

SAIPEM S.p.A.
ORDINARY SHAREHOLDERS' MEETING
MAY 6, 2014

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

1) STATUTORY FINANCIAL STATEMENTS AT DECEMBER 31, 2013 OF SAIPEM S.P.A.. RELEVANT DELIBERATIONS. PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AT DECEMBER 31, 2013. REPORTS BY THE BOARD OF DIRECTORS, THE STATUTORY AUDITORS AND THE EXTERNAL AUDITORS.

2) ALLOCATION OF RESULT.

“Messrs. Shareholders,

You are invited to approve Saipem’s Statutory Financial Statements at December 31, 2013, which recorded a net profit for the year of €77,473,666.88.

The Company’s policies provide for the distribution of a third of Group result and since the Saipem Group recorded a loss of €159 million, we propose:

- to distribute a dividend for savings shares in circulation on the ex-coupon date, amounting to 5% of the nominal share price, i.e. €0.05 per savings share;
- to allocate to the reserve for retained earnings/losses the remainder,

following the proposed dividend distribution, and to forego the distribution of a dividend for ordinary shares.

You are also asked to approve the proposal to pay-out dividends for savings shares from May 22, 2014; ex-coupon date: May 19, 2014; record date: May 21, 2014”.

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Report by the Board of Directors on item 3 of the Meeting Agenda.

3) ESTABLISHING THE NUMBER OF BOARD DIRECTORS

“Messrs. Shareholders,

The mandate of the current Board Directors, granted by the Shareholders' meeting of May 4, 2011, will expire at the General Shareholders' Meeting called to approve the 2013 Financial Statements.

Art. 19 of the Articles of Association provides that the Board of Directors be comprised of a minimum of five and a maximum of nine members. The aforementioned Shareholders' Meeting had set at nine the number of Board Directors.

On the recommendation of the Compensation and Nomination Committee, and on account of the size of the Company and the complexity of the operations performed by the Group that Saipem leads, the Board of Directors proposes to set at nine the number of Board Directors to be appointed”.

RESOLUTION PROPOSAL

“Messrs. Shareholders,

You are called to set the number of Board Directors to be appointed at nine”.

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Report by the Board of Directors on item 4 of the Meeting Agenda.

**4) ESTABLISHING THE DURATION OF THE BOARD
DIRECTORS' MANDATE**

“Messrs. Shareholders,

Pursuant to art. 19 of the Articles of Association, the Directors' maximum term of office is set at three years and expires on the date that the Shareholders' meeting is convened to approve the Financial Statements for the last year of their term.

The Board of Directors proposes that the Shareholders' Meeting set the maximum term of office for the next Board Directors at three years”.

RESOLUTION PROPOSAL

“Messrs. Shareholders,

You are invited

- to appoint the Board Directors, whose term of office will last a maximum of three years, reserving the Shareholders' right to set the duration of their mandate within this term”.

SAIPEM S.p.A.
ORDINARY SHAREHOLDERS' MEETING
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Report by the Board of Directors on item 5 of the Meeting Agenda.

5) APPOINTMENT OF BOARD DIRECTORS

“Messrs. Shareholders,

We remind the meeting that, pursuant to the law and the Company's Articles of Association, the Shareholders' Meeting appoints the Board of Directors from voting lists of candidates.

The procedure for the appointment of Board Directors is regulated by article 19 of the Articles of Association, to which we refer.

Specifically, we point out that lists must be filed at the Company's registered office, together with all the relevant documentation, at least 25 days prior to the Shareholders' Meeting. Furthermore, lists may be presented by shareholders who, individually or jointly, hold shares amounting to at least 1% of the ordinary share capital.

Candidates must meet the independence requirements decreed by the law and the Articles of Association and may only appear on one list or they shall be deemed ineligible.

The lists and all the relevant documentation shall be available to the public at the Company's registered office, at Borsa Italiana S.p.A. and on the Company's website at least 21 days prior to the date of the Shareholders' Meeting.

Pursuant to the Articles of Association, the appointment must comply

with gender balance legislation, Law no. 120 dated July 12, 2011, under the terms stated in the notice of Shareholders' Meeting.

In compliance with the provisions of art. 1 (implementation criteria) of the Italian Corporate Governance Code of listed companies, and having considered the results of the self-review of the Board and its Committees, their size and composition, as well as the professional skills, experience, gender and managerial expertise of its members, the Board of Directors expressed the following advice on the professional profiles that it considers would strengthen the Board:

Size of the Board of Directors:

- *The Board of Directors considers the current number of Directors, equal to nine, to be appropriate. It is the maximum number provided by the Articles of Association.*
- *The Board also considers appropriate the current ratio between Executive Directors (1), Non-Executive Directors (2) and Non-Executive Independent Directors (6).*

Professional profiles deemed appropriate for the new Board of Directors:

The Chairman:

- *Should be a person who conveys authority, preferably independent formally as well as substantially, at the time of the initial appointment and should be a credible figure in view of their role as guarantor for all Shareholders and Stakeholders;*
- *Have adequate knowledge, professional stature and expertise to carry out the responsibilities this role entails at Saipem; ideally, their competencies should complement those of the C.E.O.;*
- *Have team leadership skills and previous experience in leading*

Boards of Directors at Group level or listed companies of similar size, international presence and business/management complexity as Saipem.

The C.E.O. should:

- *Have successfully gained significant experience in the top level management of Groups or listed companies of similar size, international presence and business/management complexity as Saipem;*
- *Have gained their expertise in areas of industry business where large turn-key projects or international operations are carried out, in the context of sectors such as oil & gas, energy, infrastructure or sectors that are similar in terms of operational and strategic criticalities;*
- *Have vision, entrepreneurial spirit, highly-developed strategic and result-oriented understanding and strong people leadership skills.*

The other seven Directors:

Four out of seven professional profiles should have gained managerial experience at listed companies of similar size, international presence and business/management complexity as Saipem.

These professional profiles should include the following expertise:

- *Experience gained in business industries similar to Saipem's with similar drivers and operational challenges for projects and contracts; and/or*
- *Previous experience as C.E.O. or a management, accounting or control background (former C.F.O.); and/or*
- *Highly oriented towards strategies and results; and/or*
- *Experience gained internationally, or a non-Italian national; and/or*
- *business judgment and adequate financial expertise.*

Three professional profiles out of seven should have a professional, academic and/or institutional background, gained in Italy or internationally. Ideally, they should have gained previous experience in Board of Directors of listed companies of similar size, international presence and business/management complexity as Saipem.

These professional profiles should include the following expertise:

- highly respected institutional roles, able to help consolidate/build relations and/or add international repute; and/or*
- legal, compliance, risk-management and/or international audit; and/or*
- economic and financial competencies.*

In the composition of the various professional profiles that make up the Board of Directors (and its Committees) and to ensure good performance of Board activities, the Shareholders should aim to achieve diversity and complementarity of professional expertise, together with diversity and complementarity of gender, age bands, length of service and, ideally, nationality (with knowledge of the Italian language) for Directors.

All Directors should have adequate knowledge of the English language.

All candidates who accept their candidacy to Saipem's Board of Directors, should be made aware of the large amount of time they will be required to set aside to adequately perform this role on the Board; generally this commitment provides for no less than one Board meeting per month. Should they be required to serve on Board Committees, the time they will be required to commit will be even greater, especially taking into account the time needed to study the necessary documentation and prepare for meetings.

Finally, all candidates should evaluate the number and nature of offices they may hold in other companies, in addition to their own business and professional commitments”.

RESOLUTION PROPOSAL

“Messrs. Shareholders,

You are invited

- to appoint the Board Directors, voting one list from those presented and published in compliance with the provisions of the Articles of Association”.

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Report by the Board of Directors on item 6 of the Meeting Agenda.

6) APPOINTMENT OF THE CHAIRMAN OF THE BOARD OF DIRECTORS

“Messrs. Shareholders,
pursuant to art. 21 of the Articles of Association, the Board of Directors appoints the Chairman of the Board, selecting him/her from its members, if the Shareholders’ meeting has failed to do so”.

RESOLUTION PROPOSAL

“Messrs. Shareholders,

You are invited

- To appoint the Chairman of the Board of Directors, selecting him/her from the candidates on the list that has obtained the majority of votes, or leave it to the Board of Directors to make the appointment”.

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Report by the Board of Directors on item 7 of the Meeting Agenda.

7) ESTABLISHING THE REMUNERATION OF BOARD DIRECTORS

“Messrs. Shareholders,

with regard to remuneration, we inform you that Saipem, as a listed company controlled by Eni, which, in turns, is controlled by the Italian Ministry of Economy and Finance (MEF), is required to present a remuneration proposal to the Shareholders' Meeting convened to approve the renewal of corporate bodies (pursuant to art. 84 of Law no. 96 dated August 9, 2013), according to which the remuneration (as prescribed in art. 2389, 3rd paragraph, of the Italian Civil Code) established and paid to newly-appointed executive Directors should not exceed 75% of the total financial compensation, including employment remuneration received by the Company if any, during the year prior to the renewal.

The Compensation and Nomination Committee ascertained that, having Saipem, on December 5, 2012, applied a reduction to the remuneration of executive Directors in excess of the provisions of article 5-sexies of the aforementioned law, is therefore exempt from presenting the above remuneration proposal.

The Compensation and Nomination Committee has ascertained that this

exemption also applies to subsidiary companies.

We remind the Shareholders that the gross remuneration for each Director is €40,000 per annum, plus expenses.

We ask you to establish remuneration in line with the benchmark of comparable companies”.

RESOLUTION PROPOSAL

“Messrs. Shareholders,

You are invited

- to establish the annual remuneration for each Director for the duration of their mandate by voting one of the proposals put forward at the Shareholders’ Meeting”.

SAIPEM S.p.A.
ORDINARY SHAREHOLDERS' MEETING
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Report by the Board of Directors on item 8 of the Meeting Agenda.

8) APPOINTMENT OF STATUTORY AUDITORS.

“Messrs. Shareholders,

the mandate of the current Board of Statutory Auditors, granted by the Shareholders' meeting of May 4, 2011, will expire at the General Shareholders' Meeting called to approve the 2013 Financial Statements.

Pursuant to art. 27 of the Articles of Association, the Board of Statutory Auditors comprises three statutory and two alternate auditors. The Board of Statutory Auditors is appointed by the Shareholders' Meeting from voting lists presented by the Shareholders, on which candidates are allocated a progressive number. The number of candidates must not exceed the number of members to be appointed. Candidates to the office of Statutory Auditors must meet the independence requirements set by art. 148, paragraph 3, of Legislative Decree 58 of February 24, 1998 (“TUF”) in addition to the integrity and professionalism requirements provided by Ministerial Decree 162 of March 30, 2000, taking into account the subject matters strictly related to the Company's business as listed in article 27 of the Articles of Association.

Statutory Auditors must respect the limits on the cumulation of offices as set by Consob in art. 144-*terdecies* of Regulations no. 11971 of May 14, 1999 (hereafter “Issuers Regulations”).

Pursuant to the Articles of Association, the appointment must comply with gender balance legislation, Law no. 120 dated July 12, 2011, under the terms stated in the notice of Shareholders' Meeting.

Lists are lodged, presented and published in compliance with the procedures regulating the appointment of Board Directors detailed in art. 19 of the Articles of Association and Consob Issuers' Regulations.

Furthermore, lists may be presented only by shareholders who, individually or jointly, hold shares amounting to at least 1% of shares with vote entitlement at the Ordinary Shareholders' Meeting.

RESOLUTION PROPOSAL

“Messrs. Shareholders,

You are invited

- to appoint the Statutory Auditors who will remain in office until the Shareholders' Meeting convened to approve the Financial Statements at December 31, 2016, by voting a list from those presented and published in compliance with the Articles of Association”.

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Report by the Board of Directors on item 9 of the Meeting Agenda.

**9) APPOINTMENT OF THE CHAIRMAN OF THE BOARD OF
STATUTORY AUDITORS**

“Messrs. Shareholders,

Pursuant to art. 27 of the Articles of Association, the Shareholders' Meeting appoints as Chairman of the Board of Statutory Auditors one of the Auditors elected as per the procedure detailed in art. 19 letter b) of the Articles of Association, from minority lists”.

RESOLUTION PROPOSAL

“Messrs. Shareholders,

you are invited

- to appoint as Chairman of the Board of Statutory Auditors, the Statutory Auditor holding first place on the minority list that received the most votes”.

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Report by the Board of Directors on item 10 of the Meeting Agenda.

10) ESTABLISHING THE REMUNERATION OF STATUTORY AUDITORS AND OF THE CHAIRMAN OF THE BOARD OF STATUTORY AUDITORS.

“Messrs. Shareholders,

the Shareholders' Meeting is responsible for setting the annual remuneration of the Chairman of the Board of Statutory Auditors and that of the Statutory Auditors. They are also entitled to the reimbursement of expenses incurred pertaining to their office. Currently the gross annual remuneration of the Chairman amounts to €60,000, and that of the Auditors to €40,000.

We propose that you establish their remuneration. We ask you to approve remuneration in line with the benchmark of comparable companies”.

RESOLUTION PROPOSAL

“Messrs. Shareholders,

You are invited

- To set the annual remuneration of the Chairman of the Board of Statutory Auditors and the annual remuneration of the Statutory Auditors by voting one of the proposals put forward at the Shareholders' Meeting”.

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Proposals on item 11 of the Meeting Agenda.

11) ADDITIONAL FEES TO THE EXTERNAL AUDITORS.

“Messrs. Shareholders,

External Auditors Reconta Ernst & Young SpA in their letter dated February 26, 2014 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 2013. 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 on March 2, 2010.

This additional work was carried out mainly in response to the proceeding launched by Consob on July 19, 2013 for alleged non-conformity of accounting principles in the statutory and consolidated financial statements of Saipem S.p.A. at December 31, 2012. Following the launch of this proceeding, as announced on October 28, 2013, the Company agreed to restate the statutory and consolidated financial statements at December 31, 2012.

This required the implementation of the following additional procedures:

- Analysis, discussion and understanding of enquiries launched by

Consob;

- Extension of audit procedures to the interim review at June 30, 2013;
- Interviews with personnel aimed at reconciling the items under enquiry with the inspection reports and ascertain their effects on the interim report at June 30, 2013;
- Extension of audit procedures relating to the legal audit of the statutory and consolidated financial statements at December 31, 2013 following the increase of the audit risk compared to the remit of the original proposal;
- Audit of the methods for the presentation of the statutory and consolidated financial statements at December 31, 2013.

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 2,354 man-hours, corresponding to a fee of €239,124.

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

<u>Category</u>	<u>hrs</u>	<u>Mix hrs (%)</u>	<u>Hourly rate</u>	<u>Euro</u>
Partner	882	37.48%	144.96	127,921
Manager	1,052	44.68%	89.28	93,923
Senior	240	10.19%	51.84	12,442
Staff	180	7.65%	26.88	4,838
	<u>2,354</u>			<u>239,124</u>

The resources required for the aforementioned work involved greater utilization of highly experienced professionals (Partners and Managers) when compared to the personnel that performs the ordinary audit of accounts for Saipem S.p.A., due to the sensitivity of the matter and the

complexity of issues under review.

The total fee for the aforementioned activities was rounded down to €239,000.

Finally, the External Auditors requested additional fees, which exceed the ordinary audit program, to cover additional audit procedures relating to the internal control system of certain branches of Saipem S.p.A. for the last financial year.

Additional work, in excess of the ordinary audit procedures, was needed at:

- Relevant branches: Abu Dhabi (2), Algeria, Astrakan, Kuwait, Norway and Kazakhstan;
- Less relevant branches: Austria, Angola, Congo, Dubai, France, Iraq, Novorriisk and Sharjah.

These additional audit activities regarded:

- The procurement process (award phase of passive contracts) and audit of Saipem procedures through spot checks of the supporting documentation;
- Management process of suppliers (auditing the correct accounting of suppliers deals), audit of Saipem procedures through spot checks of the supporting documentation;
- Audit of controls involving the branch payroll process;
- Specific audit procedures on significant accounting items for the branch financial statements at December 31, 2013.

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

This additional work, which could not have been foreseen at the time of the original offer, amounted to a total of 2,502 additional man-hours,

corresponding to €273,000. This amount includes a reduction of €1,405 relating to audit activities on branches of Saipem S.p.A., which had been included in the original offer.

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

For each of the 7 relevant branches:

<u>Category</u>	<u>hrs</u>	<u>Mix hrs (%)</u>	<u>Hourly rate</u>	<u>Euro</u>
Partner	42	14.50%	144.96	6,088
Manager	108	37.20%	89.28	9,642
Senior	140	48.30%	51.84	7,258
	<u>290</u>			<u>22,988</u>

For each of the 8 less relevant branches:

<u>Category</u>	<u>hrs</u>	<u>Mix hrs (%)</u>	<u>Hourly rate</u>	<u>Euro</u>
Partner	26	12.90%	144.96	3,769
Manager	68	33.70%	89.28	6,071
Senior	108	53.50%	51.84	5,599
	<u>202</u>			<u>15,439</u>

The resources required for the aforementioned work involved greater utilization of highly experienced professionals (Partners and Managers) when compared to the personnel that performs the ordinary audit of accounts for Saipem S.p.A.

The Board of Statutory Auditors, having had confirmation from the relevant Company functions 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, proposes that the Shareholders' meeting approve additional audit fees for the year 2013 of € 512,000 payable to External Auditors Reconta Ernst & Young as per their proposals".

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Conversely, with regard to REY proposals for additional increases that Saipem received on February 27, 2014, the Board of Statutory Auditors pointed out that these pertain to additional audit procedures regulating the internal control over financial reporting (ICFR) and specific aspects of the internal control system.

The review carried out by the Board of Statutory Auditors showed that these additional fees are not related to the current legal audit mandate, but pertain to a separate proposal by the External Auditors for audit activities on Saipem's ICFR used by Eni for the preparation of the Eni Group consolidated financial statements; in fact, being a NYSE listed company Eni is subject to SOX provisions.

Within the framework of the articulated activities which involve REY, Eni and Saipem, the SOX activities, which are the object of these additional fees, are included in a specific contract currently in force between Saipem and the External Auditors, and therefore refer contractually to the former.

Reconta Ernst & Young S.p.A. has been entrusted with producing an opinion on the effectiveness of the system of internal control over financial reporting applied in the preparation of the consolidated financial statements of Eni S.p.A., and carried out the following activities:

- Audit of procurement procedures at companies operating in Canada and Mexico;
- Mapping and audit of contracts whose procurement process had not involved the use of the IT SAP system;
- Audits of contracts involving "Nominated Sub Contractors", and specific in-depth analysis for one of these contractors.

Furthermore, enquiries launched by the Public Prosecutor's Office of Milan which involved current and former employees of the Company, in addition to the ongoing enquiries relating to alleged international corruption offences in Algeria, have required a specific additional programme called “*Fraud Risk Work Program*” for all subsidiaries of Saipem S.p.A.

Man-hours and fees relating to these additional work can be broken down as follows:

Additional fees for the procurement audit of companies operating in

Canada and Mexico:

<u>Category</u>	<u>Hrs</u>	<u>Mix Hrs (%)</u>	<u>Hourly rate</u>	<u>Euro</u>
Partner	485	10.00%	144.96	70,233
Manager	1,696	35.00%	89.28	151,397
Senior	1,454	30.00%	51.84	75,349
Staff	1,211	25.00%	26.88	32,558
	<u>4,845</u>			<u>329,537</u>

These fees include activities carried out both by Reconta Ernst & Young S.p.A. and by the EY network in Canada and Mexico.

Therefore, Saipem S.p.A. or other Saipem Group subsidiaries are not liable for any other fee due to EY network companies with respect to this additional work.

Additional fees for the mapping and audit of contracts whose procurement process had not involved the use of the IT SAP system:

<u>Category</u>	<u>Hrs</u>	<u>Mix Hrs (%)</u>	<u>Hourly rate</u>	<u>Euro</u>
Partner	208	10.00%	145.00	30,079
Manager	726	35.00%	89.28	64,840
Senior	623	30.00%	51.84	32,270
Staff	519	25.00%	26.88	13,944
	<u>2,075</u>			<u>141,133</u>

These fees include activities carried out by Reconta Ernst & Young

S.p.A.

Additional fees for audits of contracts involving “Nominated Sub Contractors”:

<u>Category</u>	<u>Hrs</u>	<u>Mix Hrs (%)</u>	<u>Hourly rate</u>	<u>Euro</u>
Partner	116	16.20%	144.96	16,815
Manager	298	41.70%	89.28	26,605
Senior	220	30.80%	51.84	11,405
Staff	81	11.30%	26.88	2,177
	<u>715</u>			<u>57,002</u>

These fees include activities carried out by Reconta Ernst & Young S.p.A.

The resources required for the aforementioned work involved greater utilization of highly experienced professionals (Partners and Managers) when compared to the mandate described in the original proposal for the audits of accounts of Saipem S.p.A. for the years 2010/2018, due to the sensitivity of the matter and the complexity of issues under review.

Additional fees for the in-depth analysis of a specific sub-contractor:

<u>Category</u>	<u>Hrs</u>	<u>Mix Hrs (%)</u>	<u>Hourly rate</u>	<u>Euro</u>
Partner	64	33.50%	144.96	9,277
Manager	111	58.10%	89.28	9,910
Senior	16	8.40%	51.84	829
	<u>191</u>			<u>20,016</u>

The resources required for the aforementioned work involved greater utilization of highly experienced professionals (Partners and Managers) when compared to the mandate described in the original proposal for the audits of accounts of Saipem S.p.A. for the years 2010/2018, due to the sensitivity of the matter and the complexity of issues under review.

Additional fees for audits pertaining to the “Fraud Risk Work Program” of Saipem S.p.A.:

<u>Category</u>	<u>Hrs</u>	<u>Mix Hrs (%)</u>	<u>Hourly rate</u>	<u>Euro</u>
Partner	265	10.00%	144.96	38,371
Manager	926	35.00%	89.28	82,713
Senior	794	30.00%	51.84	41,166
Staff	662	25.00%	26.88	17,788
	<u>2,647</u>			<u>180,038</u>

These fees include activities carried out by Reconta Ernst & Young S.p.A.

Moreover, we point out that, in 2013, several subsidiaries of Saipem S.p.A. became “relevant” for the purposes of the internal control system of Eni S.p.A. These were therefore subject to additional audits of the internal control system over financial reporting used for the preparation of the consolidated financial statements of Eni S.p.A.

Companies involved in these audits from 2013 are:

- Saipem SA
- Saipem Canada Inc
- Snamprogetti Saudi Arabia Ltd
- Saudi Arabian Saipem Ltd
- Saipem Contracting Nigeria Ltd

In view of the fact that some of the audits for processes included in the additional audit procedures were carried out by internal departments of Saipem S.p.A., the inclusion of the subsidiaries, in turn, resulted in additional audit activities of their parent company Saipem S.p.A.

Man-hours and fees pertaining to this additional work were calculated based on the general criteria detailed in the Offer and can be summed up as follows:

Additional fees for procedures carried out by the audit team of Saipem S.p.A.

<u>Category</u>	<u>Hrs</u>	<u>Mix Hrs (%)</u>	<u>Hourly rate</u>	<u>Euro</u>
Partner	52	10.00%	144.96	7,495
Manager	181	35.00%	89.28	16,155
Senior	155	30.00%	51.84	8,040
Staff	129	25.00%	26.88	3,474
	<u>517</u>			<u>35,164</u>

Finally, the External Auditors were asked to carry out certain agreed audit procedures at the following subsidiaries:

- Saipem SA
- Saipem (Portugal) Comercio Maritimo
- Saipem Canada Inc.
- Snamprogetti Saudi Arabia Ltd.
- Saipem Contracting Nigeria Ltd.
- ER SAI Caspian Contractor Llc
- Saipem Limited Ltd
- Saipem do Brasil Servic. De Petrol. Ltda
- Petrex SA
- Saipem Offshore Norway AS
- Saipem Drilling Norway AS
- Global Petroproject Services AG SA Ltd
- PT Saipem Indonesia
- Saipem International BV
- Snamprogetti Netherlands BV

These focused on the following activities:

- 1) Obtaining from the company a copy of the company's organigram, authorization matrix and power matrix; ascertain that the documentation met the requirements of Group Management System Guidelines (MSG);

- 2) Obtaining a copy of the “risk map” and the minutes of Board of Directors’ meeting at which the Model was approved;
- 3) Obtaining copies of the minutes of Board of Directors’ and Shareholders’ meetings held during the year; ascertain, from a formal standpoint, that all resolutions complied with the incorporation deed and the company’s Articles of Association;
- 4) Obtaining copies of minutes of Board of Directors’ and Shareholders’ meetings held during the year, and the documentation supporting the minutes (if any); ascertain that all supporting documentation met the minutes of meeting and resolutions;
- 5) Obtaining copies of minutes of Compliance Committee meetings held during the year; list dates when the work was carried out and matters under discussion;
- 6) Obtaining copies of reports issued by Saipem’s INAU department; list items they had audited and their findings;
- 7) the Co-ordination Corporate Team gathered information and results achieved by the individual audit teams involved in the agreed procedures;
- 8) the Co-ordination Corporate Team prepared a presentation of all work performed and related findings.

Man-hours and fees pertaining to this additional work can be broken down as follows:

Agreed audits on subsidiaries:

<u>Category</u>	<u>Hrs</u>	<u>Mix Hrs (%)</u>	<u>Hourly rate</u>	<u>Euro</u>
Partner	192	10.00%	144.96	27,832
Manager	676	35.00%	89.28	60,309
Senior	579	30.00%	51.84	30,015
Staff	483	25.00%	26.88	8,145

1,930	(1,301) 125,000
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The Board of Statutory Auditors, having had confirmation from the relevant Company functions 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, is in favour of recognising additional audit fees to the External Auditors, for the aforementioned work not related to the legal audit of accounts.

Having heard the opinion expressed by the Board of Statutory Auditors, the Board of Directors resolved to propose that the Shareholders' meeting approve the aforementioned additional audit fees not related to the legal audit amounting to €887,890.

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You are therefore invited to approve additional fees for the year 2013 to the External Auditors Reconta Ernst & Young amounting to a total of €1,399,890 (512,000 + 887,890)".

SAIPEM S.p.A.
ORDINARY SHAREHOLDERS' MEETING
MAY 6, 2014

Report by the Board of Directors on item 12 of the Meeting Agenda.

12) NEW LONG-TERM MONETARY INCENTIVE PLAN.

“Messrs. Shareholders,

the long-term Monetary Incentive Plan (Plan) was first introduced in 2010 as a tool to motivate and retain the Company’s top management, to strengthen their participation in the business risk, to improve the Company performance and maximize value for the shareholders in the long-term. The Plan was subject to the achievement of the relative target “adjusted net profit + depreciation and amortization”, measured against a peer group panel.

The new Plan has the same objectives; however, it is subject to the achievement of a different performance indicator, “total shareholder return”, linked to the share price performance and the value of “ROACE”; this in order:

- to improve alignment with shareholders’ interests in the medium-long term and
- to measure long-term profitability on the capital invested.

This proposal has been prepared in compliance with art. 114-bis of Law Decree 58/98 of February 24, 1998, and takes into account Consob’s provisions for the implementation of compensation plans based on the allocation of financial instruments to Corporate Officers, Employees and

Collaborators. The information document provided for by the provisions of art. 84 – bis, of Consob Regulations 11971/99 and subsequent modifications has also been prepared and will be made available under the terms of the law. Please refer to the aforementioned information document for a detailed description of the Plan.

A three-year vesting period was chosen, consistently with the previous Plan, as it is the most widely used benchmark in the industrial best practices of the sector at international level.

The entity of the incentives will be a percentage of the fixed remuneration, consistent with the following principles of Saipem's compensation policy:

- management remuneration structure balanced between: i) a fixed component based on powers and responsibilities and ii) a capped variable component, aimed at linking remuneration with results attained;
- consistency between the total remuneration and the relevant market benchmark for similar positions, roles and levels of responsibility and complexity, within peer groups comparable to Saipem;
- variable remuneration for managers more directly responsible for company results, with significant incidence of a long-term incentive component subject to a three-year vesting period, a length of time deemed consistent with the long-term nature of Saipem business.

The Plan provides for the allocation of monetary incentives from October 2014 onwards, which shall be paid out after the three-year vesting period, subject to the Plan criteria and conditions.

The Plan will end in 2017 with the payment of the 2014 allocation, at the end of the vesting period.

The entity of monetary incentives depends on the level of responsibility/critical role of each beneficiary, from a minimum of 20% to a maximum 50% of the fixed remuneration.

The performance targets of the Plan are subject to the following parameters:

1. “total shareholder return” of the Saipem share (weight 60%), measured annually over the vesting period in terms of relative positioning against a reference peer group;
2. ROACE (weight 40%), measured annually over the vesting period in terms of results achieved against the yearly budget.

Annual TSR results are measured in terms of positioning against a peer group of six major international competitors by capitalization in the Oil Services Industry, namely Technip, JGC, Subsea7, Transocean, Petrofac and Samsung Engineering”.

RESOLUTION PROPOSAL

“Messrs. Shareholders,

You are invited

- to approve the 2014 long-term Monetary Incentive Plan which uses the performance indicator “Total Shareholder Return” linked to the Saipem share performance, against a peer group of major international competitors and ROACE based on profitability returns on the capital invested;
- to grant the CEO all necessary powers to implement this resolution, including the identification of beneficiaries and approval of Plan Implementation Regulations”.

SAIPEM S.p.A.
ORDINARY SHAREHOLDERS' MEETING
MAY 6, 2014

Report by the Board of Directors on item 13 of the Meeting Agenda.

13) REMUNERATION REPORT: REMUNERATION POLICY

“Messrs. Shareholders,

at the proposal of the Compensation and Nomination Committee, the Board of Directors approved the Remuneration 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 Remuneration 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”.