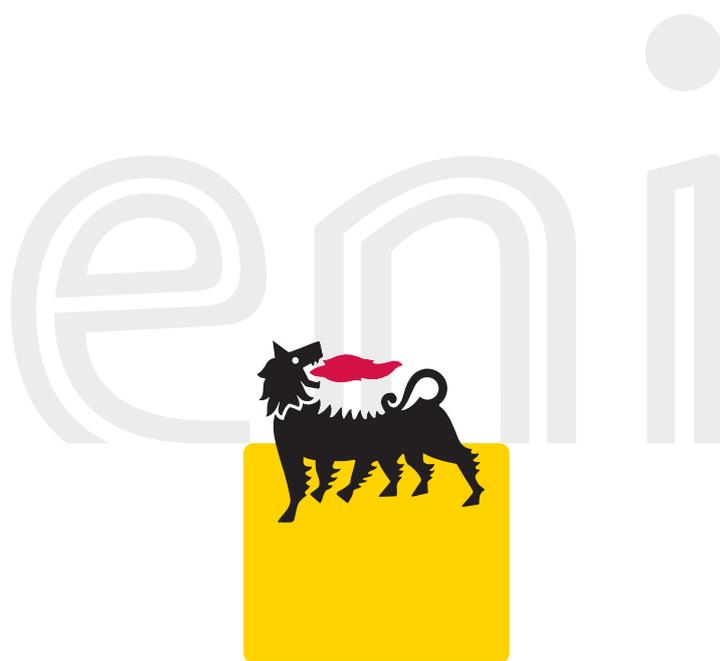


saipem



2014 Remuneration Report

## Mission

Pursuing satisfaction of our Clients in the energy industry, we tackle each challenge with safe, reliable and innovative solutions.

Our competent, multi-local teams provide sustainable development for our Company and for the communities in which we operate.

## Our core values

Commitment to health and safety, openness, flexibility, integration, innovation, quality, competitiveness, teamwork, humility, internationalisation, responsibility and integrity.

### Countries in which Saipem operates

#### EUROPE

Austria, Belgium, Croatia, Cyprus, Denmark, France, Greece, Italy, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Romania, Spain, Sweden, Switzerland, Turkey, United Kingdom

#### AMERICAS

Bolivia, Brazil, Canada, Chile, Colombia, Dominican Republic, Ecuador, Mexico, Peru, Suriname, United States, Venezuela

#### CIS

Azerbaijan, Kazakhstan, Russia, Turkmenistan, Ukraine

#### AFRICA

Algeria, Angola, Cameroon, Congo, Egypt, Gabon, Ghana, Libya, Mauritania, Morocco, Mozambique, Nigeria, South Africa, Togo, Uganda

#### MIDDLE EAST

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

#### FAR EAST AND OCEANIA

Australia, China, India, Indonesia, Japan, Malaysia, Myanmar, Pakistan, Papua New Guinea, Singapore, Thailand, Vietnam

saipem



2014  
Remuneration Report

Approved by the Board of Directors on March 14, 2014

The report is published in the 'Corporate Governance' section of Saipem's website  
([www.saipem.com](http://www.saipem.com))

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## Letter from the Chairman of the Compensation and Nomination Committee



Gabriele Galateri di Genola

Dear Shareholders,

It is my pleasure to present Saipem's 2014 Remuneration Report, which will be submitted at the Shareholders' Meeting. The Report is the result of an intensive effort by the Compensation and Nomination Committee over the course of 2013 to align policies and guidelines for the remuneration of Directors and strategic resources with recent legislative developments and to ensure that they reflect the growing awareness of and interest in the issue being shown by investors.

Over the course of the year, the Committee adopted a proactive approach, implementing initiatives and decisions consistent with the results posted by Saipem in 2013, including the definition of prudent remuneration policies, the recalibration of remuneration policies and incentives, as well as actions designed to effectively motivate and retain critical managerial resources. As part of our scope as a Nominations Committee, we also carefully evaluated the criteria used for the designation of Directors, who are appointed by the Board of Directors.

The results of the vote on the first section of the 2013 Remuneration Report, which were subjected to thorough analysis by the Committee in July, confirmed that the policies established met with a significant level of positive appreciation.

The last meeting of 2013 as well as the first meeting of 2014 focused on Article 84-ter of Law No. 98 of August 9, 2013 concerning the remuneration of Executive Directors of companies controlled directly or indirectly by Public Authorities and in particular the situation regulated by paragraph 5-sexies of the same article.

The 2014 Remuneration Policy guidelines contain a number of changes compared with the previous year. Among these, I would like to draw your attention to the changes made to the Long-Term

Monetary Incentive Plan for critical managerial resources, which the CEO due to be appointed by the next Board of Directors will also participate in. In line with international best practices as well as the recommendations of the principal proxy advisors, the performance parameter Total Shareholder Return (TSR) has been introduced to replace adjusted net profit + D&A, with the aim of ensuring that the incentives offered to management are aligned with the objective of creating shareholder value.

During 2013, the Committee also developed a number of proposals for changes to the management incentive system, the results of which will be made available to the new Committee due to be installed following the Shareholders' Meeting.

This Report is proof of our constant commitment to ensuring proper representation to our shareholders and to the market of the Remuneration Guidelines applied by Saipem, to ensuring that remuneration is linked to actual results and finally to ensuring openness and transparency for investors.

I would also like to take this opportunity to thank the Directors Nicola Greco and Maurizio Montagnese, and the Chairman of the Board of Statutory Auditors, Mario Busso, for their precious contribution to the work of the Committee and to express my best wishes for the future to the new members of the Committee.

Finally, let me thank you in advance for taking the time to read this Report and for the support I hope you will give to the policies for the year it contains.

March 14, 2014

*The Chairman of the Compensation and Nomination Committee*



# Introduction

Pursuant to the applicable legislation and regulations<sup>1</sup>, this Report, which was approved by the Board of Directors on March 14, 2014 at the proposal of the Compensation and Nomination Committee, defines and illustrates:

- in the first section, the Policy adopted for 2014 by Saipem SpA ('Saipem' or the 'Company') for the remuneration of Directors and other Senior Managers with strategic responsibilities<sup>2</sup>, indicating the general aims pursued, the bodies involved and the procedures applied for the adoption and implementation of the Policy. The general principles and guidelines of Saipem's remuneration policy are also used to determine the remuneration policy adopted in companies that are directly or indirectly controlled by Saipem;
- in the second section, the remuneration paid in 2013 to Saipem's Directors, Statutory Auditors and Senior Managers with strategic responsibilities.

The two sections of the Report are preceded by a summary of the main information, which aims to provide the market and investors with a clear and concise picture of the key elements of the 2014 Policy.

The Report also shows shares held in the Company by the Directors, Statutory Auditors and Senior Managers with strategic responsibilities.

The Remuneration Policy described in the first section of this Report was established:

- in line with the governance code for listed companies promoted by the Italian Stock Exchange ('Corporate Governance Code'), which Saipem has adopted;
- taking into account the recent legislative developments and in particular the requirements set down by Article 84-ter of Law No. 98 of August 9, 2013 concerning the remuneration of Executive Directors of companies controlled directly or indirectly by Public Authorities<sup>3</sup>. In this regard the Board of Directors have ascertained, through the Compensation and Nomination Committee, which examined the requirements of the law with the support of a legal consultant over the course a number of committee sessions, that the Company is exempt from the requirement to present a proposal for the remuneration of its Executive Directors, since it falls within the ambit of the circumstances regulated by paragraph 5-sexies of Article 84-ter.

The Report was submitted to Borsa Italiana and was made available to the public at the Company's registered office and on the 'Corporate Governance' section of Saipem's website twenty-one days before the Shareholders' Meeting called to approve the 2013 Financial Statements and to pass a non-binding resolution in favour or against the first section of the Report, in accordance with the applicable legislation<sup>4</sup>.

Information related to share-based remuneration plans currently in force is available in the 'Corporate Governance' section of Saipem's website.

[1] Article 123-ter of Legislative Decree No. 58/1998 and Article 84-quater of the Consob Issuers Regulation (No. 11971 of May 14, 1999, as amended).

[2] The term 'Senior Managers with strategic responsibilities', as defined in Article 65, paragraph 1-quater of the Consob Issuers Regulation, refers to persons with direct or indirect planning, coordination and control responsibilities. Within Saipem, the Senior Managers with strategic responsibilities are the senior managers serving on the Executive Committee and all those reporting directly to the CEO.

[3] Article 84-ter of Law No. 98 of August 9, 2013 amended Article 23-bis of Legislative Decree No. 201/2011 (converted into law with amendments by Law No. 214/2012), introducing three new paragraphs [5-quater, 5-quinquies, 5-sexies], which state:

5-quater. In companies that are directly or indirectly controlled by public authorities pursuant to Article 1, paragraph 2 of Legislative Decree No. 165 of March 30, 2001 that issue exclusively financial instruments other than shares listed on regulated markets, as well as in the subsidiaries of such companies, remuneration of the CEO and the Chairman of the Board of Directors pursuant to Article 2389, paragraph 3 of the Italian Civil Code may not be greater than 75 percent of the overall total remuneration package awarded for any and all duties, including employed work, for the previous mandate.

5-quinquies. In companies that are directly or indirectly controlled by public authorities pursuant to Article 1, paragraph 2, of Legislative Decree No. 165 of March 30, 2001 that issue shares listed on regulated markets, the Company's management bodies shall submit a proposal for the remuneration of the Executive Directors of said companies and their subsidiaries that is compliant with the criteria set out in paragraph 5-quater to the Shareholders' Meeting. The public shareholder is bound to approve the above proposal.

5-sexies. The provisions set out in paragraphs 5-quater and 5-quinquies are only applicable to the first renewal of the mandate of the Board of Directors subsequent to the date on which the provisions entered into force or, where renewal of the mandate has already taken place, to remuneration that is yet to be defined or that is yet to be confirmed. The provisions set out in paragraphs 5-quater and 5-quinquies shall not apply if, in the twelve months prior to the entry into force of the provisions, the remuneration of the CEO or the Chairman of the Board of Directors has been subjected to reductions of an amount at least equal to those required.

[4] Article 123-ter, paragraph 6 of Legislative Decree No. 58/1998.



## Overview

Saipem's Remuneration Policy is voted on by the Board of Directors on the basis of a proposal submitted by the Compensation and Nomination Committee (consisting of Non-Executive and Independent Directors) and is defined in accordance with the governance model adopted by the Company and with reference to the recommendations of the Corporate Governance Code. In keeping with the Guidelines set out in the Company's Strategic Plan, this policy promotes the alignment of the interests of management with the priority objective of value creation for the shareholders in the medium to long term. In drafting this Report, the Compensation and Nomination Committee took into account the favourable results of the vote that took place at the Shareholders' Meeting<sup>5</sup>, the feedback received from the shareholders and the relevant legislative framework with the aim of improving the clarity and completeness of the information provided in the Report, in particular in relation to the description of the variable incentive plans.

### 2014 Remuneration Policy

The term of office of the Saipem Board of Directors appointed by the Shareholders' Meeting on May 4, 2011 expires on the date of the Shareholders' Meeting called to approve the financial statements as at and for the year ended December 31, 2013 and to appoint new management and control bodies. The 2014 Remuneration Policy, which is illustrated in detail in the first section of this document, contains the following Guidelines:

- for Directors currently holding office, whose term expires on the date of the Shareholders' Meeting called to approve the financial statements as at and for the year ended December 31, 2013, the 2014 Guidelines do not contain any changes with respect to the policy approved in the previous year, as they reflect resolutions taken by the Board of Directors on June 16, 2011, January 8, 2013 and September 6, 2013;
- for Non-Executive Directors who will be appointed under the new mandate, the Remuneration Policy Guidelines envisage the possibility of a change in the remuneration defined in 2013 in line with market benchmarks;
- for the Non-Executive Directors who will serve on Board Committees, the Guidelines envisage the possibility of a change in the remuneration defined in 2013 in line with market benchmarks to reflect the significant and growing commitment required for the role, while maintaining the differentiation

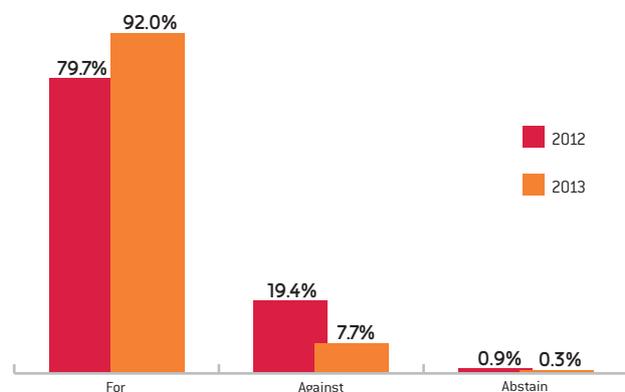
between remuneration awarded to the Chairman of the committee and to committee members;

- for the remuneration of the CEO and Senior Managers with strategic responsibilities, the 2014 Guidelines apply the same remuneration structure used in 2013, with the adoption of a new Long-Term Monetary Incentive Plan for top management and critical managerial resources. The new Plan features a number of changes to the performance conditions with the aim of ensuring greater alignment with the interests of the shareholders and greater sustainability in terms of long-term value creation, taking into account the positions of proxy advisors and the Company's principal institutional investors. The table on page 6 shows the main elements of the Guidelines voted on for the remuneration of the CEO and Senior Managers with strategic responsibilities.

### 2013 Remuneration Report (Section I) - Results of vote at Shareholders' Meeting

In accordance with the applicable legislation (Article 123-ter, paragraph 6 of Legislative Decree No. 58/1998), an advisory vote was held at the Shareholders' Meeting of April 30, 2013 with regard to the first section of the 2013 Remuneration Report. Votes in favour represented 92.02% of the share capital. An increase in favourable votes of 12.3 percentage points was recorded compared with 2012.

#### Results of vote held at Shareholders' Meeting



[5] In accordance with the applicable legislation (Article 123-ter, paragraph 6 of Legislative Decree No. 58/1998), an advisory vote was held at the Shareholders' Meeting of April 30, 2013 with regard to the first section of the 2013 Remuneration Report. Votes in favour represented 92.02% of the share capital.

## 2014 Remuneration Policy

Component	Aims and characteristics	Conditions for implementation	Amounts
<b>Fixed remuneration</b>	Rewards skills, experience and the contribution demanded by the role assigned.	Verification of remuneration using benchmarks in line with the characteristics of Saipem and with the roles assigned.	CEO: € 600,230 per year. SMSR: remuneration determined on the basis of the role assigned. Adjustments possible in relation to competitive positioning targets (median market values).
<b>Annual Variable Incentive Plan</b>	Promotes the achievement of annual budget objectives. All managerial resources are included in the Plan.	Objectives of CEO: - EBIT (40%); - net financial position (30%); - orders acquired (20%); - Sustainability & Integrity (10%). Objectives of SMSR: defined based on objectives assigned to top management and assigned in relation to area of responsibility. Incentives paid out on the basis of results obtained in the previous year, measured on a performance scale of 70-130 points*, with a minimum threshold for payout of 85 points overall. Use of clawback mechanisms to recover incentives obtained by violating company regulations or law.	CEO: target level award = 60% of fixed remuneration (minimum 51% and maximum 78%). SMSR: target level award varying based on role assigned, up to a maximum of 40% of fixed remuneration.
<b>Deferred Monetary Incentive Plan</b>	Promotes the long-term growth in the business' profitability. Plan participants: all managerial resources that have achieved annual targets are included in the Plan.	EBITDA performance measured against budgeted EBITDA. Amounts awarded on the basis of EBITDA results in the previous year measured on a performance scale of 70-130*. Incentives paid out as a percentage from 0% to 170% of the amount awarded, determined on the basis of the average annual EBITDA results obtained in the vesting period measured on a performance scale of 70-170*. Three-year vesting period. Use of clawback mechanisms to recover incentives obtained by violating company regulations or law.	CEO: target level award = 40% of fixed remuneration (minimum 28% and maximum 52%). SMSR: target level award varying based on role assigned, up to a maximum of 25% of fixed remuneration.
<b>Long-Term Monetary Incentive Plan<sup>1</sup></b>	Promotes alignment with shareholders' interests and with long-term sustainable growth. Plan participants: critical managerial resources.	Performance measured in terms of TSR <sup>2</sup> (60%) compared with a peer group (Technip, Petrofac, JGC, Subsea 7, Samsung Engineering, and Transocean) and in terms of annual ROACE <sup>2</sup> vs. Budget results (40%) over the three-year vesting period. Incentives paid out as a percentage from 0% to 130% of the amount awarded, determined on the basis of the weighted average of comparative TSR rankings and scores obtained by annual ROACE results vs. Budget over the three-year vesting period measured on the following scales**: TSR: 1 <sup>st</sup> place (130%); 2 <sup>nd</sup> place (115%); 3 <sup>rd</sup> place (100%); 4 <sup>th</sup> place (85%); 5 <sup>th</sup> place (70%); 6 <sup>th</sup> place (0%); 7 <sup>th</sup> place (0%); ROACE vs. Budget: >+5% (130%); ≤ +5%, >+2.5% (115%); ≤ +2.5%, ≥ 0% (100%); <0%, >-2.5% (85%); ≤ -2.5%, ≥ -5% (70%); <-5% (0%). Three-year vesting period. Use of clawback mechanisms to recover incentives obtained by violating company regulations.	CEO: target level award up to a maximum of 50% of fixed remuneration. SMSR: target level award varying based on role assigned, up to a maximum of 35% of fixed remuneration.
<b>Benefits</b>	Supplement the remuneration package in accordance with a total reward approach through benefits in kind, mainly of a health and social security nature. Plan participants: all managerial resources.	Conditions set out in the national collective labour agreement and in supplementary company agreements applicable to Senior Managers.	- Supplementary pension fund; - Supplementary healthcare fund; - Insurance coverage; - Company car for business and personal use.

[\*] Below the minimum threshold (70 points) the performance is considered equal to zero.

[\*\*] No pay-out is made for final percentage scores of less than 23% (minimum scores for ROACE and comparative TSR in at least one year of the vesting period).

[1] Since the new Long-Term Monetary Incentive Plan is partially linked to a 'Total Shareholder Return' objective measured based on the performance of the Saipem share against that of its peer group, the plan will be submitted for approval to the Shareholders' Meeting scheduled for May 6, 2014. The plan conditions are detailed in the information document published on the Company website ([www.saipem.com](http://www.saipem.com)), pursuant to the applicable legislation (Article 114-bis of Legislative Decree No. 58/1998 and Consob implementing regulations).

[2] Total Shareholder Return is an indicator which measures the overall return on investment a shareholder receives over a given period. It includes changes in share price and reinvestment of dividends. ROACE is an indicator measuring the return on capital employed. It is calculated as the net operating profit after taxes divided by average net invested capital for a given period.



## Section I - 2014 Remuneration Policy

### Governance of the remuneration process

#### Bodies and persons involved

The Remuneration Policy regarding members of the Saipem Board of Directors is defined in accordance with the applicable statutory and legal requirements, by which:

- the Shareholders' Meeting establishes the remuneration of the Board of Directors when they are appointed and for the entire duration of their term of office;
- the Board of Directors establishes the remuneration for Directors assigned special functions (Chairman, Deputy Chairman and Chief Executive Officers) and for participation on Board Committees, having consulted the Statutory Auditors.

In accordance with the Saipem governance model<sup>6</sup>, the Board of Directors is also responsible for:

- defining performance objectives and approving results for performance plans used to establish the variable remuneration of Executive Directors;
- approving the general criteria for the remuneration of Senior Managers with strategic responsibilities;
- defining the remuneration of the Internal Audit Manager in accordance with the Company's Remuneration Policy and having first consulted the Audit and Risk Committee and the Board of Statutory Auditors.

In accordance with the recommendations set out in the Corporate Governance Code, the Board of Directors is assisted in connection with remuneration matters by a Compensation and Nomination Committee composed of Non-Executive, Independent Directors with a consultative and advisory function.

#### Saipem Compensation and Nomination Committee

##### Composition, appointment and powers

The Compensation Committee, which as of February 13, 2012, was renamed the 'Compensation and Nomination Committee', was established by the Board of Directors in 1999. Committee membership, appointments, tasks and operating procedures are regulated by a specific set of rules approved by the Board of Directors<sup>7</sup> and published on the Company website<sup>8</sup>. In accordance with applicable legislation and the recommendations set out in

the new version of the Corporate Governance Code, the Compensation and Nomination Committee is made up of three Non-Executive, Independent Directors. Regulations also require at least one member of the Committee to have adequate knowledge and experience of financial and remuneration matters, as evaluated by the Board at the time of appointment.

The Committee is composed of the following Directors who, pursuant to the applicable legal requirements and the Corporate Governance Code, are non-executive and independent: Gabriele Galateri di Genola (Chairman), Nicola Greco and Maurizio Montagnese.

The Executive Vice President of Human Resources and Organisation, or, in his place, the Senior Vice President of Development, Organisation and Compensation, acts as Secretary of the Committee.

The Committee makes proposals to and advises the Board of Directors by:

- submitting the Remuneration Report (in particular the policy regarding the remuneration paid to Directors and to Senior Managers with strategic responsibilities) to the Board of Directors for approval, prior to presenting it to the Shareholders' Meeting convened to approve the annual financial statements in accordance with applicable legislation;
- making proposals regarding the forms of remuneration and amounts awarded to the Chairman and to Executive Directors;
- making proposals regarding the remuneration of the Non-Executive Directors appointed to the Committees formed by the Board;
- proposing general criteria for the remuneration of Senior Managers with strategic responsibilities, annual and long-term incentive plans, including share-based incentive plans, defining the performance objectives and approving the Company results used to determine the variable remuneration of Executive Directors and to implement incentive plans, taking into account the indications provided in this regard by the CEO;
- periodically checking the adequacy, overall consistency and implementation of the Policy adopted, and formulating proposals in this regard to the Board of Directors;
- monitoring implementation of decisions taken by the Board;
- reporting to the Board of Directors every six months on work carried out.

As part of its functions, the Committee may also be asked to provide opinions regarding transactions with related parties in accordance with the relevant Company procedure.

[6] For additional information on the Saipem governance structure, see the 'Corporate Governance Report and Shareholding Structure' published in the 'Corporate Governance' section of the Company website.

[7] Approval took place on December 13, 2011, following implementation of Article 6 of the Corporate Governance Code, and on March 13, 2012, following implementation of Article 5 of the Corporate Governance Code regarding the formation of a Nomination Committee through the allocation of relevant powers.

[8] Compensation and Nomination Committee rules are published in the 'Corporate Governance' and 'Documentation' sections of Saipem's website.

### Committee working procedures

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. The Committee 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 Committee is provided by the Board of Directors with the resources needed to fulfil its duties of analysis and preliminary investigation, for which it also has the power to access the necessary Company information and departments and, through the Company's organisational structures, to avail of external advisors in order to obtain an independent judgement. The Chairman of the Board of Statutory Auditors, or a Statutory Auditor designated by the Chairman, may attend Committee meetings. Furthermore, other Statutory Auditors may also participate when the Committee 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 request of the Committee Chairman, other persons may also participate in order to provide information and make assessments within their field of competence in relation to individual agenda items. No Director may take part in Committee meetings where proposals are being made to the Board of Directors concerning his/her remuneration.

### Activities of the Compensation and Nomination Committee

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

- periodical checking of the adequacy, overall consistency and implementation of the Policy adopted in the previous year in relation to the results achieved and the remuneration/benchmarks supplied by highly specialised providers;

- definition of Policy proposals for the following year and of proposals regarding the performance objectives connected with short- and long-term incentive plans;
- definition of proposals regarding the implementation of the short- and long-term variable incentive plans already in place, based on an analysis of the results achieved and the performance objectives established under the plans;
- preparation of the Remuneration Report to be submitted to the Shareholders' Meeting following its approval by the Board of Directors;
- examination of the results of voting at the Shareholders' Meeting of the Policy as approved by the Board.

### Activities carried out and planned

In 2013, the Committee convened on a total of 9 occasions, with an average member attendance of 96%. In connection with remuneration matters, the Committee convened on a total of 7 occasions, with an average member attendance of 95%. The Committee focused its activities during the first part of the year on: the periodic evaluation of the Remuneration Policy implemented in 2012 (including for the purpose of defining proposed Policy Guidelines for 2013); the review of the Company's 2012 results; the definition of 2013 performance objectives in connection with the variable incentive plans; the definition of proposals regarding the implementation of the Deferred Monetary Incentive Plan for Executive Directors and for other management resources, and the Long-Term Monetary Incentive Plan for Executive Directors and for critical managerial resources; and, finally, on the examination of the 2013 Remuneration Report. During the second part of the year, the Committee analysed the results of voting at the Shareholders' Meeting regarding the 2013 Remuneration Policy and the Guidelines set down for the drafting of the 2014 Report. In relation to the organisational changes and consequent appointment of a Deputy Chairman, the Committee made a proposal for the fixed remuneration of the latter.

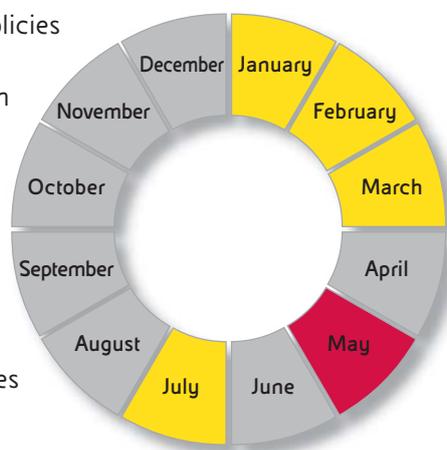
## Activities of the Compensation and Nomination Committee

### JANUARY - FEBRUARY

- Periodical evaluation of the Policies adopted in the previous year
- Definition of the Remuneration Policy

### JULY

- Review of results in relation to Long-Term Incentive Plan for critical managerial resources
- Analysis of results of voting on the Remuneration Policy at Shareholders' Meetings



### MARCH

- Analysis of results and definition of objectives for variable incentive plans
- Implementation of Deferred Monetary Incentive Plans and Long-Term Monetary Incentive Plans
- Preparation of Remuneration Report

### MAY

- Presentation of the Remuneration Report to the Shareholders' Meeting

## Principal issues addressed in 2013

<b>February</b>	1. Remuneration Policy: assessment of 2012 implementation and definition of 2013 proposal 2. Examination of the first draft of the 2013 Remuneration Report
<b>March</b>	1. Review of 2012 performance results and definition of 2013 performance targets in relation to incentive plans 2. Variable remuneration of Deputy CEO 3. Implementation of long-term variable incentive plans for critical managerial resources 4. Examination of the final draft of the Remuneration Report
<b>July</b>	1. Review of 2012 results in relation to the Long-Term Monetary Incentive Plan for critical managerial resources 2. Assessment of remuneration of Internal Audit manager 3. Analysis of results of voting on the Remuneration Policy at Shareholders' Meetings
<b>September</b>	1. Definition of the proposal to the Board of Directors in relation to the remuneration of the Deputy Chairman
<b>October- November</b>	1. Examination of proposed changes to Long-Term Monetary Incentive system
<b>December</b>	1. Assessment of possible changes to management incentive system 2. Examination of new legislation concerning the remuneration of Executive Directors of listed companies controlled by public authorities [Article 84-ter of Law No. 98/2013]

It also examined possible modifications to the system of management incentives. Finally it examined the reforms regarding the remuneration of Executive Directors of companies that are directly or indirectly controlled by public authorities and that issue shares listed on regulated markets, introduced by the recent amendment of Article 23-bis of Legislative Decree No. 201 of December 6, 2011 through Article 84-ter of Law No. 98 of August 9, 2013.

The Committee plans to hold at least 6 meetings in 2014. At the date of approval of this Report, the first three meetings had already been held. These focused on an assessment of the remuneration policies implemented in 2013 with a view to defining a 2014 Remuneration Policy proposal, a review of the results and the definition of performance objectives for the long-term variable incentive plans, and finally on an assessment of the impact of Article 84-ter of Law No. 98 of August 9, 2013.

In accordance with its own rules, with reference to the recommendations contained in the Corporate Governance Code and with the aim of establishing a channel for dialogue with shareholders and investors, the Committee reports through its Chairman on the performance of its duties on a six-monthly basis to the Board of Directors as well as to the Shareholders' Meeting convened to approve the annual financial statements.

## 2014 Remuneration Policy approval process

In accordance with its remit, at meetings of January 17, 2014, February 10, 2014 and March 10, 2014, the Compensation and Nomination Committee defined the structure and content of the Remuneration Policy described in this Report in accordance with the recent recommendations contained in the Corporate

Governance Code, including the conservation of rights acquired from contracts signed or regulations adopted before March 31, 2010.

In reaching its conclusions, the Committee took account of the results of the periodical assessment of the adequacy, overall consistency and concrete application of the 2013 Remuneration Policy Guidelines. It also considered resolutions concerning remuneration passed by the relevant company bodies<sup>9</sup>.

The Saipem 2014 Remuneration Policy for Executive Directors and Senior Managers with strategic responsibilities was approved, along with this Report, by the Board of Directors on March 14, 2014 at the proposal of the Compensation and Nomination Committee.

Implementation of the remuneration policies defined in accordance with the Guidelines provided by the Board of Directors is done by the competent company bodies, with the support of the relevant company functions.

## 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. The aim of this Policy is to attract and retain highly skilled professional and managerial resources and to align the interests of management with the priority objective of value creation for shareholders in the medium to long term.

The Saipem Remuneration Policy supports the Company's mission and strategies by:

[9] We refer to the resolution of the Shareholders' Meeting of May 4, 2011 concerning the remuneration of Directors, the resolutions of the Board of Directors of June 16, 2011 concerning the remuneration of the Chairman, Executive Directors and Non-Executive Directors for participation on board committees, as well as the general criteria for the remuneration of Senior Managers with strategic responsibilities, the resolution of the Board of Directors of January 8, 2013 concerning the remuneration of the new CEO and the resolution of the Board of Directors of September 6, 2013 concerning the remuneration of the Deputy Chairman.

- promoting actions and conduct consistent with the Company's culture and with the principles of diversity, equal opportunities, maximisation and leveraging of knowledge and skills 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 remuneration benchmarks;
- defining performance-based incentive systems linked to the attainment of a series of financial, profit based, business development and operating targets set with a view to achieving long-term sustainable growth in line with the Company's Strategic Plan and with responsibilities assigned.

### General principles

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

- remuneration paid to Non-Executive Directors must be commensurate with their scope of duties as a member of Board Committees established pursuant to the Company's Articles of Association, with higher remuneration for Committee Chairmen with respect to that of Committee members in recognition of their duties of coordinating works and liaising with Company bodies and functions. Executive Directors are not awarded variable incentive plans;
- the remuneration structure for the CEO and Senior Managers with strategic responsibilities should be a balanced mix of a fixed component commensurate with powers and/or responsibilities assigned and a variable component with a maximum limit designed to link remuneration to targets achieved;
- overall consistency of remuneration compared with applicable market benchmarks for similar positions or roles of a similar level of responsibility and complexity within a panel of companies comparable with Saipem, using specific remuneration benchmarks established with the support of international remuneration data providers;
- variable remuneration of executive roles that strongly influence Company results, to have a significant incidence of long-term incentive components through an adequate deferral of incentives over a time frame of at least three years, in accordance with the long-term nature of the business pursued;
- objectives linked to the variable component of remuneration that are predetermined, measurable and specific in such a way as to ensure:
  - i. assessment of annual business and individual performance, based on a balanced score card defined in relation to the specific targets of the area of responsibility and in line with the tasks assigned;
  - ii. definition of long-term incentive plan targets designed to enable assessment of the Company's performance both in absolute terms (i.e. its capacity to generate growing and

- sustainable profits) and in relative terms with respect to a peer group (i.e. its capacity to achieve levels of performance that are superior to those of its main international competitors) in order to ensure greater alignment with the interests of the shareholders in the medium to long term;
- incentives linked with variable remuneration paid out following a scrupulous process of verification of results achieved, and assessment of performance targets assigned net of the effects of exogenous variables<sup>10</sup>, with a view to maximising the actual individual contribution towards their achievement;
- adoption of clawback mechanisms to recover incentives which, within three years from the date of payment, have been shown by the competent Company functions to have been paid out to individuals who wilfully altered the data connected with the achievement of objectives or who achieved objectives by adopting behaviour which was not compliant with Company or legal regulations, without prejudice to any other action allowed for by the law in defence of the Company's interests;
- benefits (with a preference given to social security and insurance benefits) in line with market remuneration benchmarks and compliant with local regulations to supplement and enhance the remuneration package, reflecting roles and responsibilities assigned;
- additional severance payment for termination of employment and/or expiry of term of office and non-competition agreements for executive positions subject to a high risk of competition, in line with the level of remuneration received and performance.

## 2014 Remuneration Policy Guidelines

The 2014 Remuneration Policy Guidelines contain the following indications:

- for Directors currently holding office, whose term expires on the date of the Shareholders' Meeting called to approve financial statements as at and for the year ended December 31, 2013, the 2014 Remuneration Guidelines do not contain any significant changes with respect to the policy approved in the previous year, since they reflect resolutions taken by the Board of Directors on June 16, 2011, January 8, 2013 and September 6, 2013;
- for Non-Executive Directors who will be appointed under the new mandate, the Remuneration Policy Guidelines envisage the possibility of a change in the remuneration defined in 2013 in line with market benchmarks; for the Non-Executive Directors who will serve on Board Committees, the Guidelines envisage the possibility of a change in the remuneration defined in 2013 in line with market benchmarks to reflect the significant and growing commitment required for the role, while maintaining the differentiation between remuneration awarded to the Chairman of the committee and to committee members;
- for the remuneration of the CEO and Senior Managers with strategic responsibilities, the 2014 Guidelines apply the same

[10] Exogenous variables are those phenomena which, due either to their nature or to a specific choice made by the Company, are not under the control of the Company's managers, e.g. the euro/dollar exchange rate.

remuneration structure used in 2013, with the adoption of a new Long-Term Monetary Incentive Plan for top management and critical managerial resources featuring a number of changes to the performance conditions with the aim of ensuring greater alignment with the interests of the shareholders and greater sustainability in terms of long-term value creation, taking into account the positions of proxy advisors and the Company's principal institutional investors. The market benchmarks used are: (i) for the Chairman, Deputy Chairman and Non-Executive Directors, similar roles in the largest Italian listed companies in terms of market capitalisation; (ii) for the CEO and Senior Managers with strategic responsibilities, roles with a similar level of managerial responsibility and complexity in major Italian and international industrial companies.

## Chairman of the Board of Directors, Deputy Chairman and Non-Executive Directors

Remuneration for the Chairman of the Board of Directors, the Deputy Chairman and for Non-Executive Directors reflects the resolutions taken by the Board of Directors on June 16, 2011 and September 6, 2013.

### Remuneration of the Chairman and the Deputy Chairman

As a result of the resolution carried by the Board of Directors on June 16, 2011, the Chairman receives annual remuneration of €200,000, which includes €40,000 for his duties as Director as approved by the Shareholders' Meeting.

As a result of the resolution carried by the Board of Directors on September 6, 2013, the Deputy Chairman receives annual remuneration of €130,000, which includes €40,000 for his duties as as Director as approved by the Shareholders' Meeting. Due to the nature of the office and the absence of executive functions, the remuneration of the Chairman and Deputy Chairman does not include a variable component.

With regard to the Chairman and Deputy Chairman due to be appointed for the next term, the Remuneration Policy Guidelines envisage the definition of remuneration commensurate with the role and with any special powers assigned, in line with the general principles set out above.

### Remuneration of Non-Executive Directors

The Shareholders' Meeting of May 4, 2011 set gross annual remuneration for Non-Executive Directors at €40,000, which was unchanged from the previous mandate.

With regard to non-executive Directors due to be appointed for the next term, the Remuneration Policy Guidelines envisage the possibility of changes to remuneration established in 2013 in line with market benchmarks.

### Additional remuneration for serving on Board Committees

Additional annual remuneration will continue to be paid to Non-Executive Directors holding office for participation on Board

committees. The fees, which remain unvaried compared to 2013, are determined as follows:

- €15,000 for the Chairman of the Audit and Risk Committee and €12,500 for other Committee members;
- €12,500 for the Chairman of the Compensation and Nomination Committee and €10,000 for other Committee members.

With regard to Non-Executive Directors who will be appointed under the new mandate and who will serve on Board Committees, the Remuneration Policy Guidelines envisage the possibility of a change in the remuneration defined in 2013 in line with market benchmarks to reflect the significant and growing commitment required for the role, while maintaining the differentiation between remuneration awarded to the Chairman of the committee and to committee members.

### Payment in the event of expiry of office or termination of employment

For the Chairman, Deputy Chairman and Non-Executive Directors, no agreements are in place providing for severance indemnity in the event of expiry of office or indemnities for early termination of office.

### Benefits

No benefits are envisaged for the Chairman, Deputy Chairman and Non-Executive Directors.

## Chief Executive Officer (CEO)

The structure of the CEO's remuneration as a Senior Manager of Saipem takes into account the resolutions carried by the Board of Directors on January 8, 2013 with regard to fixed remuneration. With regard to other components of remuneration, the CEO, along with the other Senior Managers of Saipem, participates in the Group incentive system described in the following Guidelines, which have been submitted to the Board of Directors for approval.

### Fixed remuneration

The gross fixed annual remuneration of the CEO has been set at €600,230. This figure was determined, at the proposal of the Compensation and Nomination Committee, on the basis of a remuneration analysis, powers vested and average remuneration levels on the market for equivalent positions in companies of comparable complexity and size to Saipem. The market reference points used were typical values for persons newly promoted to the post or in the process of consolidating their post. Remuneration may be adjusted on the basis of a market positioning analysis at the proposal of the Compensation and Nomination Committee.

Fixed remuneration includes basic pay for a Director as determined by the Shareholders' Meeting and any remuneration due for service on the Boards of subsidiaries or associated companies.

Furthermore, as a Saipem Senior Manager, the Chief Executive Officer receives allowances for assignments in Italy and overseas that are in line with the relevant national collective labour

agreement for Senior Managers and supplementary agreements reached at Company level.

### Annual variable incentive

As for other Senior Managers of the Saipem Group, the 2014 Annual Variable Incentive Plan for the CEO is linked to the achievement of objectives set for the previous year, which are measured using a performance scale from 70 to 130, adjusted by applying a weighting factor. Below 70 points, the performance is considered equal to zero, while the minimum total performance level for award purposes is 85 points. The performance objectives connected with the 2014 incentive regard: (i) Adjusted EBIT (weight 40%); (ii) Orders acquired (weight 25%); (iii) Free cash flow (weight 25%); (iv) Sustainability (Health and Safety) (weight 10%).

Variable remuneration to be paid out in 2014 under the Annual Variable Incentive Plan will be determined based on results achieved in the previous year measured on a performance scale consisting of a minimum level performance (85 points), a target level performance (100 points) and a maximum level performance (130 points), corresponding respectively to 51%, 60% and 78% of total fixed remuneration.

The Compensation and Nomination Committee may also submit proposals to the Board of Directors concerning the payment to the Chief Executive Officer of forms of extraordinary compensation in connection with the strengthening of the Company's organisation and operating structure and attainment of the strategic objectives of reinforcing compliance and the system of internal controls and risk management to increase its effectiveness and align it with national and international best practices.

Pursuant to the resolution passed by the Board of Directors on March 14, 2014, the 2014 performance objectives for the Short-Term Incentive Plan for the CEO relate to: (i) EBIT (weight 40%); (ii) Net financial position (weight 30%); (iii) Orders acquired (weight 20%); (iv) Sustainability & Integrity (weight 10%)<sup>11</sup>.

### Long-term variable incentives

The long-term variable component of the CEO's incentives package consists of two separate plans:

- the 2012-2014 Deferred Monetary Incentive Plan, which is applied to all managerial resources, consisting of three annual awards based on Company performance measured in terms of EBITDA<sup>12</sup>. This parameter is widely employed in the Oil&Gas services sector (to which Saipem belongs) as a general indicator of results and is consistent with Saipem's strategy of growth and consolidation in its business areas. Annual awards and pay-out at the end of the vesting period are based on the following conditions: (i) each annual award is determined on the basis of the EBITDA results achieved by the Group in the previous year, measured on a performance scale of 70 to 130 to

obtain minimum, target and maximum values of 28%, 40% or 52% of fixed remuneration, respectively. If the results achieved are below the minimum threshold performance, no award is made; (ii) the incentive paid out at the end of the three-year vesting period for each annual award is calculated as a percentage from zero to 170% of the value of the award, determined based on the average annual EBITDA results achieved over the vesting period. Annual EBITDA performance during the vesting period is measured on a scale from 70% to 170% (below the minimum threshold of 70%, the performance is considered equal to zero).

Deferred Monetary Incentive Plan - Timeline



- The Long-Term Monetary Incentive Plan for critical managerial resources, which is linked to shareholder wealth creation as benchmarked against the performance of Saipem's main international competitors, and the return on capital employed. The Plan, which is subject to approval, by both the Board of Directors and the Shareholders' Meeting<sup>13</sup>, introduces two new performance indicators: Total Shareholder Return (an indicator of shareholder wealth creation as benchmarked against a peer group) and ROACE (an indicator of the return on employed capital measured against the annual budget), which are both measured over a three-year period. The plan consists of an annual award for a target level performance of 50% of fixed remuneration, with the aim of achieving increased alignment of the incentive with shareholders' interests and with long-term sustainable growth. The amount paid out at the end of the three-year vesting period is determined as a percentage of the annual award. The percentage is given by the weighted average of:
  - the average annual ranking for Total Shareholder Return measured over the three-year vesting period against Saipem's six largest international competitors in terms of market capitalisation in the Oil & Gas services sector (weight 60%);
  - the average of scores obtained by annual ROACE results vs Budget over the three-year vesting period (weight 40%)<sup>14</sup>.
 The peer group is made up of the following companies: Technip, JGC, Subsea 7, Transocean, Petrofac, and Samsung Engineering. No pay-out is made for final percentage scores of less than 23% (5<sup>th</sup> place in comparative TSR rankings and ROACE results against budget in a range of -5% to -2.5% in at least one year of the vesting period).
- In the event of non-renewal of a term of office, pay-outs for each award made under long-term incentive plans shall occur at the

[11] The objective is made up of the following indicators: Total Recordable Injury Frequency Rate; Accident Prevention Programme; Energy use analyses based on the requirements of ISO 50001.

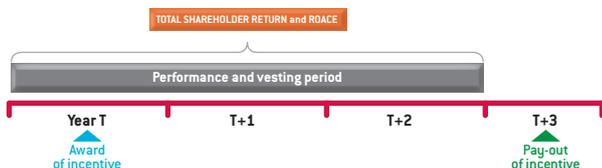
[12] Earnings before interest, tax, depreciation and amortisation.

[13] The proposal will be presented to the Shareholders' Meeting called for May 6, 2014.

[14] The percentage scores for the two indicators are measured based on the following scale: relative TSR (weight 60%): the percentage score is determined based on the average ranking versus peer group companies in the three-year vesting period starting from the year of award, using the following scale: 1<sup>st</sup> place = 130%; 2<sup>nd</sup> place = 115%; 3<sup>rd</sup> place = 100%; 4<sup>th</sup> place = 85%; 5<sup>th</sup> place = 70%; 6<sup>th</sup> place or 7<sup>th</sup> place = 0%. ROACE vs. Budget: the percentage score is determined based on the average of the results achieved against budget in the three-year vesting period starting from the year of award, using the following scale: >+5% (130%); ≤+5%, >+2.5% (115%); ≤+2.5%, ≥0% (100%); <0%, >-2.5% (85%); ≤-2.5%, ≥-5% (70%); <-5% (0%).

natural expiry of their vesting period in accordance with the relevant performance conditions and Plan Regulations.

#### Long-Term Monetary Incentive Plan - Timeline



Both plans include clauses designed to encourage retention whereby, in the event of termination of employment by mutual consent or loss of control by Saipem of the company where the beneficiary of the plan is employed during the vesting period, the beneficiary conserves the right to the incentive, which is reduced on a pro-rata basis in relation to the time elapsed between award of the incentive and the occurrence of the event. In the case of unilateral termination of employment, no payment is made.

#### Severance indemnities for end of office or termination of employment

No severance indemnities for end of office are paid to the CEO. The CEO, like other Senior Managers, receives the employment termination indemnity established in the relevant national collective labour agreement as well as any supplementary indemnities that may be agreed on an individual basis upon termination in accordance with the criteria set by Saipem for voluntary redundancy. These criteria take account of the actual and pensionable age of the senior manager at the time the contract is terminated as well as his/her annual remuneration. Specific remuneration can be paid in cases where the Company deems it necessary to enter into non-competition agreement.

#### Benefits

In continuity with the remuneration policies implemented in 2013, and in accordance with the national collective labour agreement and with supplementary agreements reached at Company level for Saipem Senior Managers, the CEO is granted membership of the supplementary pension fund FOPDIRE<sup>15</sup> and the Supplementary Healthcare Fund FISDE<sup>16</sup>, death and disability insurance coverage and a Company car for business and personal use.

## Senior Managers with strategic responsibilities

#### Fixed remuneration

Fixed remuneration of Senior Managers with strategic responsibilities is based on roles and responsibilities assigned, taking into account average levels of remuneration at other major Italian companies for roles of a similar level of managerial responsibility and complexity. It may be adjusted periodically

during the annual salary review, which is carried out for all managers. Taking into account the relevant context and current market trends, the 2014 Guidelines will employ selective criteria designed to ensure adequate levels of competitiveness and motivation. Specifically, the proposed actions will involve: (i) salary adjustments for positions whose responsibilities have increased or whose remuneration is significantly below the relevant market median; (ii) one-off bonus payments connected with the achievement during the year of results or projects of special strategic importance (renegotiation of commercial agreements in strategic and complex areas and/or markets, efficient recovery of delays, profits or receivables on high-value projects, unplanned contract awards, etc.), up to a maximum of 25% of fixed remuneration.

Furthermore, as Senior Managers of Saipem, Senior Managers with strategic responsibilities receive allowances for assignments in Italy and overseas that are in line with the relevant national collective labour agreement for Senior Managers and supplementary agreements reached at Company level.

#### Annual variable incentives

The Annual Variable Incentive Plan provides for a pay-out in 2014 calculated on the basis of Saipem and individual performance results in the previous year, measured on a performance scale of 70 to 130 (below 70 points the performance is considered equal to zero), with a minimum threshold of 85 points, below which no pay-out is due.

Target level (performance of 100 points) and maximum level (performance of 130 points) pay-outs vary in accordance with the role of the beneficiary, up to a maximum of 35% and 52% of fixed remuneration, respectively. The objectives of Senior Managers with strategic responsibilities are assigned on the basis of those allocated to top management and focus on economic-financial and operational performance, internal efficiency, sustainability and integrity, as well as on the basis of the Manager's area of responsibility for the role covered, in accordance with the Company Performance Plan.

#### Long-term variable incentives

In line with the incentive plans granted to the CEO, Senior Managers with strategic responsibilities participate in long-term incentive plans approved by the Board of Directors on March 13, 2012 and March 14, 2014, having the following characteristics:

- the Deferred Monetary Incentive Plan for managerial resources who have achieved the targets set in the Annual Variable Incentive Plan. The 2012-2014 Plan consists of three annual awards starting from 2012 determined based on the Company's performance measured in terms of EBITDA. This parameter is widely employed in the Oil&Gas services sector (to which Saipem belongs) as a general indicator of results that is consistent with Saipem's strategy of growth and consolidation in its business areas. Annual awards and pay-out at the end of the vesting period are based on the following conditions: (i) the annual award is determined on the basis of

[15] Closed pension fund operating on a defined contribution, individual account basis, [www.fopdire.it](http://www.fopdire.it)

[16] Healthcare fund providing reimbursement of medical expenses for working and retired Senior Managers and their family members, [www.fisde-eni.it](http://www.fisde-eni.it)

the EBITDA results achieved by the Group in the previous year, measured on a performance scale of 70 to 130 to obtain minimum, target and maximum values of 17.5%, 25% or 32.5% of fixed remuneration, respectively. If the results achieved are below the minimum threshold performance, no award is paid out; (ii) the incentive paid out at the end of the three-year vesting period for each annual award is calculated as a percentage from zero to 170% of the value of the award, determined based on the average annual EBITDA results achieved over the vesting period. Annual EBITDA performance during the vesting period is measured on a scale from 70% to 170% (below the minimum threshold of 70%, the performance is considered equal to zero).

- The Long-Term Monetary Incentive Plan for critical managerial resources, which is linked to shareholder wealth creation as benchmarked against the performance of Saipem's main international competitors, and the return on capital employed. The Plan, which is subject to approval by both the Board of Directors and the Shareholders' Meeting, introduces two new performance indicators: Total Shareholder Return (an indicator of shareholder wealth creation as benchmarked against a peer group) and ROACE (an indicator of the return on employed capital measured against the annual budget), which are both measured over a three-year period. The Plan provides for a target level award that varies in accordance with the role of the beneficiary, up to a maximum of 35% of fixed remuneration. The amount paid out at the end of the three-year vesting period is determined as a percentage of the award. The percentage is given by the weighted average of:
  - the average annual ranking for Total Shareholder Return measured over the three-year vesting period against Saipem's six largest international competitors in terms of market capitalisation in the Oil&Gas services sector (weight 60%);
  - the average of scores obtained by annual ROACE results vs. Budget over the three-year vesting period (weight 40%).

The peer group is made up of the following companies: Technip, JGC, Subsea 7, Transocean, Petrofac, and Samsung Engineering.

No pay-out is made for final percentage scores of less than 23% (5<sup>th</sup> place in comparative TSR rankings and ROACE results against budget in a range of -5% to -2.5% in at least one year of the vesting period).

Both plans include clauses designed to encourage retention whereby, in the event of termination of the employment contract by mutual consent or loss of control by Saipem of the company where the beneficiary of the plan is employed during the vesting period, the beneficiary conserves the right to the incentive, which is reduced on a pro-rata basis in relation to the time elapsed between award of the base incentive and the occurrence of the event. In the case of unilateral termination of employment, no payment is made.

### Severance indemnities for end of office or termination of employment

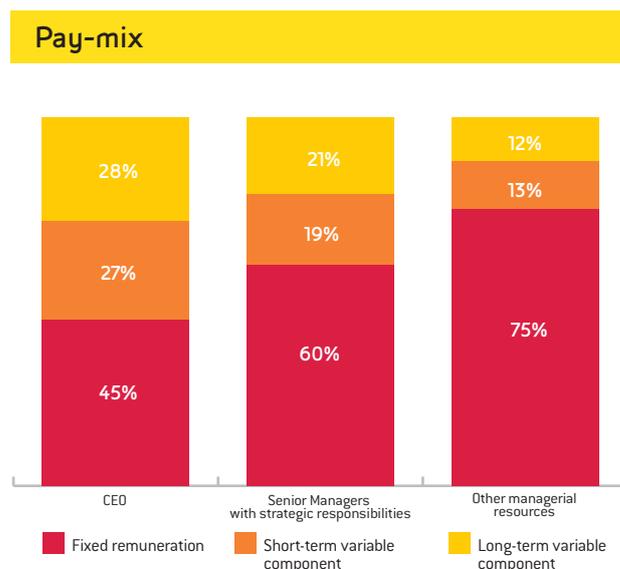
Senior Managers with strategic responsibilities receive the termination indemnity established in the national collective labour agreement for Senior Managers as well as any supplementary indemnities that may be agreed on an individual basis upon termination in accordance with the criteria set by Saipem for voluntary redundancy. These criteria take account of the actual and pensionable age of the Senior Manager at the time the contract is terminated and his/her annual remuneration. Senior Managers with strategic responsibilities may receive further remuneration in cases where the Company deems it necessary to enter into non-competition agreements.

### Benefits

In continuity with the remuneration policies implemented in 2013 and in accordance with the relevant national collective labour agreement and supplementary agreements reached at Company level for Saipem Senior Managers, Senior Managers with strategic responsibilities are granted membership of the supplementary pension fund (FOPDIRE) and the Supplementary Healthcare Fund (FISDE), death and disability insurance coverage and a Company car for business and personal use.

### Pay-mix

The 2014 Remuneration Policy Guidelines set pay mixes consonant with managerial roles, with more weight given to the variable component (in particular the long-term component) for positions that have a greater influence on Company results, as shown in the pay-mix chart shown below, calculated considering a target performance level payout for short and long-term incentives.





## Section II - Remuneration and other information

### Implementation of 2013 remuneration policies

This section of the Remuneration Report provides a description of the remuneration policies implemented in 2013 for the Chairman of the Board of Directors, the Deputy Chairman, Non-Executive Directors, the CEO, the outgoing Deputy CEO and Senior Managers with strategic responsibilities.

As verified by the Compensation and Nomination Committee during the periodic assessment required under the Corporate Governance Code, implementation of the 2013 Remuneration Policy was in line with the resolutions taken by the Board of Directors. The Committee's assessment was that the 2013 Policy was consistent with the relevant market benchmarks in terms of both overall positioning and pay-mix.

### Fixed remuneration

The Chairman received remuneration for his office as determined by the Board of Directors meeting of June 16, 2011, applying a principle of continuity with the remuneration structure and amounts set in relation to the previous term. This remuneration includes the fixed remuneration for the office of Director approved by the Shareholders' Meeting of May 4, 2011.

The Deputy Chairman was paid the fixed remuneration voted on by the Board of Directors on September 6, 2013 on a pro-rata basis starting from the date of his appointment. This included the fixed remuneration for the office of Director approved by the Shareholders' Meeting of May 4, 2011.

Non-Executive Directors were paid the fixed remuneration agreed by the Shareholders' Meeting of May 4, 2011, which was unchanged with relation to the previous mandate.

The CEO was paid the fixed remuneration agreed by the Board of Directors on January 8, 2013. This included the remuneration for the office of Director approved by the Shareholders' Meeting of May 4, 2011.

The outgoing Deputy CEO received the remuneration voted on by the Board of Directors on June 16, 2011, which included the remuneration for the office of Director voted on by the Shareholders' Meeting.

For Senior Managers with strategic responsibilities, the annual salary review carried out for all senior managers brought selective fixed remuneration adjustments in 2013 in relation to promotions to higher positions and in order to align salaries with market benchmarks. Sums for fixed remuneration and allowances provided under the national collective labour agreement for Senior Managers and

under supplementary Company agreements are shown in Table No. 1 of the section 'Remuneration paid in 2013'.

### Remuneration for participation on Board Committees

Non-Executive Directors were paid the remuneration agreed by the Shareholders' Meeting of June 16, 2011 for participation on board committees.

Remuneration for participation on Board Committees is shown in Table No. 1 of the section 'Remuneration paid in 2013'.

### Variable incentives

#### Annual variable incentives

Saipem results for 2012 evaluated on a constant currency basis and approved by the Board of Directors at the proposal of the Compensation and Nomination Committee in the meeting held on March 13, 2013 generated a performance score of 78.7 points on the measurement scale employed, where 70 points corresponds to a minimum level performance and 130 to a maximum level performance.

No variable incentive pay-out was due to the CEO as in 2012 he was not working for Saipem. As regards the Deputy CEO and Senior Managers with strategic responsibilities, the 2013 Annual Incentive was paid out on the basis of Company results and a series of individual targets pertaining to the specific area of responsibility, in accordance with the Saipem 2012 Performance Plan.

In terms of the variable remuneration paid out, the performance score translated to:

- award of an incentive of €210,500 to the outgoing Deputy CEO, equal to 39% of fixed remuneration<sup>[17]</sup>, based on a target level of 40% and a maximum level of 52%;
- the award of bonuses to Senior Managers with strategic responsibilities determined in relation to performance achieved and levels of incentive set in accordance with their roles.

The incentives paid out to the outgoing Deputy CEO and Senior Managers with strategic responsibilities are indicated under the item 'Non-equity based variable remuneration - bonuses and other incentives' in Table No. 1 and analysed in detail in Table No. 3 of the section 'Remuneration paid in 2013'.

#### Deferred Monetary Incentive Plan

On March 13, 2013, EBITDA for 2012 (on a constant currency basis) was determined by the Board of Directors to be below the

[17] The fixed remuneration used to calculate the incentive is composed of the total annual remuneration (€447,500) and remuneration for the office of Chairman of Saipem Ltd (€190,000), less the expatriation allowance (€97,500).

target level, as verified and proposed by the Compensation and Nomination Committee.

On this basis, the Board determined the award of a 2013 base incentive of €168,000 (28% of fixed remuneration) to the CEO. The Board determined the award of a 2013 base incentive of €94,500 (17.5% of fixed remuneration) to the outgoing Deputy CEO. The base incentives awarded to Senior Managers with strategic responsibilities were determined based on target performance levels which varied according to role, up to a maximum of 17.5% of fixed remuneration.

The base incentives awarded to the CEO, the outgoing Deputy CEO and Senior Managers with strategic responsibilities are shown under the item 'Bonuses for the year - deferred' in Table No. 3 of the section 'Remuneration paid in 2013'.

In addition, the deferred monetary incentive awarded in 2010 to the CEO (awarded by Eni), the outgoing Deputy CEO and other managerial resources vested in 2013. On March 13, 2013, the Board of Directors, at the proposal of the Compensation and Nomination Committee, set the factor to be applied to the base incentive, based on the average Saipem EBITDA for the period 2010-2012, at 110%.

The CEO received an incentive of €120,015 (equal to 127% of the award of €94,500 assigned in 2010 by Eni). The percentage used to calculate the pay-out was determined using a weighted average of Eni and Saipem results over the actual periods in the post at the two companies, in accordance with the regulations of the respective plans.

The table shows the performances achieved during the vesting period:

DMI	2010 award (€ thousand)	Performance during vesting period			% incentive (€ thousand)	2013 pay-out (€ thousand)
		2010	2011	2012		
	94.5	Eni on tgt	Eni on tgt	Eni on tgt Saipem < tgt	127	120

The amounts paid out to the CEO, the outgoing Deputy CEO and the Senior Managers with strategic responsibilities are indicated under the item 'Bonuses from previous years - payable/paid out' in Table No. 3 of the section 'Remuneration paid in 2013'.

### Long-Term Monetary Incentive Plan

On October 28, 2013, the Board of Directors determined the award to the CEO of a base incentive for the Long-Term Monetary Incentive Plan, as verified and proposed by the Compensation and Nomination Committee, of €300,000, applying the criteria and methods determined by the Board on March 13, 2013. The base incentives awarded to the Senior Managers with strategic responsibilities were determined based on incentive levels which vary according to role, up to a maximum of 35% of fixed remuneration.

The base incentives awarded to the CEO and the Senior Managers with strategic responsibilities are shown under the item 'Bonuses for the year - deferred' in Table No. 3 of the section 'Remuneration paid in 2013'.

In addition, the deferred monetary incentive awarded in 2010 to the CEO (awarded by Eni), the outgoing Deputy CEO and other managerial resources vested in 2013. On July 30, 2013, the Board of Directors, at the proposal of the Compensation and Nomination Committee, set the factor to be applied to the base incentive, based on Saipem's adjusted net profit + D&A for the period 2010-2012, at 110%. The CEO received an incentive of €2,550 (equal to 2% of the award of €127,500 assigned in 2010 by Eni). The percentage used to calculate the pay-out was determined using a weighted average of Eni and Saipem results over the actual periods in the post at the two companies, in accordance with the regulations of the respective plans.

The table shows the performances achieved during the vesting period:

LTMI	2010 award (€ thousand)	Performance during vesting period			% incentive (€ thousand)	2013 pay-out (€ thousand)
		2010	2011	2012		
	127.5	Eni 7 <sup>th</sup> place	Eni 7 <sup>th</sup> place	Eni 7 <sup>th</sup> place Saipem 3 <sup>rd</sup> place	2	3

The amounts paid out to the CEO, the outgoing Deputy CEO and the Senior Managers with strategic responsibilities are indicated under the item 'Bonuses from previous years - payable/paid out' in Table No. 3 of the section 'Remuneration paid in 2013'.

### Stock options

As of 2009, Saipem no longer implements stock option plans. For additional information with regard to stock option plans currently in force, whose last awards vested in 2011 [see page 14 of the 2012 Remuneration Report], see the documents published in the 'Corporate Governance' section of the Company website, as well as the information contained in the 'Notes to the 2013 consolidated financial statements'.

## Severance indemnities for end of office or termination of employment

On January 27, 2014, the outgoing Deputy CEO, whose term of office ceased on July 30, 2013 and whose employment as COO Drilling and Business Support continued for the remainder of the year, received amounts due by law and contract for the termination of employment, sums calculated in line with company redundancy policies and €250,000 under a one-year non-competition agreement. The effects of the termination by mutual consent of the employment of the outgoing Deputy CEO on monetary incentive plans in force, pursuant to plan regulations, are shown in the notes to Table Nos. 1 and 3 in the section 'Remuneration paid in 2013'. Amounts paid in relation to the end of office and/or termination of employment are shown under the item 'Severance indemnities for end of office or termination of employment' in Table No. 1 of the section 'Remuneration paid in 2013'.

## Benefits

Table No. 1 of the section 'Remuneration paid in 2013' shows the taxable value of the following benefits paid in 2013: (i) annual contribution to the supplementary pension fund FOPDIRE; (ii) annual contribution to the supplementary healthcare fund FISDE; (iii) assignment of a Company car for business and personal use for a three-year period (the value stated is exclusive of the contribution paid by the assignee). The value of benefits paid in 2013 to the outgoing Deputy CEO relate to the following: (i) annual contribution to the supplementary pension fund Saipem Group Pension Scheme; (ii) annual contribution to supplementary healthcare funds (BUPA - British Union Provident Association and CIGNA - International Employee Healthcare Plan).

- the column 'Non-monetary benefits' shows the taxable value of fringe benefits paid in 2013;
- the column 'Other remuneration' shows any other remuneration paid pertaining to the year relating to other services performed;
- the column 'Total' shows the total of the preceding items;
- the column 'Fair value of equity-based remuneration' shows the fair value of stock option plans in place as estimated in accordance with International Financial Reporting Standards which require costs to be distributed over the vesting period;
- the column 'Severance indemnities for end of office or termination of employment' show indemnities accrued, including those not yet paid, in relation to end of office or termination of employment.

## Remuneration paid in 2013

### Table 1 - Remuneration paid to Directors, Statutory Auditors and other Senior Managers with strategic responsibilities

The following table shows remuneration paid to Directors and Statutory Auditors (who are listed by name), and remuneration paid to Senior Managers with strategic responsibilities (shown on an aggregate basis)<sup>18</sup>. Separate indications are supplied for remuneration received from subsidiaries and/or associated companies, with the exception of remuneration waived or returned to the Company. All persons who held the above-mentioned positions during 2012 are included in the table, even if they only held such office for a part of the year. Specifically:

- the column 'Fixed remuneration' shows fixed remuneration for employed work due for the year. The amounts shown are gross, hence before deductions for social security and tax payable by the employee. They do not include attendance fees, as these are not provided for. The footnote provides details of remuneration, as well as a separate indication of any allowances and other entitlements related to employment;
- the column 'Committee membership remuneration' shows remuneration pertaining to the year paid to Directors for participation in Committees created by the Board. The footnote provides a separate indication of remuneration for each Committee on which the Director sits;
- the item 'Bonuses and other incentives' in the column 'Non-equity based variable remuneration' shows incentives paid during the year upon vesting and subject to checks and approval of performance results by the relevant Company bodies. Further details are given in the Table No. 3 'Monetary incentives paid to Directors and other Senior Managers with strategic responsibilities';
- the column 'Profit sharing' is empty because there are no profit sharing plans in place;

<sup>(18)</sup> There is no current legal requirement for disclosure on an individual basis for Senior Managers with strategic responsibilities.

**Table 1:**  
**Remuneration paid to Directors, Statutory Auditors and other Senior Managers with strategic responsibilities**

(€ thousand)

Name and surname	Office	Term of office	Expiry of term <sup>(*)</sup>	Fixed remuneration	Non-equity based variable remuneration					Total	Fair value of equity-based remuneration	Severance indemnities for end of office or termination or employment
					Committee membership remuneration	Bonuses and other incentives	Profit sharing	Non-monetary benefits	Other remuneration			
<b>Board of Directors</b>												
Alberto Meomartini	Chairman <sup>(1)</sup>	01.01 - 12.31	04.14	200 <sup>(a)</sup>							200	
Piergaetano Marchetti	Deputy Chairman <sup>(2)</sup>	07.30 - 12.31	04.14	55 <sup>(a)</sup>							55	
Umberto Vergine	Chief Executive Officer (CEO) <sup>(3)</sup>	01.01 - 12.31	04.14	600 <sup>(a)</sup>		123 <sup>(b)</sup>		10			732	
Hugh James O'Donnell	Deputy CEO <sup>(4)</sup>	01.01 - 07.30	08.01 - 12.23									
	C00 Drilling and Business Support											
	Remuneration from company preparing financial statements			448 <sup>(a)</sup>		944 <sup>(b)</sup>					1,392	
	Remuneration from subsidiaries and associated companies							27	190 <sup>(c)</sup>	217		
	Total			448		944		27	190	1,609		1,177 <sup>(d)</sup>
Fabrizio Barbieri	Director <sup>(5)</sup>	04.30 - 12.31	04.14	27 <sup>(a)</sup>							27	
Gabriele Galateri di Genola	Director <sup>(6)</sup>	01.01 - 12.31	04.14	40 <sup>(a)</sup>	13 <sup>(b)</sup>						53	
Nicola Greco	Director <sup>(7)</sup>	01.01 - 12.31	04.14	40 <sup>(a)</sup>	10 <sup>(b)</sup>						50	
Maurizio Montagnese	Director <sup>(8)</sup>	01.01 - 12.31	04.14	40 <sup>(a)</sup>	23 <sup>(b)</sup>						63	
Mauro Sacchetto	Director <sup>(9)</sup>	01.01 - 12.31	04.14	40 <sup>(a)</sup>	15 <sup>(b)</sup>						55	
Michele Volpi	Director <sup>(10)</sup>	01.01 - 12.31	04.14	40 <sup>(a)</sup>	13 <sup>(b)</sup>						53	
<b>Board of Statutory Auditors</b>												
Mario Busso	Chairman <sup>(11)</sup>	01.01 - 12.31	04.14	60 <sup>(a)</sup>							60	
Adriano Propersi	Statutory Auditor <sup>(12)</sup>	01.01 - 12.31	04.14	40 <sup>(a)</sup>							40	
Anna Gervasoni	Statutory Auditor <sup>(13)</sup>	01.01 - 12.31	04.14	40 <sup>(a)</sup>							40	
<b>Other Senior Managers with strategic responsibilities<sup>(**)</sup></b>												
				2,917 <sup>(a)</sup>		1,926 <sup>(b)</sup>		141		4,984		
				<b>4,586</b>	<b>73</b>	<b>2,993</b>		<b>178</b>	<b>190</b>	<b>8,019</b>		<b>1,177</b>

[\*] The term of office of Directors appointed by the Shareholders' Meeting on May 4, 2011 expires on the date of the Shareholders' Meeting convened to approve the Financial Statements at December 31, 2013.

[\*\*] All Senior Managers sitting on the Executive Committee and all those directly reporting to the CEO (fifteen Senior Managers).

(1) **Alberto Meomartini - Chairman of the Board of Directors**

(a) The amount relates to the fixed remuneration set by the Board of Directors on June 16, 2011 (€200,000), which includes remuneration for the office of Director determined by the Shareholders' Meeting (€40,000).

(2) **Piergaetano Marchetti - Deputy Chairman**

(a) The amount relates to the prorated portion of the fixed remuneration set by the Board of Directors' Meeting of September 6, 2013 (€130,000), which includes remuneration for the office of Director determined by the Shareholders' Meeting (€40,000).

(3) **Umberto Vergine - Chief Executive Officer (CEO)**

(a) The amount relates to the fixed remuneration set by the Board of Directors on January 8, 2013 (€600,000), which includes the basic remuneration for the office of Director determined by the Shareholders' Meeting (€40,000). Additional amounts totalling €39,000 were received for allowances for assignments in Italy and overseas that are in line with the national collective labour agreement for Senior Managers and with supplementary Company agreements and for entitlements connected with employed work.

(b) The amount includes €120,000 relating to the deferred monetary incentive awarded in 2010 and €2,500 relating to the long-term monetary incentive plan awarded in 2010.

(4) **Hugh James O'Donnell - Deputy CEO**

(a) The amount relates to the fixed remuneration set by the Board of Directors' Meeting of June 16, 2011 (€447,500), which includes the remuneration for the office of Director determined by the Shareholders' Meeting (€40,000), and an expatriation allowance (€97,500). Additional amounts totalling €701,000 were received for allowances for assignments in Italy and overseas that are in line with the national collective labour agreement for Senior Managers and with supplementary Company agreements and entitlements connected with employed work.

(b) The amount includes €194,000 relating to the deferred monetary incentive awarded in 2010 and €208,000 relating to the long-term monetary awarded in 2010, as well as prorated amounts relating to the deferred monetary incentives awarded in 2011, 2012 and 2013 and the long-term monetary incentives awarded in 2011 and 2012, paid out following the termination of employment during the vesting period, in accordance with the relevant regulations.

(c) Remuneration for the office of Chairman of Saipem Ltd.

(d) The amount includes severance pay and redundancy incentives of €926,000 paid for termination of employment as Deputy CEO, less than two years of total fixed remuneration (448+190) and €250,000 under a one-year non-competition agreement.

(5) **Fabrizio Barbieri - Director**

(a) The amount relates to the prorated portion of the fixed board meeting fees.

(6) **Gabriele Galateri di Genola - Director**

(a) The sum corresponds to fixed board meeting fees.

(b) Remuneration for the role of Chairman of the Compensation and Nomination Committee.

(7) **Nicola Greco - Director**

(a) The sum corresponds to fixed board meeting fees.

(b) Remuneration for participation in the Compensation and Nomination Committee.

(8) **Maurizio Montagnese - Director**

(a) The sum corresponds to fixed board meeting fees.

(b) The sum includes remuneration of €10,000 for participation in the Compensation and Nomination Committee and €12,500 for participation in the Audit and Risk Committee.

(9) **Mauro Sacchetto - Director**

(a) The sum corresponds to fixed board meeting fees.

(b) Remuneration for the role of Chairman of the Audit and Risk Committee.

(10) **Michele Volpi - Director**

(a) The sum corresponds to fixed board meeting fees.

(b) Remuneration for participation in the Audit and Risk Committee.

(11) **Mario Busso - Chairman of the Board of Statutory Auditors**

(a) The sum corresponds to fixed board meeting fees.

(12) **Adriano Propersi - Statutory Auditor**

(a) The sum corresponds to fixed board meeting fees.

(13) **Anna Gervasoni - Statutory Auditor**

(a) The sum corresponds to fixed board meeting fees.

(14) **Other Senior Managers with strategic responsibilities**

(a) The sum of €2,917,000 for gross annual remuneration does not include a total amount of €157,000 relating to allowances for assignments in Italy and overseas that are in line with the national collective labour agreement for Senior Managers and with supplementary Company agreements and other entitlements connected with employed work.

(b) The sum includes €517,000 relating to deferred monetary incentives awarded in 2010, €410,000 relating to long-term monetary incentives awarded in 2010 and extraordinary bonuses of €80,000.

## Table 2 - Stock options granted to Directors and other Senior Managers with strategic responsibilities

The following table shows outstanding stock options granted under the last stock option plan still in force, which was

implemented in 2008. An aggregate figure is provided for Senior Managers with strategic responsibilities.

Since no Saipem stock options were granted during 2013, the column 'Options pertaining to the year - fair value' is empty, as is the column 'Fair value of equity-based remuneration' in Table No. 1.

**Table 2:**  
**Stock options granted to Directors and other Senior Managers with strategic responsibilities**

Name and surname	Office	Plan	Options held at the beginning of year			Options granted during the year					Options exercised during the year					
			Number of options	Exercise price (€)	Average maturity (months)	Number of options	Exercise price (€)	Period exercisable (months)	Fair value on grant date (€)	Grant date	Market value of underlying shares at grant date (€)	Number of options	Exercise price (€)	Market value of underlying shares at exercise date (€)	Options expiring during the year	Options held at year-end
Hugh James O'Donnell	Deputy CEO COO Drilling and Business Support	Saipem Stock Option Plan July 29, 2008	15,000	25.872	7	-	-	-	-	-	-	-	-	-	15,000	-
Other Senior Managers with strategic responsibilities <sup>(1)</sup>		Saipem Stock Option Plan July 29, 2008	9,025	25.872	7	-	-	-	-	-	-	-	-	9,025	-	

[1] All Senior Managers sitting on the Executive Committee and all those directly reporting to the CEO (fifteen Senior Managers). The number of options includes senior managers who became strategic in 2013.

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

The following table shows the short and long-term variable monetary incentives payable to the CEO, the outgoing Deputy CEO, and (as an aggregate figure) Senior Managers with strategic responsibilities. All persons who held the above-mentioned positions during 2013 are included in the table, even if they only held such office for a part of the year.

Specifically:

- the column 'Bonuses for the year - payable/paid out' shows the short-term variable incentive paid out on the basis of performance, as evaluated by the competent company bodies in relation to the targets set for the previous year;
- the column 'Bonuses for the year - deferred' shows the base incentive awarded for the year under long-term monetary incentive plans;
- the column 'Deferral period' shows the vesting period for long-term monetary incentives awarded during the year;
- the column 'Bonuses from previous years - no longer payable'

shows long-term incentives which can no longer be paid out on due to the performance recorded during the vesting period or to portions of incentives which have been cancelled in connection with events relating to the employment contract pursuant to the Plan Regulations;

- the column 'Bonuses from previous years - payable/paid out' shows long-term variable incentives paid out on during the year that were earned due to the performance recorded during the vesting period or to portions of incentives which were paid out on in connection with events relating to the employment contract pursuant to the Plan Regulations;
- the column 'Bonuses from previous years - still deferred' shows incentives awarded in previous years under long-term incentives that have not yet vested;
- the column 'Other bonuses' shows incentives paid out on an extraordinary one-off basis in relation to the achievement of particularly important results or projects during the year.

The total of the columns 'Bonuses for the year - payable/paid out', 'Bonuses from previous years - payable/paid out' and 'Other bonuses' corresponds to the figure show in column 'Bonuses and other incentives' of Table No. 1.

**Table 3:**  
**Monetary incentives paid to Directors and other Senior Managers with strategic responsibilities**

[€ thousand]

Name and surname	Office	Plan	Bonuses for the year			Bonuses from previous years		
			Payable/paid out	Deferred	Deferral period	No longer payable	Payable/paid out	Still deferred
Umberto Vergine	Chief Executive Officer (CEO)	2013 Deferred Monetary Incentive Plan BoD, July 30, 2012		168	three-year			
		2013 Long-Term Monetary Incentive Plan BoD, October 28, 2013		300	three-year			
		2010 Deferred Monetary Incentive Plan Eni BoD, July 28, 2010; BoD, March 13, 2013					120 <sup>(1)</sup>	
		2010 Long-Term Monetary Incentive Plan Eni BoD, September 9, 2010; BoD, July 30, 2013				125 <sup>(2)</sup>	3 <sup>(3)</sup>	
		2012 Deferred Monetary Incentive Plan Eni BoD, March 15, 2012						180
		2012 Long-Term Monetary Incentive Plan Eni BoD, September 20, 2012						207
		2011 Deferred Monetary Incentive Plan Eni BoD, March 10, 2011						100
		2011 Long-Term Monetary Incentive Plan Eni BoD, October 27, 2011						124
<b>Total</b>			<b>468</b>			<b>125</b>	<b>123</b>	<b>610</b>
Hugh James O'Donnell	Deputy CEO COO Drilling and Business Support	2013 Annual Monetary Incentive Plan BoD, March 13, 2013	211					
		2013 Deferred Monetary Incentive Plan BoD, July 30, 2013		94.5	three-year	66 <sup>(4)</sup>	28 <sup>(5)</sup>	
		2010 Deferred Monetary Incentive Plan BoD, July 27, 2010; BoD, March 13, 2013					194 <sup>(1)</sup>	
		2010 Long-Term Monetary Incentive Plan BoD, October 27, 2010; BoD, July 30, 2013					208 <sup>(3)</sup>	
		2012 Deferred Monetary Incentive Plan BoD, July 30, 2012				68 <sup>(4)</sup>	68 <sup>(5)</sup>	
		2012 Long-Term Monetary Incentive Plan BoD, October 26, 2012				123 <sup>(4)</sup>	66 <sup>(5)</sup>	
		2011 Deferred Monetary Incentive Plan BoD, July 27, 2011				41 <sup>(4)</sup>	95 <sup>(5)</sup>	
		2011 Long-Term Monetary Incentive Plan BoD, October 26, 2011				113 <sup>(4)</sup>	76 <sup>(5)</sup>	
<b>Total</b>		<b>211</b>	<b>95</b>		<b>410</b>	<b>733</b>		
Other Senior Managers with strategic responsibilities <sup>(6)</sup>		2013 Annual Monetary Incentive Plan BoD, March 13, 2013	920					
		2013 Deferred Monetary Incentive Plan BoD, July 30, 2013		502	three-year			
		2013 Long-term Monetary Incentive Plan BoD, October 28, 2013		1,273	three-year			
		2010 Deferred Monetary Incentive Plan BoD, July 27, 2010; BoD, March 13, 2013					517 <sup>(1)</sup>	
		2010 Long-term Monetary Incentive Plan BoD, October 27, 2010; BoD, July 30, 2013				54 <sup>(2)</sup>	410 <sup>(3)</sup>	
		2012 Deferred Monetary Incentive Plan BoD, July 30, 2012						663
		2012 Long-term Monetary Incentive Plan BoD, October 26, 2012						865
		2011 Deferred Monetary Incentive Plan BoD, July 27, 2011						650
2011 Long-term Monetary Incentive Plan BoD, October 26, 2011						826		
<b>Total</b>		<b>920</b>	<b>1,775</b>		<b>54</b>	<b>926</b>	<b>3,003</b>	<b>80</b>
		<b>1,131</b>	<b>2,337</b>		<b>589</b>	<b>1,782</b>	<b>3,613</b>	<b>80</b>

(1) Payout of deferred monetary incentive awarded in 2010, based on EBITDA performance during the three-year period 2010-2012.

(2) Prorated portion of the monetary incentive awarded in 2010 no longer payable based on adjusted net profit + depreciation and amortisation realised over the three-year vesting period 2010-2012.

(3) Payout of long-term monetary incentive awarded in 2010 based on adjusted net profit + depreciation and amortisation realised over the three-year vesting period 2010-2012.

(4) Amount no longer payable following termination of employment contract, calculated pro-rata based on the portion of the vesting period elapsed, in accordance with Plan Regulations.

(5) Amount paid out following termination of employment contract, calculated pro-rata based on the portion of the vesting period elapsed, in accordance with Plan Regulations.

(6) All Senior Managers sitting on the Executive Committee and all those directly reporting to the CEO (fifteen Senior Managers).

## Shares held

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

Pursuant to Article 84-*quater*, paragraph 4 of the Consob Issuers' Regulations, the following table shows shares held in Saipem SpA by the Directors, Statutory Auditors and other Senior Managers with strategic responsibilities, as well as by their spouses, where

not legally separated, and by their minor children, either directly or through subsidiary companies, fiduciaries or third parties, as per the Shareholders Register, communications received or other information gathered from the persons concerned.

The table includes all persons that held office for whole or a part of the year.

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

Name and surname	Office	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
<b>Board of Directors</b>						
Alberto Meomartini	Chairman	Saipem SpA	1,500			1,500
Umberto Vergine	CEO	Saipem SpA	420			420
<b>Other Senior Managers with strategic responsibilities</b> <sup>(1)</sup>		Saipem SpA	36,777		11,900	24,877

(1) All Senior Managers sitting on the Executive Committee and all those directly reporting to the CEO (fifteen Senior Managers). The number of shares held at the end of the previous financial year takes into account those held by Senior Managers who became strategic during 2013.



Headquarters: San Donato Milanese (Milan) - Italy  
Via Martiri di Cefalonia, 67  
Branches:  
Cortemaggiore (Piacenza) - Italy  
Via Enrico Mattei, 20



saipem

**saipem** Società per Azioni  
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Information for Shareholders  
Saipem SpA, Via Martiri di Cefalonia, 67 - 20097  
San Donato Milanese (Milan) - Italy

Relations with institutional investors  
and financial analysts  
Fax +39-0252054295  
e-mail: [investor.relations@saipem.eni.it](mailto:investor.relations@saipem.eni.it)

Publications  
Bilancio al 31 dicembre (in Italian)  
Annual Report (in English)

Interim Consolidated Report as of June 30  
(in Italian and English)

Saipem Sustainability (in English)

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