

SAIPEM S.p.A.
ORDINARY SHAREHOLDERS' MEETING
APRIL 24 / 30, 2013

Resolution proposal by the Board of Directors on items 1 and 2 of the Meeting Agenda.

1) SAIPEM S.P.A. STATUTORY FINANCIAL STATEMENTS AT DECEMBER 31, 2012. RELEVANT DELIBERATIONS. PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AT DECEMBER 31, 2012. REPORTS BY THE BOARD OF DIRECTORS, THE BOARD OF STATUTORY AUDITORS AND THE EXTERNAL AUDITORS.

2) ALLOCATION OF THE NET PROFIT.

“Messrs. Shareholders,

you are invited to approve Saipem’s Statutory Financial Statements at December 31, 2012 and the proposal to allocate the company’s net profit for the year of €437,027,097.54 as follows:

- to the Shareholders as dividend on the shares in circulation on the ex-coupon date, exclusive of treasury shares held by the Company on that day, of €0.68 per ordinary share and €0.71 per savings share;
- to the reserve for retained earnings of the remainder net income, following dividend distribution.

You are also asked to approve the proposal to pay-out dividends from May 23, 2013; ex-coupon date: May 20, 2013; record date: May 22, 2013”.

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Resolution proposal by the Board of Directors on item 3 of the Meeting Agenda.

3) APPOINTMENT OF A BOARD DIRECTOR.

“Messrs. Shareholders,

On December 5, 2012 Mr Pietro Franco Tali resigned from the office of Board Director, Deputy Chairman and C.E.O. of the Company.

Pietro Franco Tali had been selected – as non-independent Director pursuant to the Corporate Governance Code of listed companies – from the list put forward by Eni, and elected by the Shareholders’ meeting on May 4, 2011; the same meeting that had also resolved to set at nine the number of Board Directors.

In view of the fact that the date of the Shareholders’ meeting called to approve the Financial Statements for the year ended 2012 is imminent, the Board of Directors decided not to co-opt another Board Director.

The Shareholders’ meeting is now required to appoint a Board Director, whose mandate will expire on the same day as the other members’ of the Board, i.e. the date of the Shareholders’ meeting due to approve the Financial Statements as at December 31, 2013.

The procedure from voting lists is not applicable in this instance, as it

only applies when the entire Board of Directors is renewed. Therefore, the Shareholders' meeting shall resolve through majority vote, as per legal requirements.

Candidates for the position of Board Director must provide, before the date of the Shareholders' meeting, the documentation stating that they meet the relevant requirements under the law and the Articles of Association”.

RESOLUTION PROPOSAL

“Messrs. Shareholders,

you are called to appoint a Board Director based on proposals put forward at the Shareholders' meeting, pursuant to art. 19 of Articles of Association.

Shareholders putting forward candidates should ensure that there are no grounds for ineligibility and/or incompatibility, and that candidates meet the relevant requirements under the law, the Articles of Association and/or other applicable regulations. You are also invited to provide sufficient information on the personal and professional characteristics of candidates and to supply a list of directorships and/or audit positions they may hold in other companies”.

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Resolution proposal by the Board of Statutory Auditors on item 4 of the Meeting Agenda.

4) ADDITIONAL FEES TO THE EXTERNAL AUDITORS

“Messrs. Shareholders,

External Auditors Reconta Ernst & Young SpA in their letter dated June 12, 2012 requested payment of additional fees in excess of those paid to cover the audit of the statutory and consolidated Financial Statements of Saipem S.p.A. for the year 2011. Additional fees relate to the performance of additional work which exceeded the audit of accounts, as approved by the Shareholders' meeting on April 26, 2010. This additional work could not have been foreseen at the time of the mandate based on the original proposal put forward by the External Auditors.

Additional work was carried out mainly in respect of the following:

- Judicial enquiries on the *Jurassic* (Kuwait) and *Zubair* (Iraq) projects; whistle-blower notification involving Group companies operating in Iraq;
- Introduction of new controls relating to procedures at subsidiary companies, including the procurement process;
- Derivative financial instruments to hedge the exchange rate risk.

With regard to enquiries into the *Jurassic* (Kuwait) and *Zubair* (Iraq) projects and the whistle-blowing incident involving Group companies operating in Iraq, an additional audit plan was set up which exceeded the original audit remit of the statutory and consolidated Financial Statements.

Furthermore, in 2011 additional work was carried out as part of the audit of internal controls regulating the flow of information of Saipem S.p.A., following the introduction of new control activities relating to management processes of Group branches, including the procurement process.

With regard to derivative financial instruments used by the Company and the Group to manage the exchange rate risk of projects whose costs and revenues are denominated in non-functional currencies, additional work was carried out in respect of an in-depth analysis of the current management process of the exchange rate risk, with specific regard to improving the current reporting system, the feasibility study of the so called “net cover” and managing the risk of infra-group transactions.

The aforementioned additional activities involved analyses and work that could not have been foreseen at the time of the original proposal. These activities were only quantified upon their completion and required a total of 5,663 man-hours, corresponding to a fee of € 470,000.

Additional man-hours and fees can be broken down as follows:

<i>(euro)</i>		
Additional activities	Hrs	Fees
Enquiries regarding the <i>Jurassic</i> (Kuwait) and <i>Zubair</i>	2,671	234,000

(Iraq) projects, and whistle-blower notification		
Introduction of new controls relating to processes at branches, including procurement, as part of the audit of the internal controls regulating the information flow at Saipem S.p.A., including the information flow utilized in the preparation of the Consolidated Financial Statements of Eni S.p.A.	2,026	161,000
In-depth study of the current hedging process	966	75,000

Total 5,663 470,000

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In their letter dated March 8, 2013, the External Auditors also requested additional fees relating to extra work carried out on the accounting audit of the Statutory and Consolidated Financial Statements of Saipem S.p.A. for the year ended December 31, 2012, in excess of the original proposal dated March 2, 2010.

This additional work related mainly to enquiries by the Milan Public Prosecutor's Office and the notification of investigation received by the Company on November 22, 2012, which involved current and former employees of the Company. Enquiries are ongoing and relate to alleged international corruption offences in Algeria. As a result, the following additional procedures were carried out:

- Analysis and understanding of facts under investigation;
- Audit of the operations of the internal control system in respect of activities carried out by the CEO and COO;
- Ascertaining adherence to all procedures provided by the internal control system vis-à-vis the management of agency contracts which had a financial effect in the year ended December 31, 2012;

- Additional procedures on the purchasing cycle;
- Ascertaining adherence to all procedures provided by the internal control system vis-à-vis the costs of consultancy and professional services relating to the year 2012;
- Extending the audit program to cover joint-ventures;
- Extending the audit program to costs borne to suppliers involved in the notifications received by the Company;
- Carrying out a specific audit program on the procurement process and payments involving companies or branches operating in Algeria;
- Co-operating on the work carried out by Cleary Gottlieb Steen & Hamilton LLP and Protiviti S.r.l., appointed by the Company in respect of to the ongoing enquiries.

The above resulted in the firm carrying out additional studies, analyses, and processes which could not have been foreseen in the original proposal. These resulted in the performance of additional work, which has been estimated to amount to a total of 3,210 man-hours, corresponding to €266,000.

Additional man-hours and fees can be broken down as follows:

Additional procedures	Hours
Analysis and understanding of facts under investigation	176
Audit of the operations of the internal control system in respect of activities carried out by the CEO and COO	354
Additional procedures relating to anti-corruption checks	288

Additional procedures relating to Intermediaries (2012)	148
Additional spot checks relating to consultancy and professional services	388
Additional procedures relating to audits of manual and automated postings in the purchasing cycle	292
Additional procedures relating to Joint-Ventures (vs anti-corruption procedure)	172
Procedures relating to audits of contracts entered into in 2012 and payments made in 2012 to suppliers involved in the notifications received by the Company	396
Additional work on procurement processes and payments of the Algerian Branch of Saipem S.p.A.	256
Review of work carried out on ongoing enquiries by external consultants appointed by the Company (Cleary Gottlieb Steen & Hamilton and Protiviti) and relevant results	224
Co-ordination of foreign teams for additional activities (work programs relating to agency and consultancy contracts and specific audits on companies operating in Algeria)	296
Involvement of experts from the “Forensic & Investigation Department Services”	220
Total	3,210

Finally, the External Auditors carried out a series of additional audit services, which exceed the ordinary audit program, vis-à-vis a few branches operating in foreign countries.

Branches involved in this additional work are:

- Abu Dhabi, Algeria, Iraq, Kazakhstan, Qatar and Norway (hereafter “relevant branches”);
- Algeria Sprog (formerly Snamprogetti Branch), Congo, Dubai, Kuwait and Poland (hereafter “other branches”).

Additional audit work involving the above branches is broken down as

follows:

- Understanding the branch organisation;
- Understanding main procedures implemented at the branch and adherence checks;
- Understanding the periodic closing of accounts carried out locally;
- Understanding the procurement process, including awarding of procurement contracts, ascertaining adherence to procedures through spot checks on transactions;
- Procedures on significant items of branch Financial Statements as at December 31, 2012;
- Comparative analysis of branch account balances and discussion with local management regarding unusual variances;
- Spot checks on costs borne for: consultancy services, travel expenses, donations, sponsor payments, representation expenses and contributions to associations.

The above work was entrusted to the same audit team which carries out the audit of the Statutory Financial Statements of the Company.

The additional work, which could not have been foreseen at the time of the original offer covering audit services of the Statutory and Consolidated Financial Statements of Saipem S.p.A. for the years 2010-2018 (hereafter “original proposal”), amounted to a total of approximately 2,500 additional man-hours, corresponding to €200,000, requested in the letter dated March 8, 2013.

Fees for the additional work can be broken down as follows:

For each of the 6 relevant branches:

<u>Category</u>	<u>Hrs</u>	<u>Mix Hrs</u> <u>(%)</u>	<u>Hourly</u> <u>Rate</u>	<u>Amount</u>
Partner	42	14.5%	144.96	6,088
Manager	108	37.2%	89.28	9,642
Senior	140	48.3%	51.84	7,258
	<u>290</u>			<u>22,988</u>

For each of the 5 other branches:

<u>Category</u>	<u>Hrs</u>	<u>Mix Hrs</u> <u>(%)</u>	<u>Hourly</u> <u>Rate</u>	<u>Amount</u>
Partner	26	13%	144.96	3,769
Manager	68	34%	89.28	6,071
Senior	106	53%	51.84	5,495
	<u>200</u>			<u>15,335</u>

The Board of Statutory Auditors ascertained that the financial request put forward by the External Auditors is in line with the quantity and quality of the work performed, the professional competence of their personnel and market rates. It therefore proposes that the Shareholders' meeting approve additional fees of € 470,000 payable to External Auditors Reconta Ernst & Young for the year 2011 and € 466,000 for the year 2012, as per their proposals dated June 12, 2012 and March 8, 2013".

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Resolution proposal by the Board of Directors on item 5 of the Meeting Agenda.

5) COMPENSATION REPORT: COMPENSATION POLICY.

“Messrs Shareholders,
at the proposal of the Compensation and Nomination Committee, the Board of Directors approved the Compensation Report, drawn up in compliance with art. 123 ter of Law 58/98 and art. 84 quater of Issuers’ Regulations.

Pursuant to paragraph 6 of art. 123 ter of Law 58/98, the Shareholders’ meeting is called to express either in favour or against the first part of the Compensation Report, illustrating the policy adopted by the Company in terms of the remuneration of members of the management bodies and senior managers with strategic responsibilities as well as the procedures used to implement this policy. This resolution is not binding”.

RESOLUTION PROPOSAL

“Messrs Shareholders,

you are called to express in favour of the first part of the Compensation Report, which illustrates the policy adopted by the Company in terms of the remuneration of members of the management bodies and senior managers with strategic responsibilities, as well as the procedures used to implement this policy”.