



**Guidelines to the Shareholders on the  
Qualitative and Quantitative Composition  
of the new Board of Directors**

**February 2024**

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## **Introduction**

The Board of Directors of Saipem S.p.A., whose term of office expires with the approval of the financial statements 2023, in compliance with the recommendations of the Corporate Governance Code (hereinafter “CCG”), provides the Shareholders with guidelines on the Qualitative and Quantitative Composition of the new Board of Directors, also considering the outcome of the Board Review, to facilitate the process of defining the best proposals for the quantitative and qualitative composition of the Board of Directors of Saipem SpA, in view of its renewal for the 2024-2026 mandate.

## **Context**

The current reference context confirms the recovery trend in Saipem’s reference markets, in line with the expected growth in terms of both macroeconomic indicators and overall energy demand.

The recovery trend arose despite the persistence of certain risk factors on the global scenario, namely:

- geopolitical instability generated by the ongoing conflict in the Ukraine, and additional conflicts in the Middle East;
- uncertainty over macroeconomic scenarios and high inflation;
- the gradual review of lending models by the banking system, increasingly based on sustainability ratings.

Against this backdrop, the energy sector continues to experience significant growth rates due to the recovery in demand for energy and, in particular, oil and gas. The need to continue to invest in energy infrastructure has also grown, to ensure support for future hydrocarbon demand, while maintaining a strategy aimed at both ensuring financial strength and diversifying the investment portfolio to meet the growing demand for energy transition and CO2 reduction targets.

Saipem SpA has overcome the difficulties of early 2022, which led to a significant profit warning, thanks to a capital increase and major organizational changes, such as an organizational and geographic centralization, the introduction of a central commercial function (with a “One Saipem” perspective), and the integration of project control and project risk management processes.

In terms of governance, Saipem SpA co-opted two new directors, including the new CEO and General Manager.

## **Size**

Saipem SpA, pursuant to Art. 19 of the Articles of Association, is managed by a Board of Directors comprising no less than five and not more than nine Directors appointed by the Shareholders' Meeting.

The Board unanimously believes that:

- ❖ the current number of nine Directors is appropriate;
- ❖ that the balance between Executive Directors (1) and Non-Executive Directors (8), of which five are Independent<sup>1</sup> is appropriate, in accordance with the provisions of the CGC, art. 2, Principle VI, Recommendation 5;
- ❖ that the current size allows for a correct composition of the four Board Committees, with an adequate number of Independent Directors; this size also enables the adequate involvement of Directors and the possibility of in-depth analysis of the issues discussed and the resolutions to be taken.

## **Gender diversity and duration of the mandate**

The Board of Directors points out that, pursuant to the provisions of the Budget Law 2020 on gender balance in the bodies of listed companies, at least two-fifths of the Board must be made up of directors of the least represented gender (and therefore at least four in the case of a Board of Directors comprising nine members).

Concerning the tenure in the role, the most expressed guidance by the Board confirms the importance of not wasting the skills and experience acquired and consolidated in the current term, considering that 7 out of 9 Directors are in their first term and 2 in their second term.

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<sup>1</sup> Under the GCC, as Saipem qualifies as a large non-concentrated ownership company, at least half of the board of directors must consist of Independent Directors.

The Board of Directors, on February 23, 2022, at the proposal of the Sustainability, Scenarios and Governance Committee, pursuant to the recommendations of the CGC, approved the qualitative and quantitative criteria to assess the independence of Board Directors and Statutory Auditors, pursuant to Recommendation 7, letters c) and d) and identified "close family members" pursuant to Recommendation 7, letter h) of the CGC.

Specifically the Board of Directors resolved:

- to set the "additional remuneration", which may be construed as jeopardizing the independence of a Director of the Company at an amount not exceeding 30% of the "fixed" remuneration paid annually to a Director;
- to set the advantages that may derive from a significant commercial, financial or professional relationship of a Director of the Company at an amount not exceeding 30% of the "fixed" remuneration paid annually to a Director;
- to define as "close family members", for the purposes of all the circumstances that may be construed as jeopardizing the independence of a Director, spouse, relatives or in-laws within the second degree.

## **Experience – Knowledge – Competencies**

The 2023 Board Review showed that the articulation and quality of the professional profiles of the current qualitative composition of the Board are adequate in terms of knowledge, competencies and range. The Board of Directors therefore submits to the Shareholders its Guidelines on the optimal qualitative composition of the next Board of Directors to ensure the necessary continuity to implement its strategy and operational and organizational projects, to achieve and consolidate results and meet the strategic and management objectives of Saipem SpA.

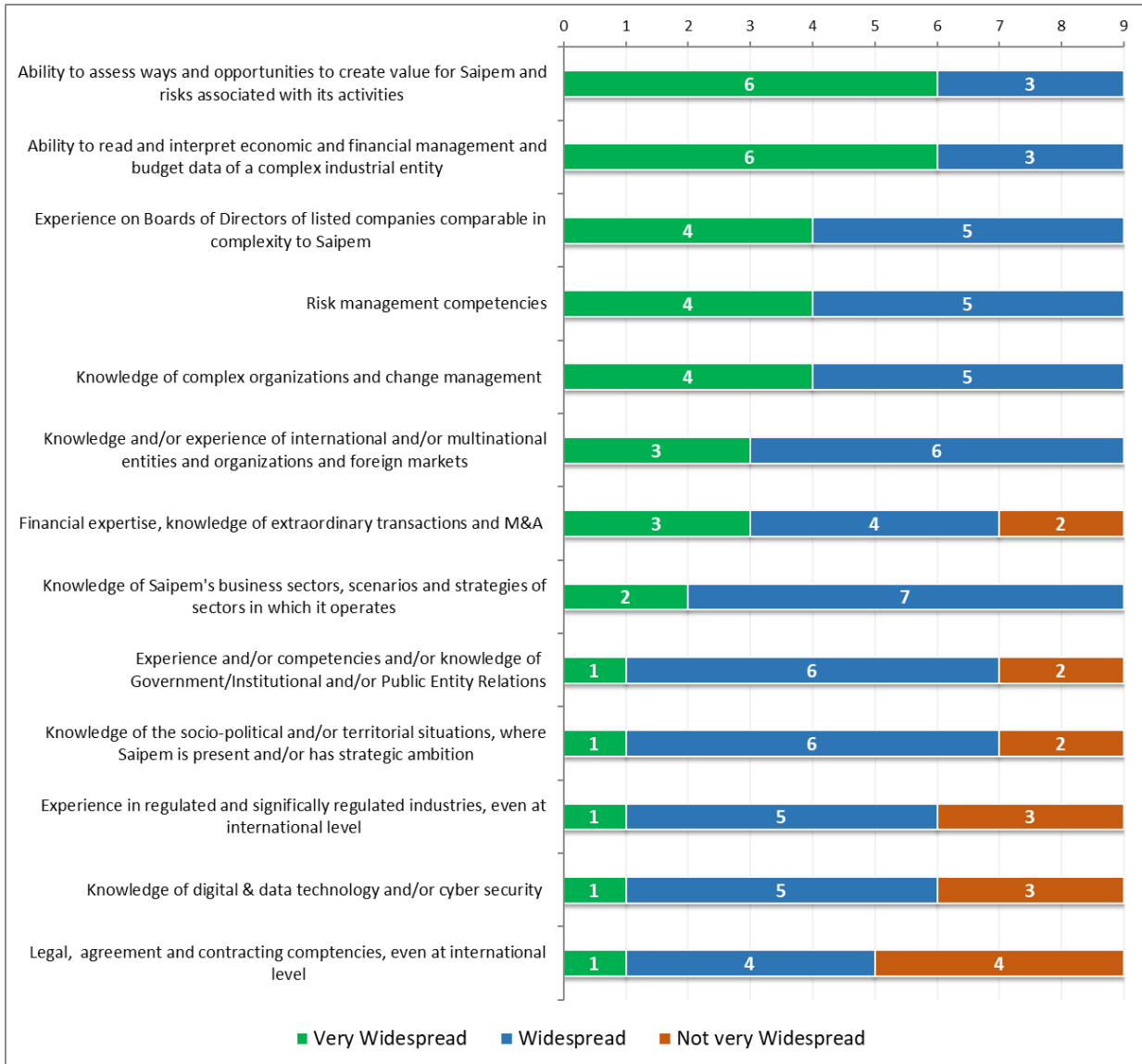
In the light of these considerations, the Board of Directors recommends that, in defining the slates for the 2024-2026 mandate, the Shareholders of Saipem SpA:

- ❖ evaluate and propose that the Shareholders' Meeting maintain a high number of outgoing Board Directors, thus ensuring that a large part of the overall valued experience and competencies of the current Board remains within the new Board,
- ❖ identify high-quality professional and personal profiles with authority and competence, to ensure strong complementarity, time commitment, engagement and integration with the profiles of the Directors who may be reconfirmed.

The Board of Directors, based on the experience gained over their mandate, expresses its recommendations to the Shareholders in terms of knowledge, competencies and experience, which it deems should characterize, through the different contributions of each member, either reconfirmed or new, the optimal qualitative composition of the new Board. This set of experiences, knowledge and expertise have been outlined by the outgoing Board of Directors in the graph below.

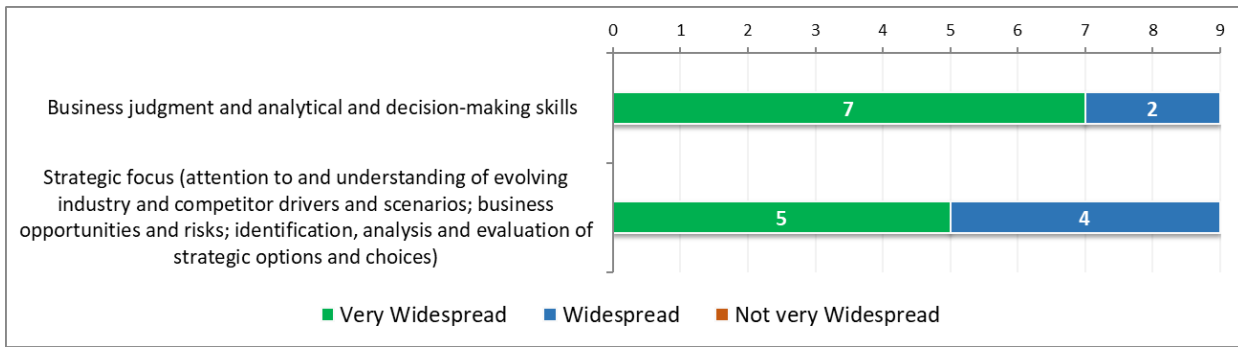
The latter represents the degree to which the Directors believe that the various professions should feature in the new Board of Directors, in accordance with the following classification:

- ✓ *very widespread* – held by approximately one third of Board members;
- ✓ *widespread* – held by approximately one quarter of Board members;
- ✓ *not very widespread* – held even by only one or two members of the Board, as these are part of the third group of specialist competencies.



It is also suggested that candidates be considered who, along with high professional profiles in the areas described, could bring the following to the new Board:

- ❖ Experience in managerial roles in technical/industrial areas of engineering in comparable sectors to those in which Saipem SpA operates in terms of complexity and international scope;
- ❖ International experience in companies operating on a contract basis not necessarily related to Oil&Gas.



The Directors highlighted the importance of soft skills, identifying as pivotal:

- business judgement, analytical and decision-making skills;
- strategic focus, *i.e.*, attention to and understanding of evolving industry and competitor drivers and scenarios, business opportunities and risks, and the identification, analysis, and evaluation of strategic options and choices.

The Board of Directors should strive to integrate different professional profiles, recognizing the importance, for the proper functioning of the Board itself, of having complementary experiences and skills, styles and cultures, to be combined with differences in gender, age and seniority of office.

### **Time commitment**

All candidates to the position of Director of Saipem SpA must demonstrate that they can provide adequate time availability, necessary to participate in, usually in person or at least by video-conference, and to prepare for Board and committee meetings, as well as participate in Onboarding/Induction sessions, off-site meetings with the other Board members, having regard to the guidelines regarding the maximum number of positions in other management and control bodies adopted by the Board of Directors of Saipem SpA on February 28, 2024.

To allow the Shareholders to quantify the time that will be requested of the candidates to the position of Director and to assess whether they will be able to ensure the necessary preparation and participation in meetings, the outgoing Board of Directors detailed the number of meetings and time commitments that were required of the members of the Board and of the Committees in 2023.

<b>BODY</b>	<b>MEETINGS IN 2023</b>	<b>AVERAGE DURATION.</b>
Board of Directors	14	5h 2m
Sustainability, Scenarios and Governance Committee	10	1h 53m
Compensation and Nomination Committee	12	2h 31m
Audit and Risk Committee	18	3h 25m
Related Parties Committee	5	1h 25m

In addition to the time needed to participate in meetings, it is also necessary to consider the preparation time for each meeting and, for the Chairmen of the Board and of each Board Committee, also the time dedicated to the performance of the role and the activities of preparation, organization and coordination for Board and Committee meetings.

It is also necessary to consider the time commitment necessary for the participation in meetings dedicated to induction and ongoing training, as well as any off-site events during the three-year period.

### **Profiles of particular relevance**

Directors of Saipem SpA, being aware of the high importance of some roles within the Board of Directors, indicate the main specific characteristics that the persons called upon to fill these roles should possess:

#### **Chairman of the Board of Directors**

- should be a figure with a high professional and value profile. Authoritative and credible to play the role of guarantor to the shareholders and stakeholders of Saipem SpA;
- should be capable of guaranteeing the transparent and correct management of the functioning of the Board of Directors;
- should be capable of promoting the integration of the various competencies and experiences of the Directors;
- should have previous experience as a Board leader or the head of listed companies of comparable size, complexity and international projection to Saipem SpA;
- should pay attention and have experience in corporate governance matters.

#### **CEO**

- should have full personal and professional authority for the performance of this role;
- should have significant managerial experience and recognized success in the top management of listed companies of comparable size, complexity, and sectors to Saipem SpA;
- should have relevant international management experience in the energy business also in view of the energy transition;
- should have adequate expertise in economic and financial matters and corporate strategy;
- should be able to convey both vision and strategic thinking;
- should have high team-leadership qualities and international standing.



## **Other Directors**

They should all be non-Executive Directors and, generally speaking, independent Directors should account for at least half of Board members, pursuant to the Corporate Governance Code (Article 2, Recommendation 5) and therefore be at least five when the Board of Directors comprises of nine members.

The independence requirement, which proxy advisors and investors pay particular attention to, must be assessed having regard to both substance and form.

The Board should have professional profiles with managerial experience in listed companies of a comparable size and international complexity to Saipem SpA. Attention should be paid to the transversal skills possessed by the Directors rather than vertical ones, thus enhancing the teamwork of the Board and the Committees.