paid and, in particular, the Policy for the remuneration of the Directors and Senior Managers with strategic responsibilities, to the Board of Directors for approval and presentation to the Shareholders' Meeting called to approve the financial statements for the year by the deadlines envisaged by law, approve Section I of the Policy Report and express a non-binding opinion on Section II of the Policy Report;
- > makes proposals regarding the various forms of remuneration and pay of the Chairman and Executive Directors;
- > makes proposals regarding the remuneration of the Directors appointed to the Committees formed by the Board;
- > proposes, after examining the information provided by the CEO, the general criteria for the remuneration of Senior Managers with strategic responsibilities, the short- and long-term incentive plans, including any share-based plans;
- > proposes general criteria for the definition of the performance objectives and the approval of results of performance plans used to establish the variable remuneration of Directors vested with executive/special powers, taking into account the indications provided in this regard by the Chief Executive Officer-CEO;
- > monitors the implementation of resolutions adopted by the Board;
- > periodically checks the adequacy, the overall consistency and the implementation of the Remuneration Policy adopted, formulating proposals in this regard;
- > suggests candidates for the role of Director to the Board if during the course of the financial year one or more Directorships become vacant (Article 2386, paragraph 1 of the Italian Civil Code), ensuring compliance with the regulations on the minimum number of independent Directors and on the quotas reserved for the least represented gender;

- > provides input for the Board regarding the appointment of senior managers and of the members of the company's bodies whose appointment is the responsibility of the Board;
- > reports to the Board on the tasks performed, at the board meeting indicated by the Chairman of the Board of Directors, at least twice yearly, and at any rate no later than the term for approval of the financial statements and the half-yearly report;
- > through the Committee Chairman or another member designated by same, reports on the working procedures of its functions to the Shareholders' Meeting convened to approve the annual financial statements;
- > proposes succession plans for the Chief Executive Officer-CEO and the executive directors to the Board, identifying the procedures to be followed if their mandates cease early; with regard to the succession of senior managers with strategic responsibilities acting on a proposal from the Chief Executive Officer-CEO, examines and evaluates the relevant criteria and reports to the Board of the Directors, so that the Board can check that adequate procedures exist to oversee the related succession plans;
- > assists the Board with the self-assessment of the Board and its committees;
- > assists the Board, at the time of each renewal, with the issue of guidance for the optimal quantitative and qualitative composition of the Board and its committees, having regard for the results of the self-assessment;
- > assists the Board, as applicable, with the preparation and presentation of a list by the outgoing Board in a fully transparent manner.

Methods of implementation

The Committee meets as often as necessary to perform its duties, normally on the dates scheduled on the yearly calendar of meetings approved by the Committee itself and is quorate when at least the majority of its members in office are present and decides with the absolute majority of those in attendance. The Chairman of the Committee convenes and presides over the meetings.

To fulfil its duties, the Committee has the right to access the necessary Company information and departments and to avail of external advisors who do not find themselves in situations that could compromise the impartiality of their opinion, within the limits of the budget approved by the Board of Directors. On a yearly basis, the Committee drafts a budget that it submits to the Board of Directors for approval. The Chairman of the Board of Statutory Auditors, or a serving statutory auditor designated by the Chairman, attends Committee meetings. Other statutory auditors may also participate, especially when the Board is dealing with matters for which the Board of Directors is obliged in its resolution to take account of the opinion of the Board of Statutory Auditors. At the invitation of the Committee Chairman, other parties may attend the meetings to provide information and make assessments within their field of competence in relation to individual agenda items. No Director can take part in Committee meetings where proposals are being made to the Board of Directors concerning his/her remuneration.

ANNUAL ACTIVITIES OF THE COMPENSATION AND NOMINATION COMMITTEE

OCTOBER - DECEMBER

- Implementation of Long-Term Incentive Plan (LTI)

OCTOBER - DECEMBER

JANUARY - MARCH

- Periodic evaluation of the Policies adopted in the previous year
- Definition of the Remuneration Policy
- Analysis of results and definition of objectives for variable incentive plans
- Preparation of the Remuneration Report

JANUARY - MARCH

APRIL - JUNE

- Presentation of the Remuneration Report to the Shareholders' Meeting
- Implementation of the Annual Variable Incentive Plan (STI)

APRIL - JUNE

JULY - SEPTEMBER

- Analysis of results of shareholder voting on the Remuneration Policy

JULY - SEPTEMBER

Activities of the Remuneration and Nominations Committee

The Compensation and Nominations Committee carries out its activities according to an annual programme which consists of the following phases:

- > periodic checks of the adequacy, overall consistency and implementation of the Policy adopted in the previous year, considering the results achieved and the compensation/benchmarks supplied by specialised providers;
- > definition of Policy proposals for the following year and proposed performance targets connected with short and long-term incentive plans;
- > definition of proposals for implementation of the short- and long-term variable incentive plans in place, based on an analysis of the results achieved and the performance objectives set under the plans;
- > preparation of the Report on Remuneration Policy and Compensation Paid for submission every year to the Shareholders' Meeting following approval by the Board of Directors;
- > examination of the results of voting at the Shareholders' Meeting on the Remuneration Policy approved by the Board.
- > monitoring of developments in the regulatory framework and voting policies of the main proxy advisors, as part of preliminary activities to support the Policy proposals for the following year.

Activities carried out and planned

The Committee met a total of 15 times during 2020, 11 of which were held by video-conference in order to ensure business continuity despite the COVID-19 pandemic. These meetings were attended by all members. The Chairman of the Board of Statutory Auditors or a statutory auditor designated by the Chairman participated in all the meetings, which were duly minuted.

Specifically with regard to remuneration matters, the Committee focused its activities of the topics presented in the table entitled "Principal topics addressed during 2020" on the next page.

The Committee has scheduled at least ten meetings in 2021. At the date of approval of this Policy Report, the first five meetings had already been held. These focused on: (i) assessment of the remuneration policies implemented in 2020 in order to determine policy proposals for 2021; (ii) analysis of the business results reported for 2020 and the definition of performance objectives for 2021 linked to the variable incentive plans; (iii) determination of the short-term incentive for the Chief Executive Officer-CEO; (iv) update of the Regulation for the Compensation and Nominations Committee; (v) examination of remuneration practices in order to structure the compensation of the Chief Executive Officer-CEO, the Chairman and the Directors to be appointed for the new mandate; (vi) definition of the number of treasury shares needed to service the short- and long-term incentive plans; (vii) allocation, in the context of the Long-Term Incentive Plan 2016-2018, of the 2021 shares relating to the deferred 2018 allocations made to the Chief Executive Officer-CEO; (viii) definition of the short-term incentive for the Internal Audit Manager. Consistent with the planned annual cycle of activities, subsequent meetings will examine the voting results of the 2021 AGM season, define the compensation of the Chief Executive Officer-CEO, the Chairman and the Directors appointed for the new mandate, and implement the Long-term Variable Incentive Plans for the Chief Executive Officer-CEO and SMSR. The Committee reports regularly, through its Chairman, to the Board of Directors and the Shareholders' Meeting convened to approve the annual financial statements on the performance of its duties, in accordance with its own Regulations, the

PRINCIPAL TOPICS ADDRESSED DURING 2020

Month	Topics
January	1. Proposed 2020 indicators for the incentive plans
	2. Assessed implementation of the 2019 Policy
	3. Policy Guidelines 2020
	4. 2020 Remuneration Report Guidelines
	5. Examination of incentives for Management involved in major special transactions
February	1. Company performance 2020 - Definition of ESG indicators
	2. Procedures for determining incentives for special transactions
	3. 2020 Remuneration Report
	4. Consob Information Document for the Short-term Incentive Plan
	5. Proposed purchase of treasury shares to service the share-based short- and long-term incentive plans
March	1. Short-Term Incentives 2020 - Actual results for 2019, Company performance form
	2. Share-based Long-Term Incentive Plan 2016-2018 - Allocation for 2017 - Actual results
	3. Definition of the Short-Term Incentive 2020 for the Chief Executive Officer-CEO
	4. Short-Term Incentive 2021 - Targets for company performance indicators 2020
	5. Share-based Long-Term Incentive Plan 2019-2021: Targets for long-term indicators for 2020 allocation
	6. Proposed incentives for special transactions
	7. Saipem 2020 Report on Remuneration Policy and Compensation Paid
	8. Consob Information Document for the Short-term Incentive Plan
April-May	1. Definition of the 2020 Short-Term Incentive for the Internal Audit Manager
	2. Consideration of scope for changing the Management incentive system
	1. Examination of possible effects of the COVID-19 emergency on Saipem incentive systems
June-July	2. Proposed changes to the contract of the Chief Executive Officer-CEO - Continuation of the Short-term Incentive System
	3. Further consideration of the scope for changing the Management incentive system
	4. Examination of the compensation of the board members of subsidiaries
	5. Analysis of voting results of the 2020 AGM season
	6. Proposed update of the Saipem performance indicators for 2020
	7. Proposed update of the performance indicators for the Long-term Incentive Plans
	8. Long-term Incentive Plan 2016-2018: Assignment of 2020 shares in relation to the deferred 2017 allocation made to the Chief Executive Officer-CEO
	1. Proposed changes to the contract of the Chief Executive Officer-CEO - Change to the threshold (trigger) score for activating the performance multiplier for operations or opportunities not included in the Strategic Plan
September-October	2. Long-term Incentive Plan 2019-2021: 2020 allocation to the CEO, determination of the number of share to allocate to SMSR and approval of the Regulations for 2020 allocations
	3. Positioning of the remuneration of the Internal Audit Manager
	1. Proposed change to the incentive curve for the short-term system
November-December	2. Further examination of possible effects of the COVID-19 emergency on Saipem long-term incentive systems
	3. 2021 budget of the Compensation and Nominations Committee
	4. Preliminary analyses for the definition of proposals for the compensation of Directors

recommendations of the Corporate Governance Code and with the aim of establishing a channel for dialogue with its shareholders and investors.

2021 Remuneration Policy approval process

In accordance with its remit, the Committee defined the structure and contents of the Remuneration Policy for the purpose of preparing this Section I of the Policy

Report at the meetings held on January 12, January 27, February 16, February 26 and March 2, in accordance with the latest recommendations contained in the Corporate Governance Code. In reaching its conclusions, the Committee took account of the periodic assessment of the adequacy, overall consistency and concrete application of the 2020 Policy Guidelines, as well as the resolutions adopted in relation to remuneration by the Board of Directors and at the Shareholders' Meeting.

The Saipem 2021 Remuneration Policy for the Chairman, the Chief Executive Officer-CEO, the non-executive Directors, the Statutory Auditors and Senior Managers with strategic responsibilities was approved by the Board of Directors, acting on a proposal from the Compensation and Nominations Committee, at the meeting held on March 12, 2021, together with this Section I of the Policy Report. In order to prepare this Policy Report, the Committee referred to the remuneration benchmarks prepared by Willis Towers Watson, an independent international consultancy, for the preliminary analysis aimed at preparing the 2021 Remuneration Policy proposals. The compensation policies defined in accordance with the guidelines provided by the Board of Directors are implemented by the Chief Executive Officer-CEO, with support from the Human Resources function.

Possible exceptions to elements of the 2021 Remuneration Policy

If there are exceptional circumstances and acting on a proposal from the Compensation and Nominations Committee after activation of the Related-Party Transactions Procedures, if applicable, the Board of Directors may – solely in relation to the Chief Executive Officer-CEO and the Senior managers with strategic responsibilities – make temporary exceptions to the Remuneration Policy regarding the elements shown in the “Remuneration elements for the CEO and SMSR” table on page 26, if the exceptions requested are consistent with pursuit of the overall long-term interests of the Company sustainability, or to ensure its ability to remain competitive. Any exceptions are documented in Section II of the Report on Remuneration Policy and Compensation Paid for the following year.

Aims and general principles of the Remuneration Policy

Aims

The Saipem Remuneration Policy is defined in accordance with the governance model adopted by the Company and the recommendations included in the Corporate Governance Code, with the aim of attracting, motivating and retaining professional and managerial talents and aligning the interests of Management with the priority objective of creating value for the stakeholders over the long term. The Saipem Remuneration Policy contributes to the achievement of the corporate mission and strategy by:

- > promoting actions and conduct consistent with the corporate culture and with the principles of diversity, equal opportunities, recognition of the knowledge and professionalism of personnel, fairness, and non-discrimination as outlined in the Code of Ethics and in the “Our People” Policy;
- > recognising and rewarding responsibilities assigned, the results achieved and the quality of the professional contribution made, taking into account

the specific context and compensation benchmarks;

- > definition of performance-based incentive systems linked to the attainment of a series of economic-financial, business development and operating targets set with a view to achieving sustainable results over the long term, in line with the Company's Strategic Plan and with the responsibilities assigned.

General principles

In line with the above aims, the remuneration paid to the Directors and the Senior Managers with strategic responsibilities is defined in accordance with the following principles and criteria.

Remuneration of non-executive Directors

The compensation of non-executive Directors is commensurate with the commitment required for participating in Board Committees established according to the By-laws, with differentiation between the compensation envisaged for the Chairman and that of the members of each committee, in consideration of the additional responsibilities assigned.

Unless resolved otherwise at the Shareholders' Meeting, non-executive Directors are excluded from participation in variable incentive schemes, including share-based incentive plans.

Remuneration of the Chief Executive Officer-CEO and Senior Managers with strategic responsibilities

The remuneration structure for the Chief Executive Officer-CEO and for Senior Managers with strategic responsibilities is a balanced mix of a fixed element commensurate with the powers and/or responsibilities assigned and a variable element with a maximum limit designed to link remuneration to performance targets that are actually achieved. The Saipem Remuneration Policy envisages the use of merit matrices, in order to subordinate salary increases to an analysis of the pay positioning of personnel in terms of internal fairness and comparison with the reference market, in addition to assessment of their merit and skills possessed.

Consistency with market benchmarks

Overall consistency of remuneration compared with the applicable market benchmarks for similar positions or roles of a similar level of responsibility and complexity within a panel of companies comparable to Saipem, using specific benchmarks created with the support of international compensation data providers. The Senior Managers with strategic responsibilities were compared with similar positions in Italian industrial groups of comparable size to Saipem with a focus in the manufacturing, chemical, engineering and energy sectors and similar positions in the major European companies comparable to Saipem in terms of turnover and market capitalisation. This check on the positioning of remuneration is carried out using a system structured using remuneration bands.

Variable remuneration

The variable remuneration of those executive roles that strongly influence corporate results is characterised by the significant incidence of long-term incentive components, through appropriate deferral of their long- and short-term incentives over a period of at least three years, with part of the long-term incentives subject to a further two-year retention period, consistent with the long-term nature of the business pursued.

Predetermined, measurable and complementary targets

Objectives related to the variable remuneration for objectives that are predetermined, measurable and complementary to each other, in order to represent the priorities for the overall performance of the Company and divisions, in line with the Strategic Plan and with the expectations of shareholders and stakeholders, promoting a strong results-based orientation. These objectives are defined in order to ensure: (i) the assessment of annual performance at division and individual level using a balanced scorecard defined in relation to specific objectives for the area of responsibility and consistent with the objectives assigned; (ii) a significant incidence of ESG (Environmental, Social & Governance) objectives, in order to ensure the sustainability of the business; (iii) the recognition of over-performance; (iv) the definition of a Short-term Variable Incentive Plan in ways that focus Management action on the objectives for the year, while achieving sustainable results due to deferral of part of the incentive; (v) the orientation of Management towards operations or opportunities not included in the Strategic Plan, but which contribute to pursuit of the priority objective of creating value for the shareholders, identified using the criterion of importance by applying a multiplier to the individual performance score; (vi) the definition of a Long-term Variable Incentive Plan in a way that allows business performance to be assessed both in absolute terms, with reference to the ability to pursue economic-financial performance over the long term, and with respect to competitors, with reference to the ability to generate yield for investors, create more value than the main international competitors and ensure greater alignment with the interest of shareholders over the long term.

Consistency with the performance actually achieved

The incentives linked with variable compensation are paid following a scrupulous process of checking the results actually achieved, assessing achievement of performance targets assigned net of the effects of external variables, with a view to recognising the actual company performance attributable to Management action.

Benefits in line with market practices

Benefits, with a preference given to pension and insurance benefits, in line with market compensation

benchmarks and compliant with local regulations to supplement and enhance the compensation package, reflecting the roles and responsibilities assigned.

Clawback clauses to cover the risk of errors and significant infringements

Adoption, through a specific Regulation approved by the Board of Directors, acting on the proposal from the Compensation and Nominations Committee, of clawback mechanisms that make it possible to request the return of variable components of the compensation already paid, or not to proceed with final allocation of the Shares at the end of the vesting period or request the return of the corresponding value of the Shares already paid or to withhold the corresponding value from the compensation due to the beneficiaries, when rights were accrued on the basis of data that was later proven to be manifestly incorrect, or the return of all incentives (or Shares/corresponding value) relating to the year (or years) with reference to which fraudulent alteration of the data used to calculate the results was ascertained in order to earn the right to the incentive and/or the commission of serious and intentional infringements of laws and/or regulations, the Code of Ethics or company rules relevant to or with an impact on the employment relationship, affecting the related fiduciary relationship, in any case without prejudice to any action permitted by law to protect the interests of the Company.

Terms and conditions for applying clawback

The Regulation provides for revocation of the allocation of Shares or the recovery of the equivalent monetary value of the Shares or the Variable Monetary Incentives within a maximum of three years from the date of payment or assignment, whenever the Incentives have been determined on the basis of results and/or performance subsequently revealed to be mistaken. The Regulation also provides for the application of recovery measures within a maximum of five years from the corresponding issue or assignment for persons who are shown to be responsible for altering, due to misconduct or gross negligence, the data used to report the results for assigned objectives, in order to earn the right to the incentive and/or in violation of laws and/or regulations, the Code of Ethics or company rules which are relevant to or with an impact on the employment relationship, and are of such significance as to compromise trust.

In such cases, following the outcome of audits carried out by the relevant company compliance and control functions regarding the existence of errors that impact the final results, the company must, subject to rectification of the data, review the results, and the relevant company bodies and functions must recalculate the incentives, which may lead to the possibility of total or partial recovery in relation to the results achieved and to the incentives due. Errors that do not impact the final determination of the incentive sum are to be considered unimportant.

Severance pay and no-competition agreements within pre-set limits and to safeguard interests

Additional severance indemnities and no-competition clauses, for roles featuring greater competition risks, may be defined within a certain amount or for a certain number of years or months of remuneration, in line with the remuneration received.

2021 Remuneration Policy Guidelines

Given the market changes and new business challenges, not least as a consequence of the COVID-19 pandemic, the 2021 Remuneration Policy Guidelines envisage focus on the definition of objectives for 2021 in line with the Strategic Plan adopted by the Company, as well as on simplification of the Short-term Variable Incentive Plan 2021-2023, in order to make it easier for investors to check actual results and therefore assess the effective alignment of compensation and performance, while also motivating Management by rewarding over-performance against the target.

The Remuneration Guidelines for the new mandate 2021-2024, approved by the Board of Directors on March 12, 2021, will apply to the Chairman, the non-executive Directors and the Chief Executive Officer-CEO appointed at the Shareholders' Meeting on April 30, 2021; those Guidelines include the definition of compensation commensurate with the

complexity of the role and the commitment required, in line with market benchmarks. The new Board of Directors, acting on a proposal from the Compensation and Nominations Committee, will be entitled, as in the past, to determine the compensation for the specific mandates granted and the membership of Committees.

For the current Chairman and non-executive Directors, the 2021 Guidelines reflect the resolutions adopted by the Board of Directors on June 28, 2018, following renewal of the company bodies, on the basis of the Shareholders' resolutions adopted on May 3, 2018. For the current Chief Executive Officer-CEO, the 2021 Guidelines reflect the resolutions adopted by the Board of Directors on June 28, 2018 and May 16, 2019, as well as on July 28, 2020 when the current short-term incentive system, approved at the Shareholders' Meeting held on April 29, 2020, was introduced.

For Senior Managers with strategic responsibilities, the 2021 Guidelines confirm the structure of the compensation package envisaged in the 2020 Guidelines.

For the Chief Executive Officer-CEO and the Senior managers with strategic responsibilities, the 2021 Guidelines envisage inclusion in the Short-term Variable Incentive Plan 2021-2023 of a new linear incentive curve based on a 50-150 point performance scale, corresponding to a multiplier linked to a 50-150% performance score. Consistent with the

MARKET REFERENCES

ROLE	REMUNERATION DATA PROVIDERS	RATIONALE	BENCHMARK	
Chairman	Willis Towers Watson	Similar roles in Italian and European companies, mainly industrial in nature, that are comparable to Saipem in terms of turnover, capitalisation, geographical coverage, number of employees and governance model.	Italian companies ASTM Atlantia ENEL Eni Fincantieri Interpump Italgas Leonardo Maire Tecnimont Poste Italiane Prysmian SNAM Terna TIM Webuild	European companies Balfour Beatty Bilfinger Colas Eiffage Ferrovia SA Hochtief Petrofac SBM Offshore NV Subsea 7 Technip FMC Tecnicas Reunidas Wood Group
Non-executive Directors				
Chief Executive Officer-CEO	Willis Towers Watson	Similar roles in leading Italian and European companies, mainly industrial in nature, that are comparable to Saipem in terms of turnover, capitalisation, geographical coverage and number of employees, with particular reference to those within the MEF constituency and European companies comparable to Saipem in terms of type of business.	Società italiane ASTM Atlantia ENEL Eni Fincantieri Interpump Italgas Leonardo Maire Tecnimont Prysmian SNAM Terna TIM Webuild	Società europee Balfour Beatty Bilfinger Colas Eiffage Ferrovia SA Hochtief Petrofac SBM Offshore NV Subsea 7 Technip FMC Tecnicas Reunidas Wood Group
Senior Managers with strategic responsibilities	Willis Towers Watson	Similar roles in Italian industrial groups comparable in size to Saipem, with a focus on the manufacturing, construction, transportation, Oil&Gas and energy sectors. Similar roles in leading European companies comparable to Saipem, with a focus on the Oil&Gas, transportation, construction and energy sectors.		

Saipem strategy that focuses particular attention on the energy transition, the coefficient has been enhanced to 1.1 will be applied to the score obtained for the "New Contracts" objective, if the outstanding "Non Oil Related" element of the orderbook represents 75% or more of the entire Order portfolio at December 31, 2021, without exceeding the maximum score of 15 points. Lastly, consistent with the 2020 Remuneration Policy, a multiplier of 1.2 will again be applied to the individual performance score, if at least 100 points on a performance scale of 50-150 points, in the presence of operations or opportunities not included in the Strategic Plan but that contribute to pursuit of the priority objective of creating value for the shareholders, identified applying the criterion of importance without exceeding the maximum score of 150 points.

Chairman of the Board of Directors, Statutory Auditors and non-executive Directors

The remuneration envisaged for the current Chairman of the Board of Directors and non-executive Directors reflects the resolutions adopted by the Shareholders' Meeting on May 3, 2018 and the Board of Directors on June 28, 2018.

The Remuneration Guidelines for the new mandate 2021-2024, approved by the Board of Directors on March 12, 2021 for the Chairman of the Board of Directors and the non-executive Directors to be appointed at the Shareholders' Meeting on April 30, 2021, envisage the definition of compensation commensurate with the complexity of the role and the commitment required, in line with market benchmarks. The new Board of Directors, acting on a proposal from the Compensation and Nominations Committee, will be entitled, as in the past, to determine the compensation for the specific mandates granted and the membership of Committees.

Remuneration of the Chairman

The Policy Guidelines for the current Chairman of the Board of Directors reflect the resolutions adopted by the Board of Directors on June 28, 2018, which defined a fixed remuneration of €427,500, slightly lower than the market median, inclusive of €60,000 as compensation for the office of Director resolved at the Shareholders' Meeting held on May 3, 2018, to which is added compensation of €28,500 for the role of Chairman of the Sustainability, Governance and Scenarios Committee.

The Remuneration Guidelines for the new mandate 2021-2024, approved by the Board of Directors on March 12, 2021 for the Chairman of the Board of Directors to be appointed at the Shareholders' Meeting on April 30, 2021, envisage the definition of compensation commensurate with the complexity of the role and the commitment required, in line with market benchmarks presented in table "Market references" on page 24. The new Board of Directors, acting on a proposal from the Compensation and Nominations Committee, will be entitled, as in the past, to determine the compensation for the specific mandates granted.

Remuneration of non-executive Directors

The Shareholders' Meeting held on May 3, 2018 set the gross annual remuneration for current non-executive Directors at €60,000.

The Remuneration Guidelines for the new mandate 2021-2024, approved by the Board of Directors on March 12, 2021 for the non-executive Directors to be appointed at the Shareholders' Meeting on April 30, 2021, envisage the definition of compensation commensurate with the complexity of the role and the commitment required, in line with market benchmarks.

Remuneration of the Statutory Auditors

The Shareholders' Meeting held on April 29, 2020 set the gross annual remuneration of the Chairman at €70,000 and that of each Serving Statutory Auditor at €50,000.

The remuneration of the Board of Statutory Auditors of the Company is commensurate with the commitment required, the importance of the role and the size and sector characteristics of the Company, consistent with Article 5, recommendation 30 of the Corporate Governance Code.

Additional compensation for membership of Board Committees

Additional annual remuneration will continue to be paid to current non-executive Directors for their membership of Board Committees. The following amounts were resolved by the Board of Directors on June 28, 2018 and July 24, 2018:

- > €42,500 for the Chairman of the Audit and Risk Committee and €33,500 for the other members. Additional compensation is also envisaged for the most senior independent director called upon to join the Audit and Risk Committee for the examination of Related-Party Transactions, being one-third of the annual remuneration envisaged for each member of the Audit and Risk Committee;
- > €28,500 for the Chairman of the Compensation and Nominations Committee and €19,500 for the other members;
- > €28,500 for the Chairman of the Sustainability, Scenarios and Governance Committee and €19,500 for other members.

The Remuneration Guidelines for the new mandate 2021-2024, approved by the Board of Directors on March 12, 2021 for the non-executive Directors to be appointed at the Shareholders' Meeting on April 30, 2021, envisage the definition of additional annual compensation for the membership of Board Committee commensurate with the complexity of the role and the commitment required, in line with market benchmarks.

Payments on ceasing to serve or termination

For the current Chairman, Statutory Auditors and non-executive Directors, and those to be appointed at the Shareholders' Meeting held on April 30, 2021, no payments are envisaged in the event of early termination of their mandates.

Benefits

No benefits are envisaged for the current Chairman, Statutory Auditors and non-executive Directors, and those to be appointed at the Shareholders' Meeting held on April 30, 2021.

REMUNERATION STRUCTURE OF THE CEO AND SMSR

FIXED	Fixed remuneration
SHORT-TERM VARIABLE	Deferred share-based Short-term Variable Incentive (LTI)
LONG-TERM VARIABLE	Share-based Long-term variable incentives (LTI)
BENEFITS	Non-monetary benefits
ANCILLARY INSTRUMENTS	Severance Payment; Minimum-term agreement; No-competition agreement

Chief Executive Officer-CEO

For the current Chief Executive Officer-CEO, the 2021 remuneration structure reflects the resolutions adopted by the Board of Directors on June 28, 2018, May 16, 2019 and July 28, 2020. In relation to the mandates assigned, this remuneration comprises that determined for the Directors at the Shareholders' Meeting, as well as any remuneration due for membership of the Boards of Directors of subsidiaries or affiliates.

The Policy Guidelines for the Chief Executive Officer-CEO to be appointed for the new mandate take into account the specific mandates granted in accordance with the Articles of Association, the indications contained in the chapter entitled "Aims and general principles of the Remuneration Policy" and the remuneration levels and market best practices shown in table "Market references" on page 24.

Fixed remuneration

The fixed remuneration for the current Chief Executive Officer-CEO reflects the decisions adopted by the Board of Directors on June 28, 2018; with regard to the mandates assigned, this covers both the compensation decided for the Directors at the Shareholder' Meeting, and any compensation due for membership of the Boards of Directors of subsidiaries or affiliates. The total gross annual amount of €1,045,000 is below the market median. No forms of extraordinary compensation are envisaged in favour of the Chief Executive Officer-CEO.

The remuneration of the Chief Executive Officer-CEO to be appointed for the new mandate will be approved by the new Board of Directors acting on a proposal from the Compensation and Nominations Committee, considering the mandates granted and duties

assigned, as well as any variations will take into account the reference market benchmarks presented in table "Market references" on page 24.

Short-term variable incentive

For the current Chief Executive Officer-CEO, the Short-term Variable Incentive Plan 2021-2023 described in the 2020 Policy Report is confirmed. For the Chief Executive Officer-CEO appointed for the new mandate, the applicable Short-term Variable Incentive Plan 2021-2023 includes a new linear incentive curve based on a 50-150 point performance scale, corresponding to an incentive level linked to a 50-150% performance score. The Short-term Variable Incentive Plan 2021-2023 will be linked to the achievement of pre-set performance results for the previous year, each measured on a 50-150 performance scale, in relation to the weight assigned to them (performance on each objective below 50 points is considered zero). Consistent with the 2020 Remuneration Policy, the threshold level for overall performance is 70 points. The Plan envisages compensation based on the results achieved by Saipem in the previous year and determined with reference to an incentive level linked to the performance score: minimum (70 points), target (100 points) and maximum (150 points), corresponding respectively to 50%, 100% and 150% of the target incentive.

The 2021 targets resolved by the Board of Directors on March 12, 2021 for the purposes of the Short-term Variable Incentive Plan 2022 are consistent with the business model and the strategic guidelines.

The structure and weight of the various objectives are shown in the table below in next page.

The 2021 Remuneration Policy confirms the growing attention paid by Saipem to ESG (Environmental, Social & Governance) objectives and support for the strengthening of climate policies, consistent with the orientation consolidated at international level including, in particular, the Paris Climate Accords. Consistent with the efforts of institutions, clients, lenders and contractors, Saipem is seeking to complete the actions already in progress to devise a strategy and implementation plan that will achieve the objective of net zero GHG emissions by 2050.

Consistent with the Saipem strategy that focuses particular attention on the energy transition, the coefficient has been enhanced to 1.1 will be applied to the score obtained for the "New Contracts" objective, if the outstanding "Non Oil Related" element of the orderbook represents 75% or more of the entire Order portfolio at December 31, 2021, without exceeding the maximum score of 15 points.

In addition, a multiplier of 1.2 will be applied to the individual performance score, in the presence of operations or opportunities not included in the Strategic Plan, but that contribute to pursuit of the priority objective of creating value for the shareholders, identified applying the criterion of importance.

Application of the multiplier will be approved by the Board of Directors, acting on a proposal from the Compensation and Nominations Committee.

The maximum individual performance score cannot exceed 150 points, which for the Chief Executive

2021 OBJECTIVES FOR SHORT-TERM INCENTIVE PLAN

FINANCIAL OBJECTIVES	SUSTAINABILITY OBJECTIVES	STRATEGIC OBJECTIVES
Adjusted Free Cash Flow ⁽¹⁾ (weight 30%) Adjusted EBITDA ⁽¹⁾ (weight 30%)	ESG indicators (Environmental, Social & Governance) (weight 30%) ⁽²⁾ - HSE (weight 15%) - Digital Transformation (weight 10%) - Balanced Gender Opportunity (weight 5%)	New Contracts ⁽³⁾ (weight 10%)

(1) The adjustments relate to non-recurring charges, used in Saipem's market communications, and mainly comprise: redundancy, tax litigation and arbitration disputes.

(2) The HSE objective is focused on health, safety and the environment:

- TRIFR (Total Recordable Injury Frequency Rate);
 - HLFR (High Level Frequency Rate);
 - Reduction in GHG emissions;
 - Definition of Saipem Group Strategy and Action Plan for carbon neutrality.
- The Digital Transformation objective is focused on:
- EPC Integration;
 - Digital asset.

The Balanced Gender Opportunity objective is measured using the female voluntary turnover rate recorded by the Company in the period Jan. 1, 2021-Dec. 31, 2021.

(3) The coefficient of 1.1 will be applied to the score obtained for the "New Contracts" objective, if the outstanding "Non Oil Related" element (Drilling excluded) of the orderbook represents 75% or more of the entire Order portfolio at Dec. 31, 2021, without exceeding the maximum score of 15 points.

Officer-CEO corresponds to a maximum short-term incentive of 150% of fixed remuneration. The multiplier only applies to performance scores of at least 100 points on the 50-150 performance scale.

The additional portion of the bonus deriving from application of the multiplier is deferred for 3 years and subject to another performance condition (average Saipem score over the three-year deferral period) which enables the deferred amount to be adjusted by +/-50%. If average performance over the three-year period is lower than 70 points, the deferred incentive is not paid.

PERFORMANCE VS. EXPECTED TARGET	INCENTIVE LEVELS*
Minimum (70)	50%
Target (100)	100%
Maximum (150)	150%

(*) % to be applied to the annual on-target incentive established for CEO and SMSR.

Long-term variable incentive

The Chief Executive Officer-CEO appointed for the new mandate will participate in the share-based Long-term Variable Incentive (LTI) Plan 2019-2021 for all managers, with three annual allocations commencing from October 2019 and ending in October 2021. The Plan envisages the assignment without charge of ordinary Saipem shares (performance shares) subject to specific performance conditions measured at the end of the three-year reference period, after a thorough audit by the Compensation and Nominations Committee of the results actually achieved, in support of the resolutions

adopted by the Board of Directors in this regard.

The Plan requires that the performance conditions be measured on the basis of the following parameters:

1. Total Shareholder Return (TSR) of the Saipem share, measured on a three-year basis in terms of positioning relative to two reference Peer Groups consisting of major international companies operating in the same sectors as Saipem (weight: 50%):
 - > Engineering & Construction Peer Group (weight 35%): Petrofac, Tecnicas Reunidas, Technip FMC, Subsea 7, Chiyoda, Matrix Service Co⁹, Maire Tecnimont, Wood Group, JGC, Oceaneering, Sapura Energy, Worley Parson;
 - > Drilling Peer Group (weight 15%): Ades International Holding Plc, Helmerich & Payne, Nabors Industries, Seadrill Ltd, Transocean, Ensign Energy Services Inc, Patterson-Uti Energy Inc, Precision Drilling, Odfjell Drilling, Archer Ltd, Parker Drilling Co, Shelf Drilling Ltd¹⁰. For both peer groups, the Saipem TSR parameter must rank at least seventh (median) for assignment of the Shares relating to that indicator, as shown in the following tables.
2. Predefined economic and financial objectives for each annual assignment within the Plan. For the third assignment these objectives are:
 - 2.1 Adjusted Net Financial Position (NFP): objective that measures Saipem's long-term financial performance at the end of the three-year reference period (weight: 15%);
 - 2.2 Adjusted Return on Average Invested Capital (ROAIC): objective that measures the yield on capital invested by the company at the end of the three-year reference period (weight: 15%);
 - 2.3 Cumulative Adjusted EBITDA for the three-year period 2021-2022-2023: objective that measures the gross operating margin net of special items at the end of the three-year reference period (weight: 20%).

(9) Competitor added after the delisting of McDermott International Inc.

(10) Ades International Holding Plc, Parker Drilling Co and Shelf Drilling Ltd: competitors added after the start of Chapter 11 procedures for Diamond Offshore Drilling Inc, Valaris Plc and Noble Corp Plc.

The performance conditions operate independently of each other. This means that, in the presence of adequate performance on at least one of the objectives, part of the award will be earned regardless of the performance achieved on the other objectives. For all performance conditions, achievement of the maximum level will result in assignment of 160% of the Shares allocated. If performance is lower than the minimum level for each performance indicator no Shares will be assigned. For the current Chief Executive Officer-CEO and the Chief Executive Officer-CEO appointed for the new mandate, the incentive levels are equal to a target of 100% and a maximum of 160% of fixed remuneration; the maximum value at the end of the vesting period may not exceed four times the value of the Shares at the time of allocation. If the mandate is not renewed, it is envisaged that the Shares from each allocation will be definitively assigned at the end of the related vesting period, based on the performance conditions envisaged for the 2019-2021 Plan.

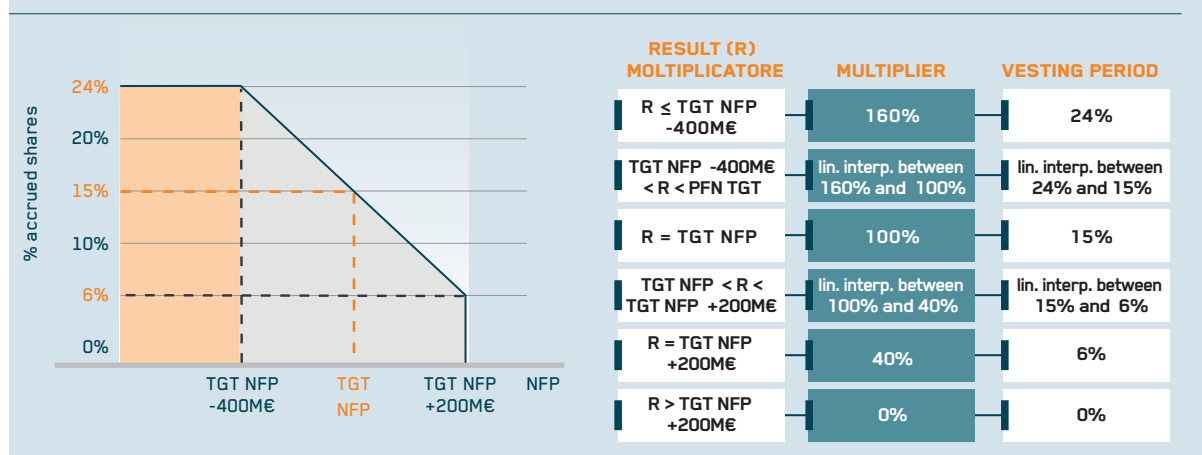
If the mandate is terminated early prior to the end of the vesting period in a bad leaver scenario, the Shares will not be assigned. If the mandate is terminated in a good leaver scenario, the value of the Shares will be recognised in monetary form based on the length of the period between allocation and termination, on the basis established in the Plan Regulation approved by the Board of Directors at the time of allocation, without prejudice to the fact that the amount may not exceed four times the value of the Shares at the time of allocation.

In the context of alignment with the long-term interests of the shareholders and the sustainability of the results achieved, the current Chief Executive Officer-CEO and the Chief Executive Officer-CEO appointed for the new mandate will participate in a co-investment scheme in which 25% of the Shares accrued cannot be transferred and/or sold for a period of 24 months from the end of the vesting period, at the end of which Saipem will assign, in addition to the shares subject to the additional co-investment period, one free Saipem share for every Share made unavailable.

MARKET-BASED INDICATOR: TOTAL SHAREHOLDER RETURN

TSR RANKING E&C (WEIGHT 35%)	MULTIPLIER	VESTING PERIOD	TSR DRILLING RANKING (WEIGHT 15%)	MULTIPLIER	VESTING PERIOD
1 st place	160%	56%	1 st place	160%	24%
2 nd place	145%	51%	2 nd place	145%	22%
3 rd place	130%	46%	3 rd place	130%	20%
4 th place	115%	40%	4 th place	115%	17%
5 th place	100%	35%	5 th place	100%	15%
6 th place	70%	25%	6 th place	70%	11%
7 th place	40%	14%	7 th place	40%	6%
8 th /13 th place	0%	0%	8 th /13 th place	0%	0%

BUSINESS-BASED INDICATOR: ADJUSTED NET FINANCIAL POSITION



BUSINESS-BASED INDICATOR: ADJUSTED RETURN ON AVERAGE INVESTED CAPITAL

RESULT (R)	MULTIPLIER	VESTING PERIOD
R ≥ Max ROAIC	160%	24%
TGT ROAIC < R < Max ROAIC	lin. interp. between 160% and 100%	lin. interp. between 24% and 15%
R = ROAIC TGT	100%	15%
Min ROAIC < R < TGT ROAIC	lin. interp. between 100% and 40%	lin. interp. between 15% and 6%
R = Min ROAIC	40%	6%
R < Min ROAIC	0%	0%

BUSINESS-BASED INDICATOR: CUMULATIVE ADJUSTED EBITDA OVER THREE-YEAR PERIOD 2021-2022-2023

RESULT (R)	MULTIPLIER	VESTING PERIOD
R ≥ cumulative EBITDA Max	160%	32%
TGT cumulative EBITDA < R < Max cumulative EBITDA	lin. interp. between 160% and 100%	lin. interp. between 32% and 20%
R = TGT EBITDA cumulative	100%	20%
Min cumulative EBITDA < R < TGT cumulative EBITDA	lin. interp. between 100% and 40%	lin. interp. between 20% and 8%
R = Min cumulative EBITDA	40%	8%
R < Min cumulative EBITDA	0%	0%

PERFORMANCE AT END OF THREE-YEAR PERIOD

PERFORMANCE	INCENTIVE (% FIXED REMUNERATION)
Minimum	40% (*)
Target	100%
Maximum	160%

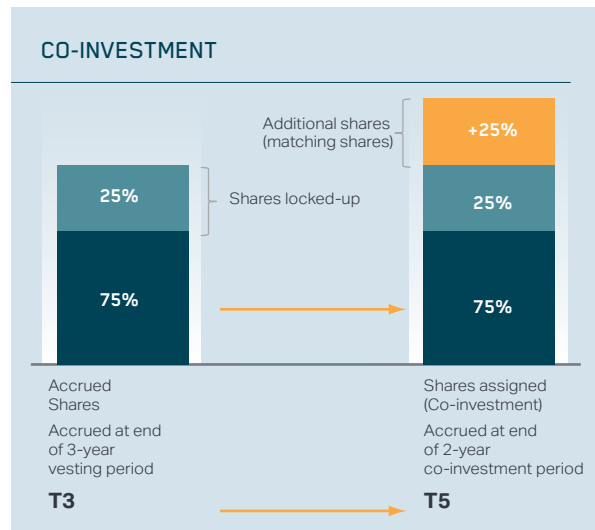
(*) If minimum performance level achieved for all indicators.

Clawback clause

All short- and long-term variable incentives include a clawback clause enabling the recovery of variable remuneration components found to have been paid out in error or as the result of intentional misconduct by beneficiaries, according to the conditions, methods and terms of application described in the "Aims and general principles of the Remuneration Policy" section of this Policy Report (page 22).

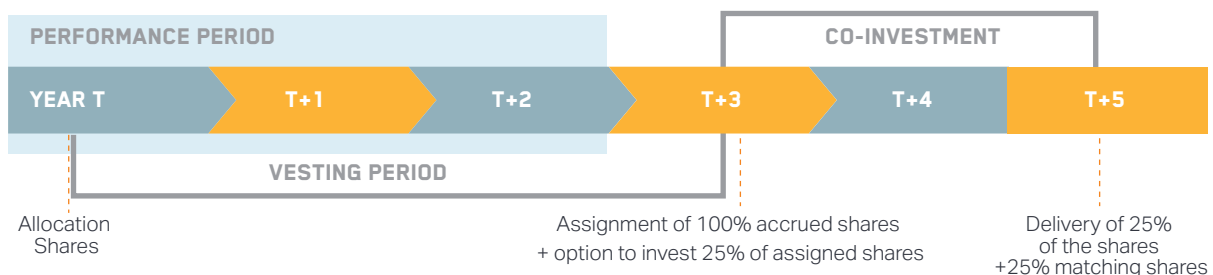
Ancillary remuneration instruments

For the current Chief Executive Officer-CEO: the following payments totalling less than 2 years of remuneration are envisaged, in line with relevant practices and European Commission Recommendation 385 dated April 30, 2009, and to protect the company from potential competition risks:



- a) Indemnities for early termination of office.
 - In case of early termination of the 2018-2021 mandate or resignation caused by demotion, or on the sale, transfer for consideration or without charge or any other transfer of shares or debt instruments of any type, involving a change in the controlling shareholders of Saipem pursuant to

LONG-TERM INCENTIVE PLAN FOR CHIEF EXECUTIVE OFFICER-CEO - TIMELINE



Article 2359 of the Italian Civil Code ("change of control"), if this change leads to a fundamental reduction in the mandates granted, an all-inclusive indemnity will be paid, in an agreed lump sum, pursuant to Article 2383, para. 3, of the Italian Civil Code, totalling €1,800,000. In addition, in the event of resignation as Chief Executive Officer-CEO, when this is not justified by demotion, said resignation must be communicated to the Board of Directors giving 4 months' notice or, alternatively, the Chief Executive Officer-CEO must pay an indemnity of €350,000.

b) No-competition agreement.

- No-competition agreement, to protect the company's interests, in consideration of the high Management profile of international standing in the Oil&Gas Services industry and the networks of institutional and business relationships built globally by the Chief Executive Officer-CEO. The no-competition agreement will be activated on termination of the mandate without renewal and regardless of the cause of termination. It provides for payment of a fee in recognition of the commitment undertaken by the Chief Executive Officer-CEO not to engage, for 18 months after termination of the mandate, in any activity competing with that carried out by Saipem in relation to its corporate objects and in the context of the main reference markets at the international level. After the first 12 months, the Chief Executive Officer-CEO may withdraw from the no-competition agreement, waiving the fee allocated for the residual duration of the agreement (six months). The fee, decided by the Board of Directors on June 28, 2018, amounts to €1,800,000, of which €1,200,000 for the initial 12 months of the agreement and €600,000 for the six months thereafter, in line with best practices in the Italian market. Any breach of the no-competition agreement will lead to non-payment of the fee (or its return, if Saipem becomes aware of the infringement subsequent to payment), as well as the obligation to pay damages mutually and conventionally determined to be double the fee agreed, without prejudice to the right of Saipem to request specific performance of the agreement.

For the Chief Executive Officer-CEO to be appointed for the new mandate: an end-of-mandate indemnity and a no-competition agreement are envisaged in accordance with the recommendation of the Corporate Governance Code and not amounting, in total, to more than 2 years of fixed remuneration and target variable remuneration.

Benefits

The current Chief Executive Officer-CEO will receive the benefits recognised to all managers (healthcare, insurance coverage, car for business and personal use) plus reimbursement of Rome-Milan travel expenses once a week if the journey is made.

The Chief Executive Officer-CEO to be appointed for the new mandate may receive the benefits recognised to all managers (supplementary pension fund, healthcare, insurance coverage for death or

permanent invalidity and work and non-work related injuries, car for business and personal use) plus the reimbursement of actual travel expenses from the place of residence to the place of work, once each week, if the place of residence is more than 400 kilometres from the offices of the company.

Senior Managers with strategic responsibilities

Fixed remuneration

The fixed remuneration of SMSR is set based on roles and responsibilities assigned, taking into account average levels of remuneration at other major Italian and international companies for roles of a similar level of managerial responsibility and complexity, and may be adjusted periodically in the framework of the annual salary review process which is carried out for all managers.

Taking into account the relevant context and current market trends, the 2021 Guidelines envisage selective criteria designed to ensure adequate levels of competitiveness and motivation: (i) possibility of making adjustments, having regard for market benchmarks determined using a system structured with remuneration bands, to the fixed remuneration of personnel deemed especially strategic for the achievement of business results, persons whose responsibilities or roles have expanded and those whose critical professional skills have a major business impact, by applying merit matrices in order to subordinate remuneration increases to an analysis of the positioning of the persons concerned in terms of internal fairness and the reference market, as well as assessment of their merit and skills; (ii) possibility of making special, highly selective one-off payments (maximum of 25% of fixed remuneration) as consideration for top quality performance on projects of great importance or to meet retention needs.

Short-term variable incentive

The Short-term Variable Incentive Plan 2021-2023 includes a new linear incentive curve based on a 50-150 point performance scale, corresponding to an incentive level linked to a 50-150% performance score. The Short-term Variable Incentive Plan 2021-2023 envisages remuneration calculated with reference to Saipem and individual performance in the previous year, as measured on a 50-150 performance scale (below 50 points the performance of each target is deemed to be zero) with, consistent with the 2020 Remuneration Policy, a minimum individual incentive level of 70 points, below which no incentive is payable. The incentive level is differentiated, depending on the role assigned, and with on-target performance (100 points) earning a maximum 45% of fixed remuneration. There is close correlation between the new 50-150 point performance scale and the incentive level linked to the performance score: 50%-150%; the incentive system envisages correspondence between performance score and incentive percentage for scores of 100 points and above; accordingly, at maximum (i.e. performance = 150 points), the incentive level is a maximum 67.5% of fixed remuneration.

The performance objectives of SMSR are calculated on the basis of the objectives assigned to top Management and focus on economic-financial performance, operations, internal efficiency and sustainability (health and safety, environmental protection, Digital Transformation e Balanced Gender Opportunity), as well as on individual objectives assigned in relation to the area of responsibility for the role covered, in accordance with the performance plan of the Company.

For senior managers benefiting from the short-term incentive whose annual performance score is at least 100 points on the 50-150 point performance scale, the Plan envisages the allocation of an additional bonus – calculated as a percentage of fixed remuneration – that is deferred for three years. This additional bonus will be converted into Saipem shares that will be assigned at the end of the deferral period to the beneficiaries still employed by the Company at that time. The incentive percentage varies depending on the individual performance score achieved each year and, for on-target performance of 100 points, is a maximum of 15% of fixed remuneration, while a maximum performance score of 150¹¹ points earns 22.5% of fixed remuneration. The Plan conditions are detailed in the information document made available to the public on the Company's website (www.saipem.com) pursuant to current regulations (Article 114-*bis* of Legislative Decree No. 58/1998 and the Consob implementing regulation). For further information on the characteristics of the Plan please refer to the "Short-term variable incentive" section of this Policy Report.

In addition, a multiplier of 1.2 will be applied to the individual performance score, in the presence of operations or opportunities not included in the Strategic Plan, but that contribute to pursuit of the priority objective of creating value for the shareholders, identified applying the criterion of importance.

The multiplier only applies to performance scores of at least 100 points on the 50-150 performance scale. The aims of this element is to guide Management towards operations that may increase shareholder and investor value, reward the exceptional commitment required and facilitate the motivation and retention of resources with a significant impact on the successful outcome of those operations. Application of the multiplier will be decided by the Board of Directors and the beneficiaries will be identified by the Chief Executive Officer-CEO. The maximum individual performance score cannot exceed 150 points, which corresponds to a maximum short-term incentive of 67.5% of fixed remuneration. The additional portion of the bonus deriving from application of the multiplier is deferred for 3 years and subject to another performance condition (average Saipem performance score over the three-year deferral period) which enables the deferred amount to be adjusted by +/-50%. If average performance over the three-year period is lower than 70 points, the deferred incentive will not be paid.

Long-term variable incentive

As envisaged for the Chief Executive Officer-CEO, Senior managers with strategic responsibilities participate in the Long-term Incentive Plan approved by the Board of Directors on March 11, 2019. The 2019-2021 Long-Term Variable Incentive Plan (LTI) for all managers, with three annual allocations to be completed in October 2021, envisages the allocation without charge of ordinary Saipem shares (performance shares) on achievement of the performance conditions with regard to business objectives (measured over the three-year vesting period) and the performance of the Saipem share measured at the end of the three-year period. For the 2021 allocation, the Plan envisages measurement of the performance conditions using the following parameters:

1. Total Shareholder Return (TSR) of the Saipem share, measured on a three-year basis in terms of positioning relative to two reference Peer Groups consisting of major international companies operating in the same sectors as Saipem (weight: 50%):
 - Engineering & Construction Peer Group (weight 35%): Petrofac, Tecnicas Reunidas, Technip FMC, Subsea 7, Chiyoda, Matrix Service Co¹², Maire Tecnimont, Wood Group, JGC, Oceaneering, Sapura Energy, Worley Parson;
 - Drilling Peer Group (weight 15%): Ades International Holding Plc, Helmerich & Payne, Nabors Industries, Seadrill Ltd, Transocean, Ensign Energy Services Inc, Patterson-Uti Energy Inc, Precision Drilling, Odfjell Drilling, Archer Ltd, Parker Drilling Co, Shelf Drilling Ltd¹³. For both peer groups, the Saipem TSR parameter must rank at least seventh (median) for assignment of the Shares relating to that indicator, as shown in the tables on page 28.
2. Predefined economic and financial objectives for each annual allocation within the Plan, with a weighting of 50%. For the 2021 allocation these objectives are:
 - 2.1 Adjusted Net Financial Position (NFP): objective that measures Saipem's long-term financial performance at the end of the three-year period (weight: 15%) (ref. page 28);
 - 2.2 Adjusted Return on Average Invested Capital (ROAIC): objective that measures the yield on capital invested by the company (weight: 15%) (ref. page 29);
 - 2.3 Cumulative Adjusted EBITDA for the three-year period 2021-2022-2023: objective that measures the gross operating margin net of special items at the end of the three-year reference period (weight: 20%) (ref. page 29).

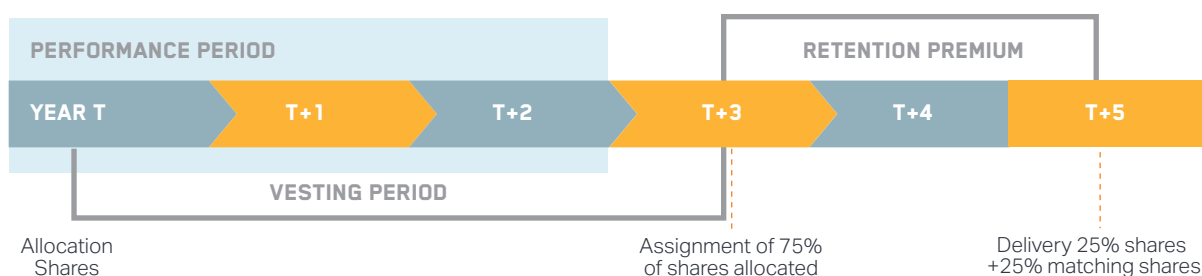
The performance conditions operate independently of each other. This means that, in the presence of an adequate performance in at least one of the objectives, a part of the award will mature regardless of the performance achieved in the other objectives.

(11) Modification of the performance scale from 70-130 points to 50-150 points does not affect determination of the additional bonus in the form of shares, the maximum percentage for which remains 22.5%, consistent with the 2020 Remuneration Policy.

(12) Competitor added after the delisting of McDermott International Inc.

(13) Ades International Holding Plc, Parker Drilling Co and Shelf Drilling Ltd: competitors added after the start of Chapter 11 procedures for Diamond Offshore Drilling Inc, Valaris Plc and Noble Corp Plc.

LONG-TERM INCENTIVE PLAN FOR SENIOR MANAGERS WITH STRATEGIC RESPONSIBILITIES - TIMELINE



For all performance conditions, achievement of the maximum level will result in assignment of 160% of the Shares allocated. If performance is lower than the minimum level for each performance indicator no Shares will be assigned. For Senior Managers with strategic responsibilities, the incentive level for on-target performance is 65% of fixed remuneration, increasing to a maximum of 104% of fixed remuneration. The maximum value at the end of the vesting period may not exceed four times the value of the Shares at the time of allocation. The Plan further contemplates a Retention Premium of 25% of the Shares allocated, recognised at the end of the three-year vesting period upon achievement of the performance conditions mentioned above. For a period of two years, the beneficiaries may not access 25% of the shares allocated and, at the end of that period, for every Share made unavailable, Saipem will assign an additional Share without charge as the Retention Premium. The Retention Premium aims to strengthen further the alignment of interests between Management and shareholders over the long term and act as leverage for the retention of Management. If the employment relationship terminates before the end of the vesting period in a good leaver scenario (including sale and/or loss of control by Saipem over the company that employs the beneficiary during the vesting period), the values of the Shares will be recognised in monetary form based on the length of

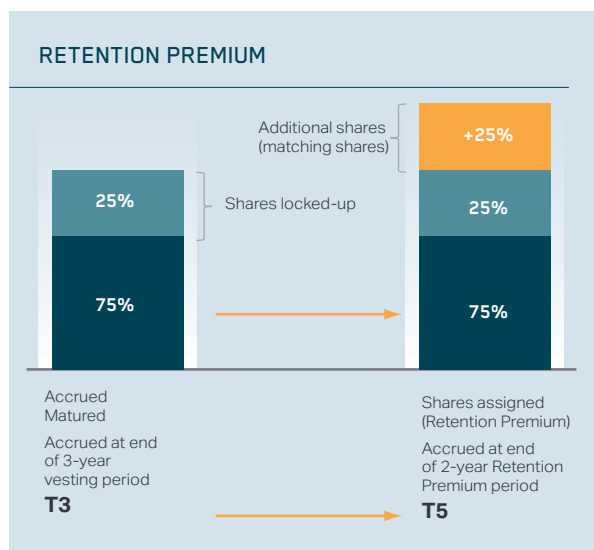
the period between allocation and termination, using a predetermined formula, without prejudice to the fact that the amount may not exceed four times the value of the Shares at the time of allocation. In the event of termination in bad leaver scenario, the beneficiary will lose all rights and will not be assigned any shares.

Clawback clause

A clawback clause is envisaged for Senior managers with strategic responsibilities, with the conditions, methods and terms of application described in the "Aims and general principles of the Remuneration Policy" section of this Policy Report (page 22).

Ancillary remuneration instruments

- a) Indemnities for termination of employment.
 - > Senior Managers with strategic responsibilities and all other Saipem executives are entitled to the termination indemnities (including payment in lieu of notice, where applicable) established in the relevant national collective employment contract. It is also possible to agree, on an individual basis, supplementary indemnities on the termination of employment as an executive, applying criteria established by Saipem that envisage maximums that take account of the protections specified in the national collective employment contract for Executives. These criteria take account of the actual and pensionable age of the executive when the contract is terminated and his/her annual remuneration. In addition, severance payments up to a maximum of two years' fixed remuneration for a Change of Control resulting in resignation or termination and/or demotion may be established on the basis of individual termination indemnity agreements.
- b) Minimum-term agreements.
 - > Minimum-term agreements may be envisaged to protect know-how with the aim of guaranteeing continuity in achieving the business objectives, for a maximum of 12 months of total annual remuneration for each year of the agreement.
- c) No-competition agreements.
 - > Specific remuneration may be envisaged for cases where the need is found to enter into no-competition agreements, for a maximum of 12 months of total annual remuneration for each year of the agreement.



Benefits

In continuity with the remuneration policy implemented in 2020 and in accordance with the relevant collective labour agreement established at national level and supplementary agreements reached at company level for Saipem executives, Senior Managers with strategic

responsibilities participate in the supplementary pension fund (FOPDIRE¹⁴ or PREVINDAI¹⁵) and the Supplementary Healthcare Fund (FISDE¹⁶), receive death, disability and other insurance cover and are assigned a company car for business and personal use.

(14) Closed pension fund operating on a defined contribution, individual account basis, www.fopdire.it.

(15) Pension fund established in the form of an association recognised by public deed, with defined contributions on an individual capitalisation basis. www.previndai.it.

(16) Healthcare fund providing reimbursement of medical expenses for working and retired executives and their family members, www.fisde-eni.it.

SECTION II - COMPENSATION PAID AND OTHER INFORMATION

Report on compensation paid - 2020

Consistent with the new regulations, the Report on compensation paid is submitted for a consultative vote at the Shareholders' Meeting for the second year.

This Report describes the compensation paid in 2020 to the (executive and non-executive) Directors, Statutory Auditors and Senior Managers with strategic responsibilities of Saipem, it also indicates the shares held by the Directors, Statutory Auditors and Senior Managers with strategic responsibilities of Saipem and contains the following information:

> 2020 allocation of Share-based Long-term Variable Incentive Plan 2019-2021;

> 2020 assignment of Shares allocated in 2017 in relation to the Long-term Incentive Plan 2016-2018;

> 2021 assignment of Shares allocated in 2018 in relation to the Long-term Incentive Plan 2016-2018;

> 2021 allocation of the deferred share element of the Short-term Variable Incentive Plan 2021-2023; in accordance with the related regulations in force.

The Company has increased the disclosures about the achieved results of the short- and long-term incentive plans, providing the related data on an accruals basis; in particular, the results relating to 2020 are highlighted.

OVERVIEW

FIXED REMUNERATION

References - Conditions for activation - Results

Benchmarking of compensation consistent to Saipem characteristics and assigned roles..

Compensation for the role of Director established at the Shareholders' Meeting held on May 3, 2018.

Compensation for the Chairman of the Board of Directors approved by the Board of Directors on June 28, 2018.

Compensation for the Chief Executive Officer-CEO approved by the Board of Directors on June 28, 2018, May 16, 2019, July 28, 2020 and September 24, 2020.

Compensation for non-executive Directors serving on Board committees approved by the Board of Directors on June 28, 2018 and July 24, 2018.



Compensation paid

Caio Francesco - Chairman: €456,000

> Fixed compensation: €427,500, including the compensation as Director of €60,000.

> Compensation as Chairman of the Sustainability, Scenarios and Governance Committee: €28,500.

Cao Stefano - Chief Executive Officer-CEO: €1,045,000

> Fixed compensation for the 2018-2021 mandate: €1,045,000 annually, including base compensation as Director of €60,000 determined at the AGM.

Cappello Maria Elena - Director: €79,500

> Fixed compensation determined at the AGM: €60,000.

> Compensation for serving on the Sustainability, Scenarios and Governance Committee: €19,500.

Carlioni Claudia - Director: €79,500

> Fixed compensation determined at the AGM: €60,000.

> Compensation for serving on the Sustainability, Scenarios and Governance Committee: €19,500.

Ferone Alessandra - Director: €84,535 (period serving in role: February 5, 2020 to December 31, 2020).

> Pro-rata fixed compensation determined at the AGM: €54,247.

> Pro-rata compensation for serving on the Control and Risk Committee: €30,288.

Ferro-Luzzi Federico - Director: €99,000

> Fixed compensation determined at the AGM: €60,000.

> Compensation for serving on the Compensation and Nominations Committee: €19,500.

> Compensation for serving on the Sustainability, Scenarios and Governance Committee: €19,500.

Fumagalli Paolo - Director: €99,667

> Fixed compensation determined at the AGM: €60,000.

> Compensation as Chairman of the Compensation and Nominations Committee: €28,500.

> Compensation for serving on the Related-Party Transactions Committee: €11,167.

Latini Pierfrancesco - Director: €9,222 (period serving in role: January 1, 2020 to February 5, 2020).

> Pro-rata fixed compensation determined at the AGM: €5,918.

> Pro-rata compensation for serving on the Control and Risk Committee: €3,304.

Mazzilli Ines - Director: €102,500

> Fixed compensation determined at the AGM: €60,000.

> Compensation as Chairman of the Audit and Risk Committee: €42,500.

OVERVIEW

cont'd FIXED REMUNERATION



References - Conditions for activation - Results	Compensation paid
	<p>Schapira Paul - Director: €113,000</p> <ul style="list-style-type: none"> > Fixed compensation determined at the AGM: €60,000. > Compensation for serving on the Audit and Risk Committee: €33,500. > Compensation for serving on the Compensation and Nominations Committee: €19,500. <p>Busso Mario - Chairman of the Board of Statutory Auditors:</p> <ul style="list-style-type: none"> > Pro-rata fixed compensation determined at the AGM of €22,822 (period serving in role: January 1, 2020 to April 29, 2020). > Fixed compensation of €58,500 for role held in subsidiaries and associates and jointly controlled companies. <p>De Martino Giulia - Statutory Auditor:</p> <ul style="list-style-type: none"> > Fixed compensation determined at the AGM of €50,000. > Fixed compensation of €13,000 for role held in subsidiaries and associates and jointly controlled companies. <p>Fiori Giovanni - Chairman of the Board of Statutory Auditors:</p> <ul style="list-style-type: none"> > Pro-rata fixed compensation determined at the AGM of €47,178 (period serving in role: April 29, 2020 to December 31, 2020). <p>Perotta Riccardo - Statutory Auditor:</p> <ul style="list-style-type: none"> > Pro-rata fixed remuneration determined at the AGM of €16,301 (period serving in role: January 1, 2020 to April 29, 2020). > Fixed compensation of €41,546 for role held in subsidiaries and associates and jointly controlled companies. <p>Rosini Norberto - Statutory Auditor:</p> <ul style="list-style-type: none"> > Pro-rata fixed remuneration determined at the AGM of €33,699 (period serving in the role: April 29, 2020 to December 31, 2020). <p>Senior Managers with strategic responsibilities:</p> <ul style="list-style-type: none"> > The total gross annual remuneration is €4,567,179, plus the allowances due for domestic and foreign travel totalling €13,630. Due to the emergency linked to the COVID-19 pandemic, the annual salary revision process was suspended in 2020 for all Saipem executives.

STI - SHORT-TERM VARIABLE INCENTIVE PLAN 2021-2023



References - Conditions for activation - Results	Compensation paid
<p>As described in more detail below, in the section on "Exceptions to the 2020 Remuneration Policy", new CEO objectives for 2020 have been approved: Adjusted Free Cash Flow (weight 20%); Adjusted EBITDA (weight 25%); New Contracts (weight 25%); ESG (HSE, Diversity Opportunities, Technological Innovation and Risk Management) (weight 30%). A coefficient of 1.1 will be applied to the score for the "New Contracts" objective, if the outstanding "Non Oil Related" element of the orderbook (Drilling excluded) is >70% at December 31, 2020. The resulting new score cannot be more than 32.5 points.</p> <p>Incentives are based on the results achieved in the previous year and measured on a 70-130 point performance scale, with a minimum recognition threshold of 70 points for company performance. Performance score for 2020 CEO objectives: 76 points.</p> <p>SMSR objectives: broken down on the basis of objectives assigned to Top Management, in relation to the area of responsibility for the role covered. Shares are allocated and incentives are paid based on the results achieved in the previous year and measured on a 70-130 point performance scale, with a minimum recognition threshold of 70 points for individual performance. Vesting over three years for the share element of the short-term incentive.</p> <p>Payment of the incentive under the Short-term Incentive Plan depends on achievement of the minimum performance (trigger) level for the Saipem CEO Objectives of at least 70 points.</p>	<p>Cao Stefano - Chief Executive Officer-CEO: the amount of €564,500 relates to the 2021 short-term incentive linked to 2020 performance.</p> <p>SMSR: the monetary element totals €1,709,063 and relates to the 2021 short-term incentive linked to 2020 performance. The maximum number of Shares allocated without charge in 2021, comprising the share element of the 2021 short-term incentive linked to 2020 performance, is 256,250 Shares.</p>

OVERVIEW

LTI - LONG-TERM VARIABLE INCENTIVE PLAN (2019-2021) - 2020 ALLOCATION



References - Conditions for activation - Results

Assignment without charge of ordinary Shares in Saipem SpA, differentiated depending on the level of the role, on achievement of the following performance conditions, measured at the end of the three-year reference period: relative TSR measured in terms of relative positioning with respect to two peer groups: Engineering & Construction (weight 35%) and Drilling (weight 15%); Adjusted Net Financial Position (weight 25%); Adjusted ROAIC (weight 25%).
 Three-year Vesting + Co-Investment of 2 years for the Chief Executive Officer-CEO.
 Three-year Vesting + Retention Premium of 2 years for strategic personnel.

Compensation paid

Cao Stefano - Chief Executive Officer-CEO: 505,700 Shares without charge on the 2020 allocation under the Long-term Variable Incentive Plan 2019-2021 with vesting period October 27, 2020-October 27, 2023.
SMSR: 1,379,900 Shares without charge on the 2020 allocation under the Long-term Variable Incentive Plan 2019-2021 with vesting period October 27, 2020-October 27, 2023.

LTI -LONG-TERM VARIABLE INCENTIVE PLAN (2016-2018) - 2017 AND 2018 ALLOCATIONS



References - Conditions for activation - Results

Assignment without charge of ordinary Shares in Saipem SpA, differentiated depending on the level of the role, on achievement of the following performance conditions, measured at the end of the three-year reference period: Relative TSR measured in terms of relative positioning with respect to the reference peer group (weight 50%) and Net Financial Position (weight 50%).
 Three-year Vesting + Lock-up period of 2 years for the Chief Executive Officer-CEO.
 Three-year Vesting + Co-investment for 2 years for strategic personnel.

Compensation paid

Cao Stefano - Chief Executive Officer-CEO: 397,500 Shares without charge on the 2020 assignment of Shares allocated in 2017 with vesting period July 24, 2017-July 23, 2020 and 412,726 Shares without charge on the 2021 assignment of Shares allocated in 2018 with vesting periods for the two allocations March 5, 2018 - March 4, 2021 and July 24, 2018-July 23, 2021.
SMSR: 742,000 Shares without charge on the 2020 assignment of Shares allocated in 2017 with vesting period July 24, 2017-July 23, 2020 and 577,682 Shares without charge on the 2021 assignment of Shares allocated in 2018 with vesting period July 24, 2018-July 23, 2021.

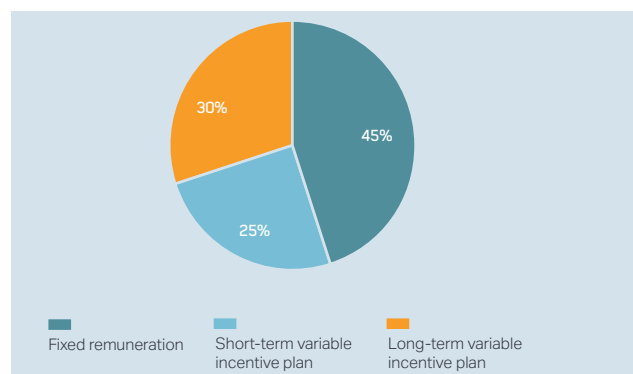
PROPORTION OF FIXED AND VARIABLE COMPENSATION

References - Conditions for activation - Results

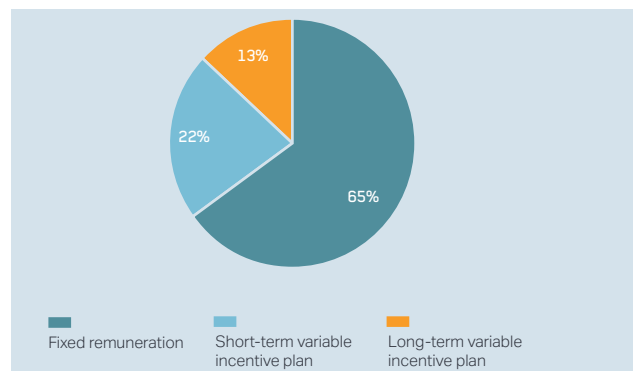
Presentation of the proportion of fixed compensation and variable compensation paid during 2020.
 CEO: including the 2020 elements of fixed remuneration and the short- and long-term incentive plans.
 DIRS: including the 2020 elements of fixed remuneration and the short- and long-term incentive plans.

Compensation paid

Proportion of fixed and variable compensation of the CEO 2020:





Proportion of fixed and variable compensation of the SMSR 2020:




OVERVIEW


BENEFITS

References - Conditions for activation - Results	Compensation paid
  <p>CEO: same benefits as those recognised to all managers (supplementary healthcare, insurance cover for death and invalidity risks, car for business and personal use) plus reimbursement of Rome-Milan travel expenses once a week if the journey is made.</p> <p>SMSR: conditions specified in the national collective employment contract and supplementary in-house agreements applicable to executives (supplementary pension, supplementary healthcare, insurance cover for death and invalidity risks, car for business and personal use).</p>	<p>Cao Stefano - Chief Executive Officer-CEO: the amount of €14,887 includes the value of the car benefit, the supplementary health insurance paid by the company and the taxable amount for weekly round-trip flights between Milan and Rome.</p> <p>SMSR: the amount of €151,163 includes the value of the car benefit and the supplementary pension contributions and health insurance paid by the company.</p>

SEVERANCE PAYMENT, NO-COMPETITION AND MINIMUM-TERM AGREEMENTS

References - Conditions for activation - Results	Compensation paid
 <p>CEO: all-inclusive indemnity in case of early termination of the current mandate, excluding dismissal for just cause, and in case of resignation caused by demotion or change of control. No-competition agreement.</p> <p>SMSR: termination indemnity: agreed upon termination of employment by mutual consent. Severance Payment: cases of change of control which result in termination of employment due to resignation or dismissal and/or demotion. No-competition agreements: activated upon termination of the employment relationship. Minimum-term agreements to protect know-how.</p>	<p>SMSR: amount of €300,000 relating to the minimum-term agreements outstanding in 2020.</p>

SHARES HELD BY DIRECTORS AND SENIOR MANAGERS WITH STRATEGIC RESPONSIBILITIES

References - Conditions for activation - Results	Compensation paid
 <p>The following information shows the shares held in Saipem SpA by the Directors, Statutory Auditors and Senior Managers with strategic responsibilities, as well as by their spouses, where not legally separated, and by their minor children, either directly or through subsidiaries, trust companies or third parties, as determined from the Shareholders' Register, communications received and other information obtained from the persons concerned.</p>	<p>Cao Stefano - Chief Executive Officer-CEO: 537,125 shares held as of 31 December 2020.</p> <p>Fumagalli Paolo - Director: (persons closely associated with the significant party) number of shares purchased and sold: 83,000.</p> <p>Perotta Riccardo - Statutory Auditor: 18,400 shares held as of April 29, 2020, date of termination of the role.</p> <p>SMSR: 327,680 shares held as of December 31, 2020.</p>

Implementation of 2020 remuneration policies

This section describes the remuneration policies implemented in 2020 with regard to the Chairman of the Board of Directors, the non-executive Directors, the Statutory Auditors, the Chief Executive Officer-CEO and the Senior Managers with strategic responsibilities. Based on the checks made by the Compensation and Nominations Committee as part of the periodic assessment required by the Corporate Governance

Code, implementation of the 2020 Remuneration Policy was consistent with the document approved by the Board of Directors on March 12, 2020, in accordance with the resolutions adopted by the Board of Directors on May 3, 2018, June 28, 2018, May 16, 2019, July 28, 2020 and September 24, 2020, regarding the remuneration of non-executive Directors serving on Board Committees and the remuneration of the Chairman and the Chief Executive Officer-CEO. In the opinion of the Committee, the 2020 Policy is in line with the market benchmarks identified.

Report on Compensation Paid for 2020 - Results of shareholder vote on Section II

As required under current legislation (Article 123-ter, para. 6, of Legislative Decree No. 58/1998), the Shareholders' Meeting held on April 29, 2020 cast a consultative vote on Section II of the 2020 Report on Remuneration Policy and Compensation Paid: 99.16% of all votes cast were in favour.

Market developments are monitored constantly and, subsequent to the Shareholders' Meeting, the Compensation and Nominations Committee analysed the results of voting and the feedback received from investors and proxy advisors. Based on the orientations identified, the Committee has paid particular attention to disclosure of the actual results achieved in relation to the outstanding incentive plans.

Fixed compensation

Directors

The Chairman was paid the compensation for the role envisaged by the Board of Directors on June 28, 2018. The amount included the compensation for the role of Director approved at the Shareholders' Meeting held on May 3, 2018. The Chairman was also paid the compensation envisaged for the role of Chairman of the Sustainability, Scenarios and Governance Committee.

The non-executive Directors were paid the fixed remuneration approved at the Shareholders' Meeting held on May 3, 2018.

The Chief Executive Officer-CEO was paid the compensation established by the Board of Directors on June 28, 2018. The amount included the compensation for the role of Director approved at the Shareholders' Meeting held on May 3, 2018, in continuity with the previous mandate.

Statutory Auditors

The Statutory Auditors were paid the fixed compensation approved at the Shareholders' Meeting held on April 29, 2020.

Senior Managers with strategic responsibilities

In view of the emergency linked to the COVID-19 pandemic and its impact on the economic and social situation, including generalised uncertainty in the markets, it was decided to suspend work on revising the annual fixed remuneration of all executives in 2020. The amounts of fixed remuneration and, for employees, the indemnities specified in the relevant national collective employment contract for executives and in the supplementary in-house agreements, are indicated in the relevant items of Table 1 in the section on "Compensation paid in 2020".

Compensation for service on Board Committees

The non-executive Directors were paid the additional compensation due for service on Board Committees that was approved by the Board of Directors on June 28, 2018. This was more than in the 2015-2018 mandate but less than the market median and took account of the distinction made between the Chairman and other members.

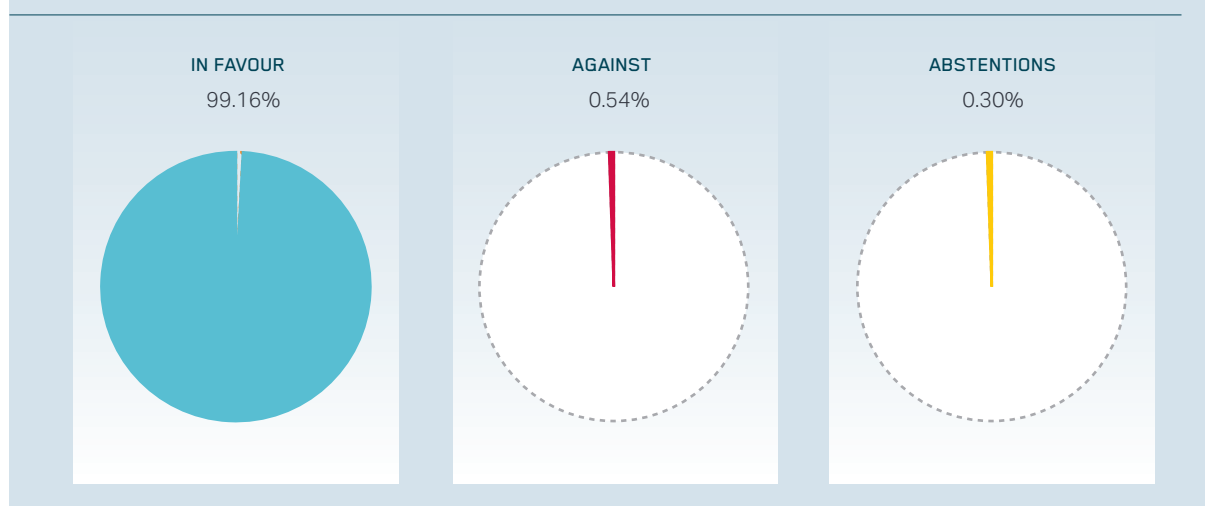
The above amounts are indicated in the relevant item of Table 1 in the section on "Compensation paid in 2020".

Variable incentives

Exceptions to the 2020 Remuneration Policy

Acting on a proposal from the Compensation and Nominations Committee and in compliance with the Procedures for Related-Party Transactions – in line with 2020 Report on Remuneration Policy and Compensation Paid – on August 3, 2020 the Board of Directors resolved to revise the 2020 Saipem performance schedule, previously approved on March 12, 2020, following an assessment of the effects generated by the COVID-19 pandemic and consistent with the outlook provided to the market following the meeting of the Board of Directors held on July 28, 2020. This revision changed the weights allocated to the 2020 performance indicators, giving priority to the

RESULTS OF VOTE HELD AT SHAREHOLDERS' MEETING - SECTION II - 2020



ESG indicators and the indicator for New Contracts as, given the short-term uncertainties and the change in market conditions, these metrics provide the best basis for building an economic recovery and strengthening the sustainability of the business; in particular, consistent with the growing importance attached by the market to ESG objectives, more weight was given to safety (injury frequency rate - TRIFR) and the objectives linked to gender opportunity. Lastly, consistent with the acceleration of the Saipem strategy on the energy transition, a new coefficient of 1.1 will be applied to the score obtained for the "New Contracts" objective, if the outstanding "Non Oil Related" element of the orderbook represents 70% or more of the entire Order portfolio at December 31, 2020.

In addition, the minimum threshold was changed for activating a multiplier of 1.2 in the presence of operations or opportunities not included in the strategic plan, but that contribute to pursuit of the objective of creating value for the shareholders, as well as for allocating the share element – subject to deferral for three years – of the short-term incentive plan.

The Board of Directors set the minimum threshold at 70 points, just for 2020.

This change did not have any effect in 2020, as the multiplier of 1.2 was not activated and no operations or opportunities arose that were not included in the strategic plan.

Given the global environment, hit suddenly by the COVID-19 emergency that gave rise to generalised uncertainty, the Board of Directors approved an exception to the Remuneration Policy in order to ensure the sustainability of the business and guide the efforts of Management towards new strategic priorities, as well as to support the exceptional efforts made to protect the business interests of Saipem in a year marked by particular complexity. This step was also necessary in order to strengthen the retention tools available and, therefore, reduce the risk that strategic personnel, who have already demonstrated their dedication and motivation in pursuit of Saipem's

challenging long-term goals, might be attracted to join competitors.

Despite the market context, Saipem has shown the qualities of resilience that distinguish it as a global company of excellence, not least due to remuneration systems capable of ensuring alignment of the interests of Management with those of shareholders and other stakeholders.

Short-term variable incentive

The performance of Saipem in 2020, evaluated on a like-for-like basis and approved by the Board of Directors, acting on a proposal from the Compensation and Nominations Committee, on March 12, 2021, generated a score of 76 points on the measurement scale used, which sets the minimum performance level at 70 points and the maximum at 130 points.

The table shows the weights, economic results and performance level achieved by each objective, as represented by a weighted score.

Consistent with the 2020 Remuneration Policy Guidelines and the contractual conditions for the 2018-2021 mandate of the Chief Executive Officer-CEO, approved by the Board of Directors on June 28, 2018, July 28, 2020 and September 24, 2020, the performance score achieved for 2020 of 76 points has allowed activation of the short-term incentive system envisaged for the Chief Executive Officer-CEO.

In particular, the resulting bonus for the Chief Executive Officer-CEO amounted to €564,500.

With regard to the variable remuneration of Senior Managers with strategic responsibilities, the monetary element of the 2021 short-term incentive in relation to 2020 performance will be paid in the current year, while allocation of the deferred shares element envisages their assignment in 2024, after the vesting period.

This monetary element, determined in accordance with the Remuneration Policy, was linked to the performance of the company and the individual concerned, considering the individual objectives assigned in relation to the responsibilities held, in line

ACTUALS FOR 2020 OBJECTIVES RELATING TO 2021 STI PLAN

	Weight	Minimum	Central	Maximum	Actual (Mln €)	Score
1. Adjusted Free Cash Flow	20%				-187	17
2. Adjusted EBITDA	25%				614	0
3. ESG	30%				Max	39
4. New contracts	25%				8,673	20*

(*) Actuals for the New contracts objective take account of the 1.1 multiplier for the residual "Non Oil Related" orderbook.

with the Saipem 2020 performance plan. The deferred shares element of the incentive, determined in accordance with the Remuneration Policy, was linked to the individual performance achieved in relation to the individual objectives assigned, considering the responsibilities held, in line with the Saipem 2020 performance plan.

For variable remuneration purposes, the performance of Senior Managers with strategic responsibilities results in the payment of bonuses based on their specific results and the maximum effective incentive level of 47.24% of fixed remuneration, differentiated with reference to the position held and having regard for the maximum incentive of 67.5% of fixed remuneration. For the deferred shares element of the short-term incentive, the performance of Senior Managers with strategic responsibilities results in the allocation of shares based on their specific results and the maximum effective incentive level of 17.61% of fixed remuneration, differentiated with reference to the position held and having regard for the maximum incentive of 22.5% of fixed remuneration.

Share-based Long-Term Variable Incentive

Consistent with the 2020 Remuneration Policy Guidelines and the contractual conditions relating to the 2018-2021 mandate of the Chief Executive Officer-CEO approved by the Board of Directors on June 28, 2018 and May 16, 2019, in the context of the Share-based Long-term Variable Incentive Plan 2019-2021 and applying the criteria and procedures determined by the Board of Directors on March 11, 2019 and approved at the Shareholders' Meeting held on April 30, 2019, on October 27, 2020 the Board of Directors approved the 2020 allocation of 505,700 ordinary Shares in Saipem SpA to the Chief Executive Officer-CEO, representing 100% of his fixed remuneration.

In the context of the Share-based Long-term Variable Incentive Plan 2019-2021 for Senior Managers with strategic responsibilities, 1,379,900 Shares were allocated to them for 2020 with reference to the target incentive levels established in the Plan for Saipem

Management. The number of Saipem Shares to be allocated to each beneficiary is determined with reference to a predefined percentage of fixed remuneration linked to the position held and the allocation price of the Saipem Shares, being their average price during the observation period between May 20 and September 20 in the year of allocation. The Shares allocated to the Chief Executive Officer-CEO and the Senior Managers with strategic responsibilities are shown in Table 1 of form 7 of Annex 3A to Regulation No. 11971/1999, as required by Article 84-*bis* (Annex 3A, form 7) of the Consob Issuers' Regulation, with related details shown in Table 3A of the section on "Compensation paid in 2020".

2020 assignment of Shares allocated in 2017 in relation to the Long-term Incentive Plan 2016-2018

In order to provide complete information about the long-term incentive plans, the results of the 2020 assignment of Shares allocated in 2017 (with vesting period: July 24, 2017-July 23, 2020) for 2019 are shown below.

The Saipem performance in relation to the 2017 allocation of the Share-based Long-term Variable Incentive Plan 2016-2018, approved by the Board of Directors acting on a proposal from the Compensation and Nominations Committee at the meeting held on March 12, 2020, resulted in 100% accrual of the Shares allocated in 2017.

The table shows the weights, results and percentage accrual achieved by each indicator.

Consistent with the 2017 Remuneration Policy Guidelines and the contractual conditions relating to the 2015-2018 mandate of the Chief Executive Officer-CEO approved by the Board of Directors on June 15, 2015 and June 27, 2016, in the context of the Share-based Long-term Variable Incentive Plan 2016-2018 and applying the criteria and procedures determined by the Board of Directors on March 16, 2016 and approved at the Shareholders' Meeting held on April 29, 2016, on July 28, 2020 the Board of Directors approved the 2020 assignment of 397,500

ACTUALS FOR OBJECTIVES FOR LTI PLAN 2016-2018 - 2017 ASSIGNMENT

	Weight	Minimum	Central	Maximum	Actual	Multiplier
1. TSR	50%				4 th place	50%
2. Net Financial Position	50%				244 mln€	50%

N.B. Economic values pre-IFRS 16.

ordinary shares in Saipem SpA to the Chief Executive Officer-CEO in relation to the Shares allocated in 2017. The Plan envisages that 25% of the shares accrued, totalling 99,375, will not be assigned definitively but subjected to a two-year lock-up period.

As determined for the Chief Executive Officer-CEO, the Senior Managers with strategic responsibilities were assigned a total of 742,000 shares in 2020 in relation to the Shares allocated in 2017. With regard to the Senior Managers with Strategic Responsibilities, the Plan requires 25% of the shares accrued to be locked up for a further two years, after which the beneficiaries will receive an additional share without charge for every share deferred.

The Shares assigned to the Chief Executive Officer-CEO and the Senior Managers with strategic responsibilities are shown in Table 1 of form 7 of Annex 3A to Regulation No. 11971/1999, as required by Article 84-*bis* (Annex 3A, form 7) of the Consob Issuers' Regulation, with related details shown in Table 3A of the section on "Compensation paid in 2020".

2021 assignment of Shares allocated in 2018 in relation to the Long-term Incentive Plan 2016-2018

The Saipem performance in relation to the third and final 2018 allocation of the Share-based Long-term Variable Incentive Plan 2016-2018, approved by the Board of Directors acting on a proposal from the Compensation and Nominations Committee at the meeting held on March 12, 2021, resulted in 66.63% accrual of the Shares allocated in 2018.

The table shows the weights, results and percentage accrual achieved by each indicator.

Consistent with the 2018 Remuneration Policy Guidelines and the contractual conditions for the position of Chief Executive Officer-CEO, in the context of the Share-based Long-term Variable Incentive Plan 2016-2018 and applying the criteria and procedures determined by the Board of Directors on March 16, 2016 and approved at the Shareholders' Meeting held on April 29, 2016, on March 12, 2021 the Board of Directors approved the 66.63% accrual of the shares

allocated in 2018, resulting in the 2021 assignment of 412,726 ordinary shares in Saipem SpA (with vesting periods in relation to the two allocations of March 5, 2018-March 4, 2021 and July 24, 2018-July 23, 2021) to the Chief Executive Officer-CEO in relation to the Shares allocated in 2018. The Plan envisages that 25% of the shares accrued, totalling 103,182, will not be assigned definitively but subjected to a two-year lock-up period.

As determined for the Chief Executive Officer-CEO, an 66.63% share accrual was approved for the Senior Managers with strategic responsibilities, resulting in the 2021 assignment of an estimated 577,682 shares (with vesting period July 24, 2018-July 23, 2021) in relation to the Shares allocated in 2018. With regard to the Senior Managers with Strategic Responsibilities, the Plan requires 25% of the shares accrued to be locked up for a further two years, after which the beneficiaries will receive an additional share without charge for every share deferred.

The Shares assigned to the Chief Executive Officer-CEO and the Senior Managers with strategic responsibilities are shown in Table 1 of form 7 of Annex 3A to Regulation No. 11971/1999, as required by Article 84-*bis* (Annex 3A, form 7) of the Consob Issuers' Regulation, with related details shown in Table 3A of the section on "Compensation paid in 2020".

Benefits

Table 1 of the section on "Compensation paid in 2020" shows the taxable value of the benefits recognised in 2020; in particular, the amounts relate to the following benefits: (i) annual contribution to the supplementary pension fund FOPDIRE or PREVINDAI; (ii) annual contribution to the supplementary healthcare fund FISDE; (iii) assignment of a company car for business and personal use (the annual value is stated net of the contribution paid by the assignee); (iv) taxable value of the weekly return flights between Milan and Rome (only for the Chief Executive Officer-CEO).

ACTUALS FOR OBJECTIVES FOR LTI PLAN 2016-2018 - 2018 ASSIGNMENT

	Weight	Minimum	Central	Actual	Multiplier
1. TSR	50%			4 th place	50%
2. Net Financial Position	50%			872 mln€	16.63%

N.B. Economic values pre-IFRS 16.

Ancillary remuneration instruments

Indemnities for ceasing to serve or termination of employment

During 2020, no indemnities for termination of office were approved and/or paid to Directors or Senior Managers with strategic responsibilities.

No-competition agreements

Consistent with the 2020 Remuneration Policy Guidelines, Senior Managers with strategic responsibilities may receive specific compensation for signing no-competition agreements, up to a maximum of 12 months of total annual remuneration for each year of the agreement.

No payments for no-competition agreements were made in 2020.

Minimum-Term Agreements

Consistent with the 2020 Remuneration Policy Guidelines, Senior Managers with strategic responsibilities may be party to minimum-term agreements protecting know-how, with the goal of guaranteeing continuity in the achievement of

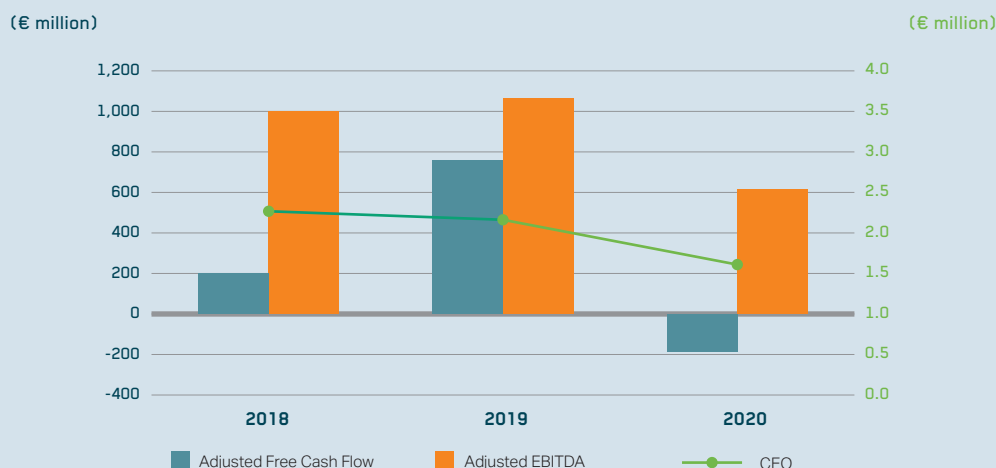
business objectives, up to a maximum of 12 months of total remuneration for each year of the agreement. A total gross amount of €300,000 was paid in 2020 under current minimum-term agreements.

Annual change in compensation and the performance of the Company

Saipem agrees with the objectives of increasing the further disclosures about the remuneration of the Chief Executive Officer-CEO and monitoring constantly the ratio of his remuneration to that of the other employees; for this purpose, the annual change in the overall remuneration of the Chief Executive Officer-CEO and in the overall remuneration of the full-time employees of Saipem SpA is calculated, as shown in the following tables.

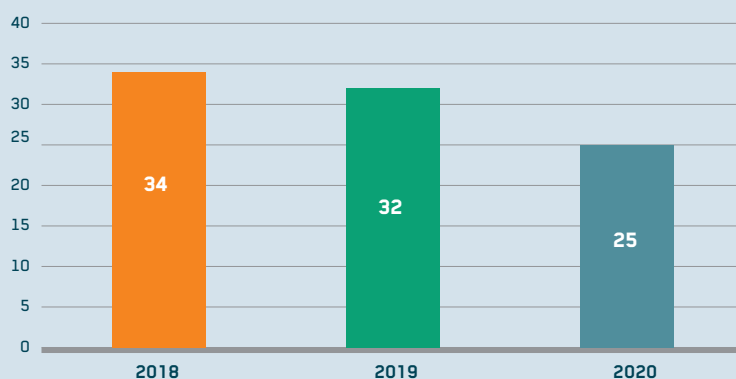
The annual change in compensation and in the performance of the Company has been monitored for 2018, 2019 and 2020; in addition, with regard to those years, the overall remuneration of the Chief Executive Officer-CEO was compared with the results of the Company using two economic-financial indicators:

COMPARISON OF THE OVERALL REMUNERATION OF THE CEO - COMPANY RESULTS



The values of Adjusted Free Cash Flow and Adjusted EBITDA are shown in accordance with the applied accounting principles.

RATIO OVERALL REMUNERATION CEO/EMPLOYED POPULATION SAIPEM SpA



Free Cash Flow Adjusted and EBITDA Adjusted. The compensation structure adopted by Saipem remunerates adequately the skills, experience and contribution required from the various roles, considering the objectives assigned and the results achieved; compatible with this, the overall remuneration of the Chief Executive Officer-CEO is consistent with the economic-financial results of the Company. The Remuneration Policy for the employed population takes account of its positioning with respect to both the external market (external competitiveness) and the internal market (internal fairness).

Compensation paid in 2020

Table 1 - Compensation paid to Directors, Statutory Auditors and Senior Managers with strategic responsibilities

The following table shows the compensation paid to the Directors and Statutory Auditors, who are listed by name, and that paid in aggregate to the Senior Managers with strategic responsibilities¹⁷.

The compensation received from subsidiaries and/or associates is shown separately, where provided, unless waived or paid to the Company. All persons who held the above positions during the year are included in the table, even if they only held office for part of the year.

In particular:

- the "Fixed compensation" column shows the fixed emoluments and remuneration from employed work earned on an accruals basis during the year. The amounts are stated before deducting the social security contributions and taxes payable by the recipient. No attendance fees are paid.

The footnotes detail of the compensation, with separate indication of any employment-related allowances and entitlements;

- the "Compensation for serving on Committees" column shows the compensation accrued during the year by the Directors for serving on Board Committees. The footnotes indicate separately the compensation for each Committee on which the Director sits;
- the "Bonuses and other incentives" item in the "Variable non-equity compensation" column shows the incentives accrued during the year after verification and approval of the related performance by the relevant corporate bodies, as detailed in Table 3B "Monetary incentive plans for Directors and Senior Managers with strategic responsibilities"; the "Profit sharing" column is empty, because there are no profit sharing schemes in place;
- the "Non-monetary benefits" column shows on an accruals basis the taxable value of the fringe benefits assigned;
- the "Other compensation" column shows any other compensation earned on an accruals basis during the year for other services performed;
- the "Total" column shows the total of the preceding items;
- the "Fair value of equity compensation" column shows, on an accruals basis, the fair value of the stock grant plans in place, as estimated in accordance with International Financial Reporting Standards which require the related cost to be spread over the vesting period, as further detailed in Table 3A, "Incentive plans based on financial instruments, other than stock options, for Directors and Senior Managers with strategic responsibilities";
- the "Indemnities for termination of office or employment" Column shows the indemnities accrued, even if not yet paid, in relation to terminations of office or employment during the year.

(17) There is no current legal requirement for disclosure on an individual basis.

Table 1. Compensation paid to members of Management and control bodies and Senior Managers with strategic responsibilities

(€ thousand)

Name and Surname	Office held	Period of office	Expiry of term ^(*)	Fixed compensation	Non-equity variable compensation				Total	Fair value of equity compensation	Indemnités for ceasing to serve or termination of employment
					Compensation for service on Board Committees	Bonuses and other incentives	Profit sharing	Non-monetary benefits			
Board of Directors											
Cao Francesco	Chairman ⁽¹¹⁾	01.01-31.12	2021	428 ^(a)	29 ^(b)					456	
Cao Stefano	Chief Executive Officer-CEO ⁽²⁾	01.01-31.12	2021	1,045 ^(a)		565 ^(b)		15 ^(c)		1,624	978
Cappello Maria Elena	Director ⁽³⁾	01.01-31.12	2021	60 ^(a)	20 ^(b)					80	
Schapira Paul	Director ⁽⁴⁾	01.01-31.12	2021	60 ^(a)	53 ^(b)					113	
Carloni Claudia	Director ⁽⁵⁾	01.01-31.12	2021	60 ^(a)	20 ^(b)					80	
Fumagalli Paolo	Director ⁽⁶⁾	01.01-31.12	2021	60 ^(a)	40 ^(b)					100	
Mazzilli Ines Maria Lina	Director ⁽⁷⁾	01.01-31.12	2021	60 ^(a)	43 ^(b)					103	
Ferro-Luzzi Federico	Director ⁽⁸⁾	01.01-31.12	2021	60 ^(a)	39 ^(b)					99	
Latini Pierfrancesco	Director ⁽⁹⁾	01.01-05.02	2021	6 ^(a)	3 ^(b)					9	
Ferone Alessandra	Director ⁽¹⁰⁾	05.02-31.12	2021	54 ^(a)	30 ^(b)					85	
Board of Statutory Auditors											
Busso Mario	Chairman ⁽¹¹⁾	01.01-29.04	2020								
(I) Remuneration from the company preparing the financial statements				23 ^(a)						23	
(II) Remuneration from subsidiaries and associates and jointly controlled companies				59 ^(b)						59	
(III) Total				82						82	
Perotta Riccardo	Statutory Auditor ⁽¹²⁾	01.01-29.04	2020								
(I) Remuneration from the company preparing the financial statements				16 ^(a)						16	
(II) Remuneration from subsidiaries and associates and jointly controlled companies				42 ^(b)						42	
(III) Total				58						58	
Fiori Giovanni	Chairman ⁽¹³⁾	29.04-31.12	2023	47 ^(a)						47	
De Martino Giulia	Statutory Auditor ⁽¹⁴⁾	01.01-31.12	2023								
(I) Remuneration from the company preparing the financial statements				50 ^(a)						50	
(II) Remuneration from subsidiaries and associates and jointly controlled companies				13 ^(b)						13	
(III) Total				63						63	
Rosini Norberto	Statutory Auditor ⁽¹⁵⁾	29.04-31.12	2023	34 ^(a)						34	
Senior Managers with strategic responsibilities (**)											
				4,567 ^(a)		1,709 ^(b)		151 ^(c)	460 ^(d)	6,887	2,304
				6,744	275	2,274		166	460	9,919	3,282

(*) The mandate of the directors appointed at the Shareholders' Meeting held on May 3, 2018 expires at the Shareholders' Meeting called to approve the financial statements as of December 31, 2020.

(**) The definition of "Senior Managers with strategic responsibilities" identified in Article 65, para. 1-*quater*, of the Issuers' Regulation - which references Annex 1 to Consob Regulation No. 17221 dated March 12, 2010 on instructions regarding transactions with related parties, as amended - includes persons who, directly or indirectly, have the power and responsibility to plan, direct and control the activities of the Company, such as the (executive and non-executive) board directors of the Company, Saipem Senior Managers with strategic responsibilities, other than Directors and Statutory Auditors, are those who sit on the Advisory Committee and, in any case, those who report directly to the CEO/the Chairman/the Board of Directors of Saipem SpA (thirteen executives).

- (1) **Cao Francesco - Chairman**
 (a) Fixed compensation approved by the Board of Directors on June 28, 2018 (€427.5 thousand), including that for the office of Director established at the Shareholders' Meeting held on May 3, 2018 (€60 thousand).
 (b) Compensation as Chairman of the Sustainability, Governance and Scenarios Committee (€28.5 thousand).
- (2) **Cao Stefano - Chief Executive Officer-CEO**
 (a) Fixed compensation for the 2018-2021 mandate approved by the Board of Directors on June 28, 2018 (€1,045 thousand), including the base compensation as Chief Executive Officer-CEO established at the Shareholders' Meeting (€60 thousand).
 (b) The amount, stated on an accruals basis, estimates the 2021 short-term incentive relating to 2020 performance, which will be paid subsequent to the approval date of this Report.
 (c) The amount includes the value of the car benefit, the supplementary health insurance paid by the company and the taxable amount for weekly round-trip flights between Milan and Rome.
- (3) **Cappello Maria Elena - Director**
 (a) Fixed compensation determined at the AGM (€60 thousand).
 (b) Compensation for serving on the Sustainability, Governance and Scenarios Committee (€19.5 thousand), approved by the Board on June 28, 2018.
- (4) **Schapira Paul - Director**
 (a) Fixed compensation determined at the AGM (€60 thousand).
 (b) Compensation for serving on the Compensation and Nominations Committee (€19.5 thousand) and on the Control and Risk Committee (€33.5 thousand), approved by the Board on June 28, 2018.
- (5) **Carloni Claudia - Director**
 (a) Fixed compensation determined at the AGM (€60 thousand).
 (b) Compensation for serving on the Sustainability, Governance and Scenarios Committee (€19.5 thousand), approved by the Board on June 28, 2018.
- (6) **Fumagalli Paolo - Director**
 (a) Fixed compensation determined at the AGM (€60 thousand).
 (b) Compensation for serving as Chairman of the Compensation and Nominations Committee (€28.5 thousand), approved by the Board on June 28, 2018, and on the Related-Party Transactions Committee (€11.167 thousand), approved by the Board on July 24, 2018.
- (7) **Mazzilli Ines Maria Lina - Director**
 (a) Fixed compensation determined at the AGM (€60 thousand).
 (b) Compensation for serving as Chairman of the Control and Risk Committee (€42.5 thousand), approved by the Board on June 28, 2018.
- (8) **Federico Ferro-Luzzi - Director**
 (a) Fixed compensation determined at the AGM (€60 thousand).
 (b) Compensation for serving on the Compensation and Nominations Committee (€19.5 thousand) and on the Sustainability, Governance and Scenarios Committee (€19.5 thousand), approved by the Board on June 28, 2018.
- (9) **Latini Pierfrancesco - Director**
 (a) Pro-rata fixed compensation determined at the AGM (€60 thousand).
 (b) Pro-rata compensation for serving on the Control and Risk Committee (€33.5 thousand), approved by the Board on June 28, 2018.
- (10) **Ferone Alessandra - Director**
 (a) Pro-rata fixed compensation determined at the AGM (€60 thousand).
 (b) Pro-rata compensation for serving on the Control and Risk Committee (€33.5 thousand), approved by the Board on June 28, 2018.
- (11) **Busso Mario - Chairman of the Board of Statutory Auditors**
 (a) Pro-rata fixed compensation determined at the AGM (€70 thousand).
 (b) Fixed compensation (€58.5 thousand).
- (12) **Perotta Riccardo - Statutory Auditor**
 (a) Pro-rata fixed compensation determined at the AGM (€50 thousand).
 (b) Pro-rata fixed compensation determined at the AGM (€45.5 thousand).
- (13) **Fiori Giovanni - Chairman of the Board of Statutory Auditors**
 (a) Pro-rata fixed compensation determined at the AGM (€70 thousand).
- (14) **De Martino Giulia - Statutory Auditor**
 (a) Fixed compensation determined at the AGM (€50 thousand).
 (b) Fixed compensation (€13 thousand).
- (15) **Rosini Norberto - Statutory Auditor**
 (a) Pro-rata fixed compensation determined at the AGM (€50 thousand).
- (16) **Senior Managers with strategic responsibilities**
 (a) In addition to total gross annual remuneration of €4,567 thousand, allowances for domestic and foreign travel pursuant to the national collective employment contract for executives and supplementary in-house agreements and other employment-related payments totalled €13.63 thousand.
 (b) The amount, stated on an accruals basis, estimates the 2021 short-term incentive relating to 2020 performance, which will be paid subsequent to the approval date of this Report.
 (c) The amount includes the value of the car benefit and supplementary pension contributions and health insurance paid by the company.
 (d) The amount includes the minimum-term agreements and other employment-related indemnities.

Table 3A - Incentive plans based on financial instruments, other than stock options, for Directors and Senior Managers with strategic responsibilities

The following table shows, on an individual basis, the long-term variable incentives based on financial instruments, other than stock options, for the Chief Executive Officer-CEO and, on an aggregated basis, for Senior Managers with strategic responsibilities. In particular:

- the "Number and type of financial instruments" column shows the number of Shares without charge for:
 - 2020 allocation of Share-based Long-term Incentive Plan 2019- 2021;
 - 2020 assignment of the Shares allocated in 2017;

- 2021 assignment of the Shares allocated in 2018;
- 2021 assignment of the share element of the Short-term Incentive Plan 2021-2023;
- the "Fair value at assignment date" column shows the total fair value of the stock grant plans in place at the promised assignment date;
- the "Vesting period" column shows the vesting period for the short- and long-term incentives allocated during the year;
- the "Fair value for the year" column shows, on an accruals basis, the fair value of the stock grant plans in place, as estimated in accordance with International Financial Reporting Standards which require the related cost to be spread over the vesting period.

The total of the "Fair value for the year" column agrees with the amount indicated in Table 1.

Table 3A - Incentive plans based on financial instruments, other than stock options, for Directors and Senior Managers with strategic responsibilities

Name and Surname		Office held	Plan	Financial instruments assigned in previous years not vested during the year		Financial instruments assigned during the year				Financial instruments vested during the year and not allocated	Financial instruments vested during the year and available for allocation	Financial instruments pertaining to the year	
				Number and type of financial instruments	Vesting period	Number and type of financial instruments	Fair value at assignment date	Vesting period	Assignment date	Market price on assignment	Number and type of financial instruments	Number and type of financial instruments	Value in vesting date
Stefano Cao	Chief Executive Officer-CEO	Long-term Incentive Plan 2020											
		BoD October 27, 2020			505,700	1,033	3 years ⁽²⁾	Oct. 27, 20	1,398			52	
		Long-term Incentive Plan 2019											
		BoD October 23, 2019	243,900	3 years ⁽²⁾								468	
Stefano Cao	Chief Executive Officer-CEO	Long-term Incentive Plan 2018											
		BoD March 5, 2018	103,182	3 years ⁽³⁾⁽⁴⁾						309,544 ⁽⁴⁾	758 ⁽⁹⁾	259 ⁽¹¹⁾	
		BoD July 24, 2018											
Stefano Cao	Chief Executive Officer-CEO	Long-term Incentive Plan 2017											
		BoD July 24, 2017	99,375	3 years ⁽³⁾						298,125	661 ⁽¹⁰⁾	199	
Senior Managers with strategic responsibilities ⁽¹⁾		Short-term Incentive Plan 2021											
		BoD March 12, 2021			256,250 ⁽⁵⁾	625,250 ⁽¹²⁾	3 years ⁽⁶⁾	Mar. 12, 21 ⁽⁷⁾	2,44			⁽¹³⁾	
		Long-term Incentive Plan 2020											
		BoD October 27, 2020			1,379,900	2,818	3 years ⁽⁸⁾	Oct. 27, 20	1,398			143	
		Long-term Incentive Plan 2019											
BoD October 23, 2019	659,700	3 years ⁽⁸⁾									1,267		
Senior Managers with strategic responsibilities ⁽¹⁾		Long-term Incentive Plan 2018											
		BoD July 24, 2018	144,420	3 years ⁽⁴⁾⁽⁸⁾						433,262 ⁽⁴⁾	1,061 ⁽⁹⁾	414 ⁽¹¹⁾	
Senior Managers with strategic responsibilities ⁽¹⁾		Long-term Incentive Plan 2017											
		BoD July 24, 2017	185,500	3 years ⁽⁸⁾						556,500	1,234 ⁽¹⁰⁾	480	
Total				1,436,077		2,141,850	629,101			1,597,431	3,714	3,282	

(1) The definition of "Senior Managers with strategic responsibilities" identified in Article 65, para. 1-*quater*, of the Issuers' Regulation - which references Annex 1 to Consob Regulation No. 17221 dated March 12, 2010 on instructions regarding transactions with related parties, as amended - includes persons who, directly or indirectly, have the power and responsibility to plan, direct and control the activities of the Company, such as the (executive and non-executive) board directors of the Company. Saipem Senior Managers with strategic responsibilities, other than Directors and Statutory Auditors, are those who sit on the Advisory Committee and, in any case, those who report directly to the CEO/the Chairman/the Board of Directors of Saipem SpA (11 executives for the plan implemented in 2017, 12 for that implemented in 2018, 13 for that implemented in 2019, 13 for that implemented in 2020, 13 for that implemented in 2021).

(2) At the end of the vesting period the plan requires the Chief Executive Officer-CEO to lock-up 25% of the accrued shares for a further two years (co-investment period), at the end of which he will receive an additional share without charge for every share invested.

(3) At the end of the vesting period the plan requires 25% of the accrued shares to be locked-up for two years.

(4) The number of financial instruments, included on an accruals basis, estimates the number of shares to be assigned at the end of the vesting period, which is subsequent to the approval of this Report.

(5) Given the time required to make the calculations for the Short-term Incentive Plan for Management, which will be completed subsequent to the approval of this Report, the table prudently indicates the maximum number of shares available for allocation of the share element of the 2021 short-term incentive.

(6) At the end of the vesting period, the plan envisages assignment of the shares to the beneficiaries still employed by the Company.

(7) Given the time required to make the calculations for the Short-term Incentive Plan for Management, which will be completed subsequent to the approval of this Report the table shows the date on which the Board of Directors approved the actual results relating to the 2020 objectives for the Short-term Incentive Plan, for the purpose of allocating the share element of the 2021 short-term incentive.

(8) At the end of the vesting period the plan requires the SMSR to lock-up 25% of the accrued shares for a further two years (Retention Premium), at the end of which the beneficiaries will receive an additional share without charge for every share invested.

(9) As the vesting period ends subsequent to the approval of this Report, the table prudently shows an estimated value determined by multiplying the closing price for the shares of Saipem SpA recorded on the MTA managed by Borsa Italiana, €2,449, by the number of financial instruments assigned. The observation period for determination of the price comprised the 30 trading days prior to the date on which the Board of Directors approved the actual results relating to the 2020 objectives.

(10) The value was determined by multiplying the closing price for the shares of Saipem SpA recorded on the MTA managed by Borsa Italiana, being €2,217 on July 23, 2020 (end of the vesting period), by the number of financial instruments assigned.

(11) The fair value in the table, stated on an accruals basis, corresponds with the fair value accounted in the financial statement at December 31, 2020.

(12) The value at the moment of assignment was determined by multiplying the number of financial instruments assigned during the financial year for the closing price for the shares of Saipem SpA recorded on the date on which the Board of Directors approved the actual results relating to the 2020 objectives for the Short-term Incentive Plan.

(13) The fair value will be shown in the 2022 Report since the value will be included in the financial statement at December 31, 2021.

Table 3B - Monetary Incentive Plans for Directors and Senior Managers with strategic responsibilities

The following table shows, on an individual basis, the short-term variable monetary incentives envisaged for the Chief Executive Officer-CEO and (as in aggregate) the SMSR (including all persons who held the above positions during the year, even if they only held office for part of the time).

In particular:

- the "Bonus for the year - payable/paid" column shows the short-term variable incentive earned in the year on the basis of performance approved by

the competent corporate bodies in relation to the targets set for the previous year;

- the "Bonus for prior years - payable/paid" column shows the short-term incentive paid in the year following satisfaction of the performance conditions set for the previous year;
- the "Other bonuses" column shows the incentives paid on an extraordinary one-off basis following the achievement of particularly important results or projects during the year.

The total of the "Bonus for the year - payable/paid", "Bonus for prior years - payable/paid" and "Other bonuses" columns agrees with the amount shown in the "Bonuses and other incentives" column of Table 1.

Table 3B. Monetary incentive plans for Directors and Senior Managers with strategic responsibilities

(€ thousand)

Name and Surname	Office	Plan	Bonus for the year			Bonuses from prior years			Other bonuses
			To be paid/paid	Deferred	Deferral period	No longer payable	To be paid/paid	Still deferred	
Stefano Cao	Chief Executive Officer-CEO	Short-term Incentive Plan 2021 BoD March 12, 2021	565 ^(a)						
Senior Managers with strategic responsibilities ⁽¹⁾		Short-term Incentive Plan 2021 BoD March 12, 2021	1,709 ^(a)						
Total			2,274						

(1) The definition of "Senior Managers with strategic responsibilities" identified in Article 65, para. 1-*quater*, of the Issuers' Regulation - which references Annex 1 to Consob Regulation No. 17221 dated March 12, 2010 on instructions regarding transactions with related parties, as amended - includes persons who, directly or indirectly, have the power and responsibility to plan, direct and control the activities of the Company, such as the (executive and non-executive) board directors of the Company. Saipem Senior Managers with strategic responsibilities, other than Directors and Statutory Auditors, are those who sit on the Advisory Committee and, in any case, those who report directly to the CEO/the Chairman/the Board of Directors of Saipem SpA (thirteen executives).

(a) The amount, stated on an accruals basis, estimates the 2021 short-term incentive relating to 2020 performance, which will be paid subsequent to the approval date of this Report.

Shares held

Table 4 - Shares held by Directors and Senior Managers with strategic responsibilities

Pursuant to article 84-*quater*, para. 4, of the Consob Issuers' Regulation, the following table shows shares held in Saipem SpA by the Directors, Statutory Auditors and Senior Managers with strategic responsibilities, as well as by their spouses, where not legally separated, and by their minor children, either

directly or through subsidiaries, trust companies or third parties, as determined from the Shareholders' Register, communications received and other information obtained from the persons concerned. The table includes all persons that held office for all or just a part of the year.

The number of shares (all "ordinary") is indicated on an individual basis for Directors and Statutory Auditors and on an aggregated basis for the Senior Managers with strategic responsibilities. All shares are held as personal property.

Table 4. Shares held by members of Management and control bodies and Senior Managers with strategic responsibilities

Name and Surname	Office held	Company	Number of shares held at end of previous year	Number of shares purchased	Number of shares sold	Number of shares held at end of current year
Board of Directors						
Stefano Cao	Chief Executive Officer-CEO	Saipem SpA	29,000	508,125		537,125
Paolo Fumagalli ⁽¹⁾	Director	Saipem SpA		83,000	83,000	
Riccardo Perotta	Statutory Auditor	Saipem SpA	18,400 ⁽²⁾			18,400
Senior Managers with strategic responsibilities ⁽³⁾						
		Saipem SpA	28,084	556,500	256,904	327,680 ⁽⁴⁾

(1) Purchases and sales by persons closely associated with the significant party - Board of Directors of Saipem SpA Paolo Fumagalli.

(2) Shares held as of Aprile 29, 2020, date of termination of the role.

(3) The definition of "Senior Managers with strategic responsibilities" identified in Article 65, para. 1-*quater*, of the Issuers' Regulation - which references Annex 1 to Consob Regulation No. 17221 dated March 12, 2010 on instructions regarding transactions with related parties, as amended - includes persons who, directly or indirectly, have the power and responsibility to plan, direct and control the activities of the Company, such as the (executive and non-executive) board directors of the Company. Saipem Senior Managers with strategic responsibilities, other than Directors and Statutory Auditors, are those who sit on the Advisory Committee and, in any case, those who report directly to the CEO/the Chairman/the Board of Directors of Saipem SpA (thirteen executives).

(4) Only indicate the shares held by Senior Managers with strategic responsibilities employed at the end of the year.

Annex pursuant to Article 84-bis of the Consob Issuers' Regulation - 2020 Allocation of the Share-based Long-term Variable Incentive (LTI) Plan 2019-2021 and 2021 Allocation of the Short-term Variable Incentive Plan 2021-2023

With reference to the 2019-2021 Share-based Long-Term Variable Incentive Plan approved at the Shareholders' Meeting held on April 30, 2019, in conformity with the conditions and objectives described in the Information Document available on the website www.saipem.com, the following table provides details of the 2020 allocation of the Long-term Variable Incentive Plan 2019-2021, pursuant to Article 84-bis (Annex 3A, form 7) of the Consob Issuers' Regulation.

With reference to the share element of the Short-term Variable Incentive Plan 2021-2023 approved at the Shareholders' Meeting held on April 29, 2020, in conformity with the conditions and objectives described in the Information Document available on the website www.saipem.com, the following table provides details of the 2021 allocation of the Short-term Variable Incentive Plan 2021-2023, pursuant to Article 84-bis (Annex 3A, form 7) of the Consob Issuers' Regulation.

Table 1 of form 7 in Annex 3A to Regulation No. 11971/1999

Box 1 - Financial instruments other than stock options									
Section 2 - Newly allocated instruments based on decisions made by the relevant company body to implement a shareholders' resolution									
Name and Surname or category	Office held (only indicate for named persons)	Date of shareholders resolution	Type of financial instruments	Number of financial instruments	Assignment date	Purchase price of instruments	Market price on assignment	Vesting period	
Stefano Cao	Chief Executive Officer-CEO	April 30, 2019	stock grant	505,700	Oct. 27, 20		1.398	3 year ⁽²⁾	
Long-term Incentive Plan 2020 - Senior Managers with strategic responsibilities ⁽¹⁾									
		April 30, 2019	stock grant	1,379,900	Oct. 27, 20		1.398	3 year ⁽³⁾	
Long-term Incentive Plan 2020 - Other Executives									
		April 30, 2019	stock grant	6,451,200	Oct. 27, 20		1.398	3 year ⁽³⁾	
Short-term Incentive Plan 2021 - Senior Managers with strategic responsibilities ⁽¹⁾									
		April 29, 2020	stock grant	256,250 ⁽⁴⁾	March 12, 21 ⁽⁵⁾		2.44	3 year ⁽⁶⁾	
Short-term Incentive Plan 2021 - Other Executives									
		April 29, 2020	stock grant	765,500 ⁽⁴⁾	March 12, 21 ⁽⁵⁾		2.44	3 year ⁽⁶⁾	

(1) The definition of "Senior Managers with strategic responsibilities" identified in Article 65, para. 1-*quater*, of the Issuers' Regulation - which references Annex 1 to Consob Regulation No. 17221 dated March 12, 2010 on instructions regarding transactions with related parties, as amended - includes persons who, directly or indirectly, have the power and responsibility to plan, direct and control the activities of the Company, such as the (executive and non-executive) board directors of the Company. Saipem Senior Managers with strategic responsibilities, other than Directors and Statutory Auditors, are those who sit on the Advisory Committee and, in any case, those who report directly to the CEO/the Chairman/the Board of Directors of Saipem SpA (13 executives for the plan implemented in 2020 and for the plan implemented in 2021).

(2) At the end of the vesting period the plan requires the Chief Executive Officer-CEO to lock-up 25% of the accrued shares for a further two years (co-investment period), at the end of which he will receive an additional share without charge for every share invested.

(3) At the end of the vesting period the plan requires the SMSR to lock-up 25% of the accrued shares for a further two years (retention premium), at the end of which the beneficiaries will receive an additional share without charge for every share invested.

(4) Given the time required to make the calculations for the Short-term Incentive Plan for Management, which will be completed subsequent to the approval of this Report, the table prudently indicates the maximum number of shares available for allocation of the share element of the 2021 short-term incentive.

(5) Date on which the Board of Directors approved the actual results relating to the 2020 objectives for the Short-term Incentive Plan, for the purpose of allocating the share element of the 2021 short-term incentive.

(6) The amount, stated on an accruals basis, estimates the share element of the 2021 short-term incentive relating to 2020 performance. At the end of the vesting period, the plan envisages assignment of the shares to the beneficiaries still employed by the Company.



Società per Azioni

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Publications

Relazione finanziaria annuale (in Italian) drawn up
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of April 9, 1991

Annual Report (in English)

Relazione finanziaria semestrale consolidata

al 30 giugno (in Italian)

Interim Financial Report as of June 30

(in English)

Ready for the transition - Enabling a green future

- Sustainability Report 2020 (in English)

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