

**MINUTES OF THE ANNUAL GENERAL SHAREHOLDERS' MEETING
OF SAIPEM S.p.A. HELD ON MAY 6, 2014**

On May 6, 2014, at 10.00 hrs, the Annual General Shareholders' Meeting of Saipem S.p.A., a subsidiary of Eni S.p.A., convened (single call) at Saipem's offices in Via Martiri di Cefalonia 67, San Donato Milanese (MI), Italy.

Pursuant to art. 16 of the Company's Articles of Association, the Chairman of the Board of Directors, Alberto Meomartini, chaired the meeting.

Voting by a show of hands (no votes against) and at the Chairman's proposal, the Shareholders' Meeting unanimously called for the Notary Mr. Domenico Avondola to act as Secretary.

The Chairman informed and advised that:

- the notice of Shareholders' Meeting had been published in the daily newspaper "Il Sole 24 Ore" (extract) and on the Company's website on March 27, 2014;
- the Shareholders' Meeting was held on the day of the single call;
- the **Agenda** was as follows:
 - 1. Statutory Financial Statements at December 31, 2013 of Saipem S.p.A. Relevant deliberations. Presentation of the Consolidated Financial Statements at December 31, 2013. Reports by the Board of Directors, the Statutory Auditors and the External Auditors.**
 - 2. Allocation of result.**
 - 3. Establishing the number of Board Directors.**
 - 4. Establishing the duration of the Board Directors' mandate.**
 - 5. Appointment of Board Directors.**
 - 6. Appointment of the Chairman of the Board of Directors.**
 - 7. Establishing the remuneration of Board Directors.**

8. Appointment of Statutory Auditors.

9. Appointment of the Chairman of the Board of Statutory Auditors.

10. Establishing the remuneration of Statutory Auditors and of the Chairman of the Board of Statutory Auditors.

11. Additional fees to the External Auditors.

12. New long-term monetary incentive plan.

13. Remuneration Report: remuneration policy.

- the following persons attended the meeting: the Chairman Alberto Meomartini, the CEO Umberto Vergine and the Director Gabriele Galateri di Genola;
- from the Board of Statutory Auditors:
Mario Busso, Chairman, and Anna Gervasoni, Statutory Auditor;
- the Chairman thanks the Director and Chairman of the Remuneration and Nomination Committee Gabriele Galateri di Genola for attending this meeting despite his numerous engagements and regrets the absence of the other Directors, who had nevertheless justified their absence:
- the following Directors justified their absence:
Piergaetano Marchetti, Deputy-Chairman, Fabrizio Barbieri, Nicola Greco, Maurizio Montagnese, Mauro Sacchetto and Michele Volpi;
- the Statutory Auditor Adriano Propersi justified his absence;
- at the Chairman's request, Mario Colombo, Secretary of the Board of Directors, attended the meeting;
- Pietro Carena, Marco di Giorgio and Emilio Patruno representing the external auditors Reconta Ernst & Young were also present;
- also in attendance were the following Saipem employees; Michele Nebbioli, Marco Villa and Lidia Lucchini in their capacity as scrutineers;
- following the meeting via video-link from an adjacent room were the journalists

Giancarlo Navach of Reuters, Chiara di Michele of Ansa, Gianluca Allievi of AGI, Fernando Mancini of Radiocor, Oscar Bodini of Milano Finanza and Dow Jones, Arianna Radice of TM News and Alfredo Faieta of Il Fatto Quotidiano;

- no written requests asking for additional items to be added to the meeting agenda or resolution proposals were received, pursuant to art. 126-bis of Legislative Decree 58/98;
- the share capital, equal to €41,410,900 and fully paid up, comprised of 441,299,695 ordinary shares and 111,205 savings shares.

Treasury shares on the day the Shareholders' meeting was called amounted to 1,939,832. Voting stock comprised of 439,359,863 ordinary shares.

All shares have a nominal value of €1 each;

- from the Shareholders register, updated for the Shareholders' meeting, it emerged that the number of ordinary Shareholders stood at 53,167;
- from the Shareholders register and information received as of today, pursuant to art. 120 of Legislative Decree 58/98, and other available information, major Shareholders holding voting stock in excess of 2% of the share capital are as follows (altogether their holdings amounted to 49.98% of the share capital):

Shareholder	number of ordinary shares	% held
Eni S.p.A.	189,423,307	42.92%
Massachusetts Financial Services Company	8,899,109	2.02%
Dodge & Cox	22,262,143	5.04%
Total	220,584,559	49.98%

- No Shareholders' agreements, as per art. 122 of Legislative Decree 58/98, are known to be in place.
- All legal requirements provided for by the Civil Code and Issuers' Regulations have been duly met in respect of this Shareholders' meeting.
- To carry out the review and certification of the statutory and consolidated financial statements as at 31/12/2013, the limited review of the interim report as at 30/06/2013, , and the audit of accounts, the External Auditors Reconta Ernst & Young invoiced no. 24,717 man-hours and charged a total of €1,732,477 (reviewed by the relevant bodies and deemed appropriate). Fees can be broken down as follows:

statutory financial statements	15,066 hrs	1,054,779 euro
consolidated financial statements	5,824 hrs	429,919 euro
review of interim report	2,584 hrs	164,732 euro
audit of accounts	<u>1,243 hrs</u>	<u>83,047 euro</u>
total	24,717 hrs	1,732,477 euro

These fees include charges relating to additional activities carried out with regard to Consob proceeding related to the 2012 Financial Statements and to additional audit procedures in respect of several Saipem overseas Branches, as detailed under item 11 of this meeting agenda.

- Opening the proceedings pursuant to art. 7, paragraph 2 of "Shareholders' meeting regulations", the Chairman reminded all present that each contribution must not exceed 15 minutes.

He stated that any Shareholder may provide only one contribution for each item on the agenda and that, following the discussion, only short voting comments are allowed. He also stated his willingness to allow longer contributions and replies in order to encourage a constructive debate with attending Shareholders.

- Prior to the Shareholders' meeting, questions relating to the meeting agenda were received from the Shareholders Donato Pinto and Giulio Melegari, pursuant to art. 127-ter of Legislative Decree 58/98, which will be answered during the meeting. Questions and answers have been included in the minutes of meeting.
- Shareholders were required to vote using the remote controls provided at the time of registration. These are activated at the start of the each voting session for each item on the agenda. Pressing the INFO key on the remote control shows the name of the Shareholder and the number of shares he/she represents, either on his own or third party's behalf. In the case of Shareholders having one or more proxies, the display on the remote control shows successively the details for each proxy or group of proxies. In the case of a substantial number of proxies, two or more remote controls are provided, in order to facilitate the voting procedure for all shares represented.
- An audio recording device was used to record the meeting in order to allow for the preparation of the minutes of meeting.
- In compliance with current data protection legislation, the Chairman informed that attendees' personal details (name, surname, place of birth, address and professional qualifications) shall be used strictly for the purposes of the current legislation; details shall feature in the minutes of Shareholders' meeting and may be circulated in Italy and abroad, within and/or outwith the European Union, always within the limits and obligations set by and for the purposes of the current legislation.

The Chairman:

- having ascertained that no. 1,317 Shareholders were in attendance, either in person or by proxy, representing no. 321,757,738 shares, equal to 72.91% of the share capital, of which 7 in person and 1,310 by proxy;
- reserved to provide updated information on shares represented before each vote (all

attendees are listed in Appendix A).

- no requests were received from Shareholders by Mr. Dario Trevisan, the Designated Representative, pursuant to art. 135-undecies of Legislative Decree 58/98, to act as proxy at the General Shareholders' Meeting.

Having verified the identities and rights of attendance for all participants, the notices issued by intermediaries and the legitimacy of proxies in line with current legislation, the Chairman declared the Shareholders' meeting to be valid and fit to resolve on items of the Agenda.

Item one of the Agenda:

1) Statutory Financial Statements at December 31, 2013 of Saipem S.p.A. Relevant deliberations. Presentation of the Consolidated Financial Statements at December 31, 2013. Reports by the Board of Directors, the Statutory Auditors and the External Auditors.

The Chairman advised that the 2013 Annual Report includes the Statutory Financial Statements of Saipem S.p.A. and the Consolidated Financial Statements of the Saipem Group at December 31, 2013, and reports by the Statutory Auditors and External Auditors, pursuant to art. 154-bis, paragraph 5 of Legislative Decree 58/98. These, along with Directors' reports and proposals, have been filed and made available to the Shareholders at Saipem's Registered Office, at Borsa Italiana S.p.A. and on Saipem's website, in compliance with the provisions of Law and Regulations.

The following documents have also been lodged at the Company's registered office, in compliance with the provisions of Law: the financial statements of subsidiary and associated companies, the Corporate Governance and Shareholding Structure Report, the Remuneration Report, and the Information Document as per art. 84-bis of Consob Regulation 11971/1999.

Before entering the meeting room, attendees were handed the following documents: the 2013 Annual Report, the 2014 Remuneration Report, the 2013 Corporate Governance and Shareholding Structure Report and the 2013 Sustainability Report. The Chairman handed over to the CEO, Umberto Vergine. The latter read out the brief statement provided hereafter, relating to the state of business in the first quarter of 2014 and the outlook for the current year: “Before we read out the letter to the Shareholders, which will provide you with the most significant information of 2013, I would like to say a few words on the first quarter of 2014 and the outlook for the whole year and the market trend.

In the first quarter Saipem made solid progress towards stabilising the business and delivering the recovery, with revenues of €2.9 billion, operating profit of €130 million and net profit of €61 million.

In Q1 we were awarded new contracts amounting to a total of €3.9 billion (€2.9 billion in the first quarter of 2013) taking the backlog at March 31, 2014 to €18.5 billion, of which €8.1 billion are to be realized in 2014. Over 50% of these €18.5 billion relates to high-margin Offshore E&C contracts.

Amongst the most important contracts awarded to the Saipem group are the construction of the first line of the South Stream offshore pipeline for a total value of approximately €2 billion, and the EPC contract for the Jangkrik FPU (Floating Production Unit) offshore Indonesia for approximately €370 million.

In April 2014, Saipem was awarded new contracts amounting to approximately €4.9 billion, of which most notable are the contracts for the construction, operation and maintenance of two FPSO (Floating Production Storage Offloading) units for the Kaombo field, offshore Angola; also important are additional works on the second line of the South Stream offshore pipeline and the offshore operations on the Shah Deniz field, the latter two announced last week.

All new contracts comply with the commercial strategy laid out by Saipem at the beginning of 2013.

For 2014, Saipem maintains the guidance presented at the beginning of the year, which I briefly recap:

revenues between €12.5 and €13.6 billion, an EBIT between €600 and €750 million, net profit between €280 and €380 million and capex of €750 million.

With respect to the EBIT and net profit targets, notwithstanding the incident in Brazil earlier this year on P55 with an impact of around €40 million, Saipem is able to maintain the guidance provided due to the positive impact of new contract awards which will begin to take effect during the course of 2014.

In terms of net debt, despite the deterioration experienced in the first quarter, Saipem is maintaining a 2014 target of €4.2 billion, which could be achieved by the completion during the year of most legacy contracts with penalising payment terms, the ramp up of activities for new projects with more favourable payment conditions, potential additional down-payments from future new contract wins and around €250 million of operating cash flow.

Saipem confirms that 2014 will be a year of transition with a return to profitability. The extent of the recovery will depend not only on the pace of contract awards and timing of execution of new contracts but also on the efficient operational and commercial execution of low-margin contracts still in the backlog, which for the remainder of 2014 should account for approximately €4.3 billion.

I would now like to give you our market outlook for the forthcoming months:

the Drilling sector shows a slight decrease in day-rates, both in the mid-water and the deep-water sectors; this is mainly due to the fact that the rigs built in the last five years have begun operations; in fact, the industry deep-water fleet has virtually doubled with approximately 100 rigs having been delivered and as many still under

construction. It is therefore likely that the balance between offer and demand will be struck in 12-18 months' time, thanks to the increase in drilling exploration in areas such as Brazil, East Africa and Mexico, where constitutional reforms in the oil sector shall lead the national oil company, Pemex, to increase its E&P spending. Saipem should not be affected by the aforementioned negative impact because of the long-term contracts it already holds, specifically those involving the deep and ultra-deep water fleet, whose expiry is not before 2017, with the exception of Scarabeo 7 and Scarabeo 6, for whom we have already started commercial activities . With regard to the shallow-water fleet, whose contract duration is shorter than the deep-water fleet, we have already started negotiations for four rigs whose contracts are due to expire in 2014; for these we are confident we can achieve improved day-rates, just as we are for the onshore contracts due to expire this year.

In the E&C sector, the second half of 2013 was disappointing due to a low number of contract awards, not just for us but for the whole reference market. Conversely, the first four months of this year have recorded a much improved trend.

The number of contracts that we believe will be awarded in the coming quarters is encouraging. We think that the distinctive capabilities of the Company will play a pivotal role in the award of new projects, particularly in Latin America, Canada, the Caspian Sea and the Middle East.

The positive market trend of early 2014 confirm that we are creating a solid base for the recovery, which should lead to an increase in profitability in the medium term”.

The CEO, Umberto Vergine, thanked the meeting and handed back to the Chairman.

The Chairman, having started to read out the Directors' report, gave way to the

Shareholder Massimo Cipolletta, representing Eni S.p.A., who proposed to forego the reading of all Shareholders' meeting documentation, namely the Financial Statements, Directors' report, as well as reports by the Statutory Auditors and External Auditors (all of which are enclosed).

He proposed that only the proposals put to the Shareholders be read out.

The Shareholders' meeting unanimously approved the proposal put forward by the Shareholder Eni.

With the unanimous consent of the meeting, the Chairman read out the Letter to the Shareholders included in the Annual Report and provided hereafter:

“Dear Shareholders, 2013 proved a particularly difficult year for Saipem due to a succession of events that impacted adversely on the year's results, particularly in the Engineering & Construction sector. The exception was the Drilling sector which continued to follow the positive trend registered in recent years. Overall, compared on a basis consistent with the Company's approved 2012 reporting, revenues decreased by 10.2% and EBITDA by 71.8%, while the year saw the Company post a negative net result of -€404 million.

The principal causes of this significant deterioration in results included:

- reduced activity in both the Offshore and Onshore sectors on a number of high margin contracts that had boosted 2012 results, following their completion in 2012 and early 2013;
- a significant increase in 2013 in the incidence of contracts whose lower margins reflected the extremely competitive market conditions prevailing between 2009 and 2012;
- commercial decisions taken to facilitate entry into the Brazilian market, judged to have medium-term potential, where the first contracts acquired by the Company have low margins;

- delays to important contract awards, particularly for large-scale international pipeline projects and deep-water field developments.

In addition, from May 2013 onwards, the combination of a deterioration in commercial relations in Algeria in the wake of investigations being conducted by the Algerian authorities and critical issues that emerged in relation to Onshore E&C projects under execution in Mexico and Canada, Offshore E&C projects underway in the Gulf of Mexico and completion works on a vessel due to be installed in the Mediterranean had a further negative impact on the year's results.

The Company's share price, which lost 49% of its value over the course of 2013, was impacted at the beginning of the year by the announcement revising 2013 earnings guidance sharply downwards, which caused the price to fall to €19.90.

Subsequently, after a second downward revision of guidance in mid-June had caused a second sharp drop to a year low of €12.60, the Saipem stock closed out 2013 at a price of €15.54.

In terms of results by business line, Offshore Engineering & Construction posted revenues in line with the previous year, while EBITDA fell by 62%, with activities concentrated in West Africa, Kazakhstan and Saudi Arabia. In the Onshore Engineering & Construction segment, revenues fell 21.8% and EBITDA totalled negative €614 million, while activities were concentrated in the Middle East, Canada and Australia. Offshore Drilling revenues rose by 8.2% and EBITDA by 10.2%, with the improvement mainly due to a full year of operations by the semi-submersible platforms Scarabeo 8, Scarabeo 3 and Scarabeo 6. Onshore Drilling sector revenues and EBITDA were essentially in line with 2012. Activities in the sector were concentrated in South America and Saudi Arabia.

In terms of health and safety, the Company's LTIFR (Lost Time Injury Frequency Rate) fell from the previous year's 0.32 to a very low 0.26. However, the six fatal

accidents that occurred during the year (three in 2012) serve to remind us that a constant effort is needed to ensure that attention to health and safety is kept high at all sites on which Saipem operates.

Capital expenditure in 2013 amounted to €908 million, against €1,015 million in 2012. Sector by sector, Offshore Engineering & Construction saw the end of final completion work and sea trials on the Saipem's new pipelay vessel Castorone, which began operations in the second quarter, while construction work continued on the new base in Brazil. In Onshore Engineering & Construction, the new covered fabrication yard in Edmonton, Canada, which is the first of its kind in North America, and which will allow Saipem to accelerate project delivery times was inaugurated during the last quarter of the year. The Offshore Drilling sector saw the completion of class reinstatement works on the semi-submersible rigs Scarabeo 5 and Scarabeo 7 and the jack-up Perro Negro 3, while in the Onshore Drilling sector, final completion works were carried out on four new rigs scheduled for operations in Saudi Arabia. Two other significant events affecting the Company's fixed assets regarded the capsizing and sinking on July 1, 2013 of the jack-up drilling rig Perro Negro 6 while it was carrying out rig positioning prior to the beginning of drilling operations near the mouth of the Congo River and the sale on December 30, 2013 of the Firenze FPSO (Floating Production Storage and Offloading) vessel to Eni.

On December 5, 2013, the Italian stock market regulator Consob closed the proceedings it had commenced on July 19, 2013 with regard to a potential 'non-compliance with international accounting standards' of the Separate and Consolidated Financial Statements at December 31, 2012. The only consequence of the proceedings for Saipem was the restatement of the 2012 Financial Statements in line with Consob's indications and corresponding adjustment made to the 2013

Financial Statements for the same amount.

Aggregate net profit for 2012 and 2013 remained unchanged. As in the second half of 2013, possible delays by Oil Companies in awarding new contracts may lead to reduced visibility with regard to expected order backlog levels, which consequently makes it harder to forecast associated revenues and margins. For this reason, Saipem has chosen to adopt a policy of cautious guidance, reflecting the increased level of uncertainty in today's market.

For 2014, Saipem expects revenues of between €12.5 and €13.6 billion, EBIT of between €600 and €750 million and a net profit of between €280 and €380 million. Final results will depend on the outcome of current tenders, on the timing of project awards and on the start date of operations, since this will determine the extent to which revenues and margins earned may be recognised in 2014. However, the commercial market outlook remains positive, with a large number of contracts to be awarded in the near future for which Saipem holds a solid competitive position, including pipe-laying projects in ultra-deep waters, subsea developments in deep and ultra-deep waters, FPSO construction projects and large onshore projects featuring a high level of technological complexity. Investments are expected to total approximately €750 million and net financial debt is expected to be approximately €4.2 billion, both figures representing decreases on 2013 levels. 2014 is expected to be a year of transition with a return to profitability. The extent of the recovery will depend not only on the pace of contract awards, but also on the efficient operational and commercial execution of low-margin contracts still in the backlog, which in 2014 should account for approximately €5 billion.”

Having read out the Letter to the Shareholders, the Chairman read out the resolution proposal on the first item of the Agenda:

“Messrs. Shareholders,

You are invited to approve Saipem's Statutory Financial Statements at December 31, 2013, which recorded a net profit for the year of €277,473,666.88.

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

- to distribute a dividend for savings shares in circulation on the ex-coupon date in compliance with art.6 of the Company's Articles of Association, amounting to 5% of the nominal share price, i.e. €0.05 per savings share;
- to allocate to the reserve for retained earnings/losses the remainder, following the proposed dividend distribution, and to forego the distribution of a dividend for ordinary shares.

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

While the Chairman was handing over to the Chairman of the Board of Statutory Auditors Mario Busso, Massimo Cipolletta, representing the Shareholder Eni took the floor and proposed to forego the reading of the Report by the Board of Statutory Auditors.

The Shareholders' Meeting unanimously approved the proposal put forward by the Shareholder Eni.

The Chairman then read out the Report by the External Auditors Reconta Ernst & Young, included in the Annual Report.

The Chairman pointed out that the Annual Report and related documents include a detailed account of the reorganization and review of company procedures that took place during the year. He also thanked the CEO and all the Board of Directors for their work.

He opened the discussion on this item on the Agenda.

The Shareholder Deminor International, represented by Erik Bomans, took the floor

and made an introductory statement, citing facts and circumstances which interested the Company in 2013, specifically the two profit warnings and the downward trend of the Saipem share, in anticipation of the questions to be addressed during the meeting.

The Shareholder Deminor International, represented by Rosario Marcone, took the floor and asked the following groups of questions:

- regarding the restatement of the 2012 annual Financial Statements and the 2013 nine-months Interim Report:
 1. Can you please confirm that the €245 million reduction in shareholder equity as of December 31, 2012 has been caused by the reduction in work in progress related to long-term contracts?
 2. Was there a tax effect and if yes, how was it accounted for?
 3. What were the contracts related to the reduction of work in progress?
 4. Can you please indicate whether there is a link between the €245 million reduction in shareholder equity and the guidance revision disclosed on June 14, 2013? Is there a link with the Canadian and Mexican projects?
- regarding the “extraordinary and exceptional events” occurred at the end 2012 which influenced 2013, mentioned by Saipem in its press release of October 28, 2013:
 1. Can you specify what specific date “beginning at the end of 2012” refers to?
 2. Can you specify which “extraordinary and exceptional events” had these “important, concrete and ongoing developments”?
 3. When was the company informed for the first time about investigations into possible corruption in Algeria?
 4. Why did the company start a review of the profitability of all pending contracts following the departure of Mr. Franco Tali as CEO? Did the company have reasons to doubt the margins estimated by the Company on long-term contracts

- at the time when Mr. Franco Tali departed the company?
5. Did the company's internal or external auditors ever raise questions or remarks about the recognition of revenues/costs on long term contracts in the period 2012-2013?
- regarding the reasons that led Saipem to lower the guidance for EBIT 2013, as announced in the press release of January 29, 2013:
 1. Was the company expecting at the end of October, 2012 that orders for new blockbuster contracts would be obtained in the last two months of 2012 and that profitability of these contracts would compensate the profitability of low margin contracts that were part of the backlog in 2013?
 2. If certain expected blockbuster contracts were not obtained in the last two months of 2012, what was the revenue that the company had expected to realize on such contracts in 2013?
 3. When the company conducted its review of pending contracts in December 2012 – January 2013, did it come to the conclusion that the profitability of certain contracts was lower than initially forecast and accounted for? Was (part of) the lower 2013 EBIT due to an adjustment of profitability of existing contracts? If yes, what was the impact in EUR of such adjustment?
 4. Had the previous CEO, deputy CEO and CFO correctly informed the Board of Directors about the growing importance of low-margin contracts in the contract mix in 2011-2012?
 - regarding the June 14, 2013 revision of guidance:
 1. The company conducted a review of long-term contracts in December 2012 – January 2013 and carried out an internal investigation as to the causes of low margin contracts in the period January-April 2013. Why could the EUR 260 m reduction of profitability announced on June 14, 2013 not be identified in the

course of those reviews?

2. Is there a link between the EUR 260 m reduction of profitability and the EUR 245 m reduction of work in progress in the 2012 annual accounts that the company decided on October 28, 2013 ?
- about the Operational Review of the E&C Business Unit presented to investors on April 24, 2013, in which Saipem mentions that low margin contracts would be responsible for 80% of revenues in 2013 versus 60% of revenues in 2012:
1. What was the real share of revenues from low margin contracts as a percentage of total revenues in the E&C division in 2013? What is the expectation for 2014?
 2. When did the Board of Directors become aware of the 80% proportion of revenues with low margins expected for 2013?
 3. In the Operational Review, Saipem mentions various causes for the low margin contracts, among which: deviations from Golden Rules, too much reliance on sub-contractor quality, overly centralized organization, “cloudy accountability” for the business units. When did the Board of Directors become aware of these weaknesses?
 4. Did such “cloudy accountability” or other organizational weaknesses lead to an over-estimation of profitability on certain low-margin contracts throughout 2011 and 2012?
 5. Could the Board of Directors have foreseen the sharp drop in margins earlier than 29 January 2013 if these organizational weaknesses had not existed?
 6. Is the Board satisfied about the new organizational process installed after conclusion of the Operational Review?
 7. Saipem decided to change its guidance policy towards a policy of “cautious guidance” (p. 4 of the 2013 annual report). Does this imply that the company’s

guidance in the past was not cautious? Can this be an explanation for the sharp guidance revision of January 29, 2013?

- Concerning the ongoing investigations and proceedings launched by CONSOB, the Italian public prosecutors and the U.S. Department of Justice:
 1. Can you please give an update of the current status of these proceedings?
 2. What is the maximum amount of liability in terms of sanctions or other indirect effects that Saipem expects from these proceedings?

- Regarding transactions by insiders:
 1. CONSOB officially charged an investment manager of BlackRock of illegal use of inside information. During 2012, the former CEO, Mr. Franco Tali, sold shares and exercised options for a total of €10.3m, €7.8m of which on 14 February 2012. By comparison, Mr. Franco Tali sold shares and exercised options for a total of only €187k during 2011. Did the company conduct its own internal investigation into the use of possible inside information by Mr. Franco Tali or certain other officers?
 2. During the last quarter of 2012, the Saipem stock price underperformed its peers. Did the company conduct its own internal investigation into the reasons of such underperformance and whether it could have been caused by inside information about certain negative developments?

- With regard to the ruling of the Milan Labour Court on the dismissal of Mr. Pietro Varone, former Chief Operating Officer of the company's Engineering & Construction Business Unit, the Milan Labour Court ruled that Mr. Pietro Varone was improperly dismissed in connection with corruption allegations in Algeria and threw out Saipem's claim for damages against Varone, ordering it instead to pay its former employee almost EUR 1.2 m:
 1. When was Mr. Pietro Varone dismissed?

2. Can you please confirm that he was dismissed solely in connection with corruption allegations in Algeria?
 3. What was the amount claimed against him and upon which basis?
 4. On what basis was the company's claim against Mr. Varone dismissed?
 5. Are there other (former) Saipem executives currently under investigation for corruption allegations in Algeria?
- Regarding the "New management team" and the operational review which Saipem disclosed on 29 January 2013:
1. On what grounds was the performance of previous management team considered unsatisfactory?
 2. When did the company come to the conclusion that a new management team was needed?
 3. Can you please provide a list of the key management positions that were replaced as part of the management overhaul with indication of the date of replacement?
 4. Can you please clarify when and why the manager who previously held responsibility for both Mexico and Canada was replaced as announced on 14 June 2013?

The Chairman acknowledged this contribution and asked if other Shareholders wanted to intervene.

The Shareholder Raffaele Scippa took the floor: he stressed his support for the Company and informed that he had sent a letter requesting information which went unanswered. He made several considerations, speaking critically at times, on the following issues: EBIT, market capitalization, the letter to the Shareholders, the two profit warnings issued in 2013 and the Consob proceedings. He then posed the following questions:

1. The balances were wrongly accounted for and then rectified, who went wrong?
2. Were these mistakes related to only one asset or more assets?
3. Is it necessary for the Board of Directors to compare data for 2013 more thoroughly?
4. The Board of Directors pointed out at the previous AGM that provisions were required for those Onshore E&C projects experiencing difficulties in Algeria, Canada and Mexico. What is the amount of these provisions?
5. With respect to the Company's ongoing active and passive proceedings, what are their economic and financial impacts on the accounting data, specifically to the Cepav proceeding?
6. With regard to the outlook 2014, how long until the turnover, EBIT and operating profit will be back to normal, taking into account the nature and size of the Company?
7. Has the Company taken appropriate action when mistakes and shortcomings occurred, specifically against the managers involved?

The Chairman thanked the Shareholder and handed the floor to the Shareholder Mario Croce, who having stated that he concurs with some of the earlier statements, asks:

1. Are there any Saipem personnel in Ukraine or Russia?
2. With regard to the 2014 results, considering the statement in the letter to the Shareholders, can you provide an outlook update also in view of the recently published First Quarter Report?
3. The net debt forecast for 2014 does not appear to be in line with the results of the first quarter 2014, is this so? Should Eni sell Saipem, what would be the impact on net debt? What would the positive and negative effects be for Saipem, should Eni leave?

The Shareholder Mario Croce concluded his statement and thanked the meeting.

The Chairman called the next Shareholder to pose his question.

The Shareholder Duilio Magnani took the floor and asked:

1. With regard to the legal proceedings and the settlement between the Cepav Consortium and RFI (“Rete Ferroviaria Italiana”), can you provide details on the proceedings and the settlement, and at what managerial level was the settlement approved?
2. Have provisions been made for currently ongoing proceedings? If so, what are their amounts? If not, what are the reasons for which it was deemed unnecessary to make provisions?
3. In view of investments made in recent years, what is the management planning in terms of investments in the forthcoming years?
4. In view of the current world financial situation, what is your outlook? What are the real prospects for Saipem for the years 2015-2016?
5. Why has it taken six months after Mr. Vergine’s appointment and five months after Mr Caselli’s appointment to review the various Business Units? Has the newly appointed management not deemed the review of the company structure of primary importance?
6. What are the reasons behind the employment termination of the Deputy-CEO, Mr O’Donnell?
7. When did Mr O’Donnell resign from the office of Deputy–CEO, in consideration of his employment termination on January 4, 2014?
8. Does a retirement age exist for Saipem managers?
9. Why did you deem it necessary for Mr O’Donnell to enter into a non-competition agreement, costing the Company €250 thousand? If he was deemed to be a relevant resource, would it not have been preferable to continue his employment?

The Shareholder Duilio Magnani concluded his contribution asking for the answers to

be exhaustive, since the regulations preclude the right to reply, and wishes the management and the Company's personnel productive work in the future.

The Chairman acknowledged this contribution and called the next Shareholder to take the floor.

The Shareholder Matteo Campellone took the floor and asked for a thorough explanation of the industrial plan for this year and the near future, in particular the next two years.

The Chairman acknowledged this contribution and called the next Shareholder to take the floor.

The Shareholder Giulio Melegari, who had sent questions and considerations prior to the meeting (enclosed in Appendix b), took the floor and expressed a negative opinion of personnel skills and competencies, the organization, the management and execution of projects, the information disclosed for accidents involving Saipem and sub-contractors personnel. He closed his contribution by asking the Company to take corrective measures.

The Chairman called the next Shareholder to take the floor.

The Shareholder Tommaso Marino took the floor and asked:

1. Can you provide information regarding the dismissal of Mr. Varone, and the severance payments made to Messrs. Bernini and Tali?
2. Is Giovanni Cerchiarini, assistant to Mr. Varone, still an employee?
3. Are any extraction operations taking place in Sicily? If so, where are they taking place or are they planned for?

The Shareholder Tommaso Marino closed his contribution and thanked the meeting.

The Chairman acknowledged this contribution and called the next Shareholder to take the floor.

The Shareholder Donato Pinto took the floor and expressed some negative

considerations over the Company's management, the employment of retired personnel and the recruitment of young graduates, and over Eni's recent conduct towards Saipem. He then asked:

- Why was it decided for the mandate of the new Board to be only one year? Are there plans for a new Company structure or changes to the Articles of Association?

The Shareholder Donato Pinto thanked the meeting and expressed a few suggestions on how to improve the management of the Company's personnel.

The Chairman acknowledged all contributions. Before moving on, he pointed out how the Company continued, over the course of last year, to work assiduously on the reorganization, review of procedures and strengthening of the internal control system. He then handed over to the CEO, for him to answer the Shareholders' questions.

The CEO Umberto Vergine first answered the questions received prior to the meeting, pursuant to art. 127 of Leg. Decree 58/98, from the Shareholder Donato Pinto, minuted hereafter:

1. What is the amount of sanctions received from CONSOB, BORSA, etc. and what were they for?

R: No sanctions were received from Consob and Borsa. With regard to enquiries launched by Consob, for the purposes of clarity, we refer to pages 125, 126 and 127 of the Annual Report 2013 where all proceedings are detailed.

2. I wish to know the revenues by sector from the beginning of the year.

R: As indicated in the press release of April 24, 2014, revenues by sector at March 31 are:

-	Offshore E&C	1,542 ml€
-	Onshore E&C	944 ml€
-	Offshore Drilling	284 ml€
-	Onshore Drilling	173 ml€

Total **2,943 ml€**

3. What is the name of journalists attending the meeting via CCTV and what newspapers do they represent. Has any of them entertain direct or indirect consultancy relations with Group companies, including subsidiaries?

A: the name of the attending journalists will be published in the minutes of the Shareholders meeting.

There are not CCTV links with any newspaper offices. There are no consultancy relations with journalists.

4. Do any senior managers and/or directors hold interests in suppliers' companies?

A: Based on declarations received, one Director is a Shareholder of a company which was awarded a subcontract by Saipem following a tender process in 2012. This contract was reviewed in 2013 due to the requirement to purchase additional material under the same contractual terms. The Audit and Risk Committee was in favour of this review, with is treated as a "transaction of lesser importance". Also related to this project, another contract was awarded to this company, for which the procedure for "transactions of lesser importance" with Related Parties was applied, and the Audit and Risk Committee was sent all information and documentation relating to this transaction. Also in this case, the Audit and Risk Committee was in favour of this transaction "in view of Saipem's interest and the need to meet the end-deadline".

5. Are there any ongoing penal proceedings involving members of the outgoing Board of Directors or the Board of Statutory Auditors?

A: the Company is not aware of any ongoing penal proceedings involving members of the outgoing Board of Directors or the Board of Statutory Auditors.

With regard to the most significant proceedings involving the Company, details are provided in the Annual Report 2013 from page to 121 to 127. We point out that, as

stated in the Annual Report 2013 on page 121, “Information available to the Company for the purposes of risk assessment regarding criminal proceedings is by its very nature incomplete due to the principle of pre-trial secrecy”.

6. I wish to know:

a. Non-monetary benefits and how bonuses and incentives are calculated;

A: Non-monetary benefits are calculated in compliance with the national contracts of employment and additional company agreements:

- Supplementary welfare funds (FOPDIRE and FONDENERGIA);
- Supplementary medical insurance funds (FISDE and FASIE),
- Welfare insurance covers,
- Company car (for senior managers and some middle managers).

The variable remuneration of senior managers comprises annual variable incentives and long-term variable incentives, divided into two incentive plans. These are detailed in the Remuneration Report 2014, which will be illustrated shortly.

The incentive policy for non-managerial resources is linked to individual or company targets achieved in the previous year and is a tool to sustain motivation of most critical and high-performing resources.

b. The breakdown of employees by category; if proceedings have taken place due to mobbing, incitement to suicide, accidents at work and their outcome.

A: the number of employees at 31/12/2013 is:

	Italy	Overseas	Total
Senior Managers	308	119	427
Middle Managers	2,799	2,245	5,044
Staff	3,853	17,879	21,732
Workers	512	20,892	21,404
Total	7,472	41,135	48,607

In 2013 there was only one proceeding for mobbing and none for incitement to suicide.

In 2013 six fatalities were recorded (4 involving Saipem personnel, and 2 contractors) and 71 LTI (LTI = Lost time injury, i.e. accidents occurred outside work, of which 56 involving Saipem personnel and 15 involving contractors).

- c. How many employees are involved in ongoing disputes, letters of resignation, suspension proceedings and disputes.

A: the number of ongoing proceedings involving personnel is 75, the number of letters of resignations was 8, of suspension proceedings was 16 and of disputes was 30.

7. How many pensioners work for the Company and under what contract? (Fixed-term contract – “Somministrazione” contract – consultancy contract);

A: We would like to point out that the Company is not required to know the retired status of persons, since it is part of personal data. Based only on their age, as of today, the number of pensioners is approximately 80: 12 of which are under fixed-term maritime contracts; and 62 under fixed-term non-maritime contracts.

8. How many employees belong to legally protected categories and what sanctions were incurred by the Company?

A: There are 135 employees belonging to legally protected categories.

No sanctions were incurred by the Company.

The CEO Umberto Vergine answers the questions and statements sent by the Shareholder Giulio Melegari pursuant to art. 127 of Leg. Decree 58/98 (enclosed in Appendix b).

“The document submitted by Mr. Melegari contains a series of statements and questions:

- a) With regard to the statement relating to the construction and delivery schedule of vessels built on behalf of clients and for our internal purposes, Saipem converted 3

and operates 2 FPSOs. Specifically, Citade de Vitoria (2007) experienced a 6-month delay in construction due to simultaneous delays in the activities carried out by the client, GIMBOA (2008) experienced delays because the field it was due to work on was not ready, FIRENZE FPSO (2011) experienced delays and problems during the commissioning phase.

Castorone is a deep-water pipelaying vessel built to cover a specific market sector. For the *South Stream* project, the vessels Saipem 7000 and Castoro 6 were offered. The installation of *blisters* was considered for a future upgrade of the vessel, as were other systems, for instance additional thrusters, a J-Lay tower, a stinger upgrade, not due to stability and floating problems, since the vessel is currently in operation.

- b) With regard to the question asking about the changes involving *asset management*, *procurement*, and commercial departments and signs of departure from the previous management; we point out that last year we have undertaken the review of the organization, of models and corporate governance processes aimed at strengthening the Company's compliance and governance systems and improving the performance and efficiency of business management.

In this context:

- the operative and managerial model for commercial activities was reviewed to pursue increasingly integrated commercial strategies, to maximise Saipem's system of business creation and to increase the capabilities and speedy reaction to market evolution. The focus was placed on Commercial Development & Strategies and Tendering activities, the identification of commercially transversal and optimized strategies and the devolution of operative commercial responsibilities to the Business Units;

- the previous department for Offshore asset development, management and operations was reorganized to ensure increased focus would be placed both on new asset development, ordinary and extraordinary maintenance of existing assets, and on the planning and operations of the E&C fleet during the execution of various Offshore projects;
 - the procurement process was also reviewed to ensure, on the one hand, a more efficient and timely response to business requirements, which was achieved; and, on the other hand, to identify and implement changes to improve governance on processes and maximizing overall efficiency;
- c) with regard to the Magistrates' investigations in the Varone case and if this would change Saipem's strategy in the construction and management of Offshore vessels, we point out that ongoing investigations are at the preliminary stage. A full account is provided on pages 123 and 124 of the Annual Report 2013. The Company is not aware of any link between the investigation and Saipem's strategy in the construction and management of Offshore vessels.
- d) with regard to the flags flown by the Saipem fleet and certification, we point out that the Saipem fleet sails under four flags: (Bahamas - 24 vessels; Madeira - 6 vessels; Panama - 3 vessels; Kazakhstan - 2 vessels) not considering *barges*. Flags selection is and has always been based on technical factors depending on the type of vessel, such as technical regulations. Our competitors fly exactly the same flags. We also point out that companies managing the fleet are mostly based in Europe. Flag certificates state compliance with national and international regulations, required to operate the vessels. Besides flag inspections and those carried out by the certifying authorities, there are additional inspections, namely *Port State Controls* (carried out by coast guards) utilizing common standards like *Memoranda of Understanding* adopted in various countries and areas, and *Oil Company*

inspections utilizing specific and local standards, after which *Statements of Compliance* are issued;

- e) with regard to the Macondo accident in the Gulf of Mexico, Saipem is totally unconnected. What happened was due to engineering problems in the well; contractually, the engineering side is down to the oil company, hence BP's involvement. Eni, like all the other oil companies, is responsible for the oil fields it operates on;
- f) regarding certain statements made by Mr. Franzoni, a former Saipem employee, we point out that he has never been the co-ordinator of Saipem's offshore certification. The Saipem fleet is fully certified and operates in compliance with flag and international regulations, as certified by the most relevant authorities: DNV, ABS and RINA. For reference purposes, ABS certifies 73% of all drilling units worldwide and 42% of FPSOs;
- g) regarding the "value of the internal and external Audit", we point out that the internal audit department underwent an *External Quality Review* in 2013 in compliance with international *Internal Audit* standards. This review was awarded, following a tender process, to KPMG, an independent qualified auditor, external to our organization; their findings were illustrated and discussed by Saipem's control and management bodies. KPMG expressed an opinion stating that "the overall body of internal audit processes complies with international internal audit standards" and therefore awarded Saipem the "Generally Conform" rating.

With regards to the external auditors, the Eni Group policy is to appoint a sole external auditor to audit companies of the group, following a tender process involving the most relevant international audit firms. Their responsibility is to express a professional opinion on the financial statements as a whole, based on accounting audits carried out in compliance with audit principles and criteria

recommended by CONSOB;

- h) with regard to consequences of the Varone incident and the likelihood of a repeat occurrence following the Franzoni event, we point out that the statement that half of the management resigned following the Varone incident is wrong. No such consequence took place. Specifically, during 2013, two senior managers were dismissed, while fourteen senior managers resigned, of which four are Italian and ten international, out of a total of four hundred and twenty seven senior managers. This data is not considered anomalous when compared to previous years;
- i) as regard the guarantees that the current management will not be involved in the Magistrates' investigations, we point out that the Company is not aware of any investigation by the Magistrates on the so called Franzoni event. We analysed the notifications and nothing of any relevance emerged involving the management.
- l) with regard to the question over doubts that emerged and if all the necessary checks had been carried out, we point out that all notifications were checked internally. Specifically, the statement made by Mr. Franzoni, in consideration of its technical peculiarity, was submitted to the opinion of a specialized legal firm. Following the internal review and external legal opinion, the statement was closed by the Board of Statutory Auditors on December 12, 2007.

We remind the meeting that Mr. Franzoni was dismissed following three disciplinary proceedings for reasons other than those attaining to his statements;

- m) as regards the statement that the lay tower utilized for the "Transmed" pipeline on Saipem 7000 has never been used again, we point out that the J-lay tower has not been alienated but mothballed, due to be used when another contract is awarded that requires its deployment. It was certified in compliance with all relevant regulation for a similar prototype. Saipem 7000 had not been certified as a *Special Purpose Ship*, therefore onboard personnel performing industrial work are not

required to hold a Seaman's Card. The *J-lay tower* had not affected stability or freeboard.

With regard to the incident referred to in the note involving a diver, the root cause was found and resolved, so that the authorities could close it out.

Speaking about divers in general, we point out that:

- the selection and verification of professional certificates are in full compliance with UNI regulations on "Health and Safety in professional diving and hyperbaric services to the industry", implemented through Law Decree dated January 24, 2012;
- Saipem developed and implemented a corporate procedure regulating diving activities. It is constantly updated and revision 4 is dated December 2013. This procedure is fully compliant with Eni Corporate diving regulations.
- There is also a DIVE unit supporting specific activities from the bidding stage, i.e. the selection of specialized contractors, through to the execution phase of offshore operations".

The Chairman took the floor and proposed, subject to the approval of the meeting, to attend to the presentation of the Remuneration Report, the last item on the agenda, before continuing to answer the questions received. This, because the Chairman of Saipem's Compensation and Nomination Committee Gabriele Galateri di Genola had pressing engagements and needed to leave the meeting early. The latter thanked the meeting and expressed his sympathy for the events that occurred to the Company. He then read out the report provided hereafter:

"In compliance with current legislation, Saipem's Remuneration Report is comprised of two sections; the first section, 2014 Remuneration Policy, provides Saipem's Guidelines for 2014 for the remuneration of Board Directors and Senior Managers with strategic responsibilities. This is the section that will be subject to

the non-binding vote of the AGM.

The second section describes the remuneration of Board Directors and Senior Managers with strategic responsibilities and provides a detailed breakdown of amounts actually paid in 2013.

As the Shareholders' Meeting represents the most important junction for its activities, the Committee focused on themes of the utmost interest to Shareholders: it included in the 2014 Remuneration Report a series of corrective measures aimed at improving disclosure and ensuring the most exhaustive and transparent reporting for Shareholders and investors on remuneration policies, in compliance with the relevant regulations.

Main corrective measures concerned:

- Increased information on performance targets for the annual variable incentive plan (indication of targets and related weights – pages 6 and 12)
- Minimum number of points required to receive the annual variable incentive (trigger): individual performance minimum threshold of 85 points (page 12)
- Indication of the AGM voting outcome of previous years (page 5)
- Introduction of the new Long-Term Incentive Plan, a tool to retain the most critical managerial resources, strengthen their share of the business risk, improve the company's performance and maximize value for Shareholders in the long-term (pages 12 and 13).

The Remuneration Report 2014 was drawn up in compliance with the recent introduction of art. 84-ter of Law No. 98 dated August 9, 2013 concerning the remuneration of Executive Directors of listed companies directly or indirectly controlled by Public Authorities. Specifically, the Board of Directors ascertained that the Company is exempt from the requirement to present a proposal for the remuneration of its Executive Directors, since it falls within the remit of

circumstances regulated by paragraph 5-sexies of Article 84-ter, i.e. having, on December 5, 2012, subjected the remuneration of the CEO to a decrease greater than that required by law.

- Like last year, the 2014 Report provides an Overview, whose aim is to provide the market and investors with a clear picture of the key elements in Saipem's Remuneration Policy for 2014.

2014 Remuneration Policy Guidelines

For Directors currently holding office, the 2014 Remuneration Guidelines do not contain any significant changes with respect to the policy approved in the previous year; for Non-Executive Directors who will be appointed under the new mandate and/or will serve on Board Committees, the Guidelines envisage the possibility of a change in remuneration in line with market benchmarks, while 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 with the aim of ensuring greater alignment with the interests of the shareholders and greater sustainability in terms of long-term value creation.

Implementation of 2013 remuneration policies

The second 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 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.

The following table shows remuneration paid to the single Directors and Statutory Auditors, and, on an aggregate basis, the remuneration paid to Senior Managers with strategic responsibilities, variable incentives paid and allocated during 2013, deferred incentives and shareholdings. With regard to stock-based plans, information is provided in aggregate form, as these are the residual part of plans, which the Company had stopped allocating in 2009.

The amounts paid to the Deputy CEO are provided, with respect to the termination of his contract of employment which took place on January 4, 2014.

It is the opinion of the Compensation and Nomination Committee that the 2014 Remuneration Report provides an exhaustive representation of the policies adopted by Saipem in terms of remuneration.

2014 Long-Term Management Incentive Plan

The 2014 Long-Term Management Incentive Plan approved by Saipem's Board of Directors on March 14, 2014, is subject to the binding opinion of the General Shareholders' Meeting, since it is linked to the performance of the Saipem share (Total Shareholder Return).

This Plan applies to Saipem and its subsidiaries and is applies to the CEO and Senior Managers of Saipem and its subsidiaries who are considered "critical managerial resources".

The Plan provides for the annual allocation of monetary incentives, which shall be paid out after the three-year vesting period, subject to the performance attained and Plan criteria and conditions. The entity of monetary incentives paid out upon achievement of the target, depends on the level of responsibility/critical role of each beneficiary, from a minimum of 20% to a maximum 50% of the fixed

remuneration.

The performance conditions of the Plan are assessed annually and at the end of the three-year vesting period following a comprehensive review of actual results performed by the Compensation and Nomination Committee, in line with the resolutions taken by the Board of Directors.

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

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

This plan was introduced as a tool to motivate and retain the Company’s top management, to strengthen their participation in the business risk, to improve the Company performance and maximize value for the shareholders in the long-term.

Messrs Shareholders, I thank you for your attention and hope that you will approve the 2014 Remuneration policies”.

The Director Galateri di Genola left the meeting.

The Chairman adjourned the meeting in order to prepare the answers to the questions posed during the meeting.

After approximately 40 minutes, the Chairman resumed the meeting and invited the CEO Umberto Vergine to read out the answers to the questions posed by the Shareholders, combining together some questions where possible.

The CEO Umberto Vergine took the floor: for several questions relating to items already disclosed to the market, the CEO referred to documents made promptly available to Shareholders. He stated his willingness to read them all out in full and/or provide copies during the meeting in order to promote a discussion.

He then answered the questions posed by the Shareholder Deminor International, dividing them into groups:

- a) With regard to the *restatement* of the 2012 Financial Statements and of the Interim Report at September 30, 2013 showing a reduction in net equity of €245 million and increase of revenues of the same amount:
 1. Details of the reasons underpinning the €245 million reduction in net equity at December 31, 2012 are stated in pages 94, 125, 126. and 127 of the Annual Report 2013 (“*Relations with Consob*”) and in Saipem Press Release dated October 28, 2013.
 2. The restatement did not produce any fiscal effect.
 3. All restatement details deemed relevant and non-commercially sensitive were provided in Saipem Press Release dated October 28, 2013 (specifically page 17, second paragraph).
 4. Saipem Press Releases dated October 28, 2013 and June 14, 2013 illustrate the relation between the 2012 restatement and the profit warning of June 14, 2013 within the overall framework of the extraordinary circumstances which had real and progressive developments during 2013.
- b) With regard to the extraordinary and exceptional events that took place at the end of 2012 and that influenced 2013, mentioned in Saipem press release of October 28, 2013:
 1. The date “beginning from the end of 2012” refers to the organizational changes that the Company announced on December 5, 2012.
 2. The extraordinary and exceptional events mentioned in Saipem press release of October 28, 2013 are those contained in said document.
 3. The Annual Report 2013 on pages 123 and 124 provides a detail account of the investigations in Algeria.

4. The Company assessed the profitability of ongoing projects as part of the normal Budget process, as well as for the preparation of the financial statements between December 2012 and early 2013.
 5. The external auditors and the Board of Statutory Auditors carry out periodic audits during which certain items are assessed in detail, for instance the accounting of costs and revenues. Neither the external auditors nor the Statutory Auditors have issued observations or reservations on this item either in their annual or periodic reports.
- c) with regard to the reasons underpinning the Company's decision to revise the EBIT 2013 forecast, announced in the press release of January 29, 2013:
1. At the end of October 2012, the Company had ongoing negotiations for the award of significant projects (so called *blockbusters*) which could have positively affected the 2013 overall profitability.
 2. The only guidance for 2013 results was provided on January 29, 2013 by the new management based on the actual and market situations on that date.
 3. The evaluation of current contracts is an ongoing dynamic process, in compliance with IAS 11, which takes into account all information coming in from each project.
 4. The Company provided the reasons for the growing importance of low-margin contracts in the Press Release of January 29, 2013. The latter contains information that Company deemed relevant at the time to illustrate factors underpinning the guidance for 2013.
- d) In respect of the request for clarification regarding the reviewed guidance of June 14, 2013:
1. In the press release dated June 14, 2013, the Company announced new circumstances as well as operational, technical and commercial issues that could not have been foreseen.

2. See the press releases dated October 28, 2013 and June 14, 2013.
- e) With regard to the Operational Review of the Engineering & Construction Business Unit presented to investors on April 24, 2013, stating that low-margin contracts represented 80% of 2013 revenues against 60% in 2012:
 1. The estimate of Engineering & Construction revenues from low-margin contracts in 2013 stood at approximately 80% at the beginning of 2013 with an estimate for 2014 of approx. 35%. At the end of 2013, the actual percentage of E&C 2013 revenues from low-margin contracts increased to a little in excess of 80% while the estimate for 2014 is approximately 50%.
 2. The Board of Directors was informed of the 80% estimate on 2013 revenues from low-margin contracts with the presentation of the Budget 2013, which was sent to the Board on Friday 24 January 2013, together with the summons of the Board Meeting to be held on January 29, 2013.
 3. The new management presented the Operational Review to the Board of Directors on April 23, 2013. This initiative by the new management was aimed at improving the organizational structure in view of the problems that emerged following the measures taken by the Company against the foregoing market conditions.
 4. The *Operational Review* aimed at improving the organization by making personnel with the greatest responsibilities and decision-making powers more accountable. It also defined the reporting lines.
 5. I have just stated the reasons for the *Operational Review*; it did not originate from accounting reasons. Therefore this question does not apply.
 6. The Board concurs with and shall keep supporting the management through the implementation of the improved organizational structure.
 7. As illustrated in the press release of January 29, 2013, the *management* decided to be more conservative when estimating new business margins, the timing of new

contract awards and project execution.

f) With regard to ongoing investigations and proceedings launched by Consob, Italian Ministries and the US Department of Justice against the Company:

1. Proceedings launched by Consob, Italian Ministries and the US Department of Justice are described in pages 121 to 127 of the Annual Report 2013. Up-to-date information was provided during the press conference of April 24, 2014, when the Company informed that in April 2014 it had received a request for information and documentation from the US Department of Justice relating to operations in Algeria.
2. Proceedings and investigations are currently ongoing, it is therefore not possible to state and/or quantify the Company's liabilities. Saipem has availed itself of the support of external legal opinions. The control bodies of the Company have examined the evaluation process without expressing comments or observations.

g) With regard to clarification relating to transactions by Insiders:

1. As of today the Company has no evidence requiring closer examination on its part. It provided its full co-operation to Consob on various occasions, also during an inspection carried out on the premises between February and June 2013.
2. As of today the Company has no evidence to believe that the *performance* of the Saipem share in the last quarter of 2012 had been affected by market abuse. It lent its full co-operation to Consob on several occasions, as previously mentioned.

h) With regard to the ruling of the Milan Labour Court on the causes for the dismissal of Mr. Pietro Varone, former Chief Operating Officer of the Engineering & Construction Business Unit in connection with corruption allegations in Algeria and throwing out Saipem's claim for damages against Varone:

1. Varone was dismissed with notification dated January 8, 2013.
2. Mr. Varone's dismissal, based on information available (December 2012/January 2013), was due to violations of company procedures.

3. The total amounts claimed against Varone for damages are currently being evaluated, while awaiting the conclusion of the investigations by the relevant authorities and legal proceedings launched by the Company against sub-contractors.
4. The Milan Labour Court that examined claims submitted by the Company against Varone deemed that, at the time, there was insufficient proof that his alleged conduct caused damage to the Company. The Company does not share this view and shall appeal this ruling. The Labour Court Judge also stated that part of the Company's claim should be filed under a separate proceeding, which the Company has duly submitted.
5. As far as the Company is aware, former employees currently under investigation are Pietro Franco Tali, Tullio Orsi and Alessandro Bernini.
 - i) Regarding the "New management team" and the operational review which Saipem disclosed on 29 January 2013:
 1. The Company wanted to improve the quality of its executive, commercial and project managements without judging the previous management.
 2. The Company decided to start an organizational review in January 2013 following the review of the 2012 preliminary results and the presentation of the 2013 guidance.
 3. Two key management positions were dismissed through a Directive dated January 14, 2013. One was the General Manager of the Engineering & Construction Business Unit; this position was then filled by Giuseppe Caselli. The other was Executive Vice-President of the Drilling Business Unit filled by Egidio Palliotto. Other appointments were formalized through an Organizational Notification dated March 7, 2013; the three new heads of the business lines: specifically Onshore BU - Ettore Magnani, Offshore BU - Stefano Porcari and Floaters BU - Fabio Pallavicini. Magnani who held the position of Tender manager, was replaced by

Michele Pantaleone. Also; a new role was created: the Regional Managers. Five regional managers were appointed on that occasion, all positions were filled with personnel from within Saipem's management for the following regions: Central and West Africa, Middle East, South East Asia and Oceania, North America and South America. Appointees were Messrs. Testaguzza, Secchi, Martelli, Cerchiarini and Cattedri.

4. The manager who previously held responsibility for both Mexico and Canada was dismissed for disciplinary reasons in March 2013.

The Shareholder Deminor International, represented by Rosario Marcone, asked further clarification regarding:

1. The reasons that led to the restatement of the 2012 Financial Statements, specifically the correlation between Consob's request to transfer costs of 500 million in the 2012 Financial statements and the amount actually restated of 245 million;
2. The relation between the 245 million reduction in revenues indicated in the press release and the 245 million of transferred costs in the item above, and are these two separate amounts?;
3. The internal investigation carried out to support Consob, in order to ascertain insider trading events.

The CEO stated that these further questions would be answered later and attended to the questions posed by the Shareholder Raffaele Scippa:

1. It was not assets but the evaluation of projects under execution both in terms of costs and revenues recognised by the Client. For further details please refer to the answer provided to the Shareholder Deminor relating to the reasons that led to the restatement. We wish to stress that the Company has provided and shall provide in the future both restated and actual data, for comparison purposes.

2. The provision for future losses at December 31, 2013 amounted to €83 million and was made on account of a series of projects. With regard to the countries mentioned by the Shareholder Scippa, we point out that €30 million relate to projects in Mexico, €5 million to projects in Canada and €6 million to projects in Algeria.
3. Legal proceedings have an economic and financial impact on the Company which is accounted for pursuant to the law and relevant accounting principles; at December 31, 2013, the “Provision for contractual penalties and disputes” was equal to €4 million.
4. With regard to how long until the Company will be back to the results of 2012, we expect that, by 2015, we will be able to complete the execution of low-margin projects with revenues amounting to €1.5 billion; from 2016 the situation should be back to normal, with margins and profitability that will depend by both current and future market conditions;
5. With regard to an update on the “South-Stream” project: as of today we are not aware that the client has requested to slow-down the project; this is borne out by the recent award of the contract for the construction of the second line.
6. With regard to disciplinary and economic measures taken by the Company against the various functions following the ascertainment of errors and shortcomings, please refer to the answer provided to the Shareholder Deminor International. He pointed out that the reasons behind the restatement have not led, as of today, to disciplinary measures; however, they had a profound effect on compensation, with few and specifically targeted bonuses having been paid, especially in the Drilling area following the good results attained, and to a few critical resources for retention purposes.

Mr. Umberto Vergine then answered the questions posed by the Shareholder Mario

Croce:

1. With regard to the presence of Saipem personnel in Ukraine and Russia: he pointed out that 1 Italian, 2 international and 30 local resources are currently in Ukraine in respect of a drilling contract on behalf of an international Client. However, the rig is currently inactive, so personnel are not involved in operations; we are closely monitoring any event that may endanger our personnel. In Russia are the following resources: 14 Italians, 23 internationals and 92 locals, some of them in Moscow, others in the Astrakan region, on the Caspian Sea, where they are carrying out a project on behalf of a Russian client.
2. With regard to the request for updates and guidance on the net debt, please note that the press release of April 24, 2014 includes the financial outlook and the detailed reasons for the variation in net debt.
3. With regard to the consequences should Eni decided to sell Saipem, he replied as follows: since the annual cost of net debt through Eni is less than 3% on an annual basis, having recourse to the market, although we have not carried out a specific analysis, would lead to an increase in financial expenses in the region of €40 million per annum. With regard to the positive or negative effects of having Eni as our Shareholder, he noted that Saipem benefits from being part of a large industrial Group, even if this does not affect its relations with Eni as a client, in fact, it is not the most important for Saipem.

With regard to net debt, he refers to the statement provided at the beginning of this Shareholders meeting.

The CEO, Umberto Vergine, answered the questions posed by the Shareholder Duilio Magnani:

1. With regard to the Cepav - R.F.I. proceeding, he made reference to the information contained in the Annual Report and pointed out that the settlement was the outcome

of negotiations held with all the parties of the consortium and RFI, and that it was approved in line with the Company's internal procedures and regulations.

2. Provisions are made in compliance with the law and the relevant accounting principles; he pointed out that the "Provision for contractual penalties and disputes" is equal to €14 million.
3. Having recapped the investments made on logistics bases, the fleet and construction yards, he informed that the Company shall pursue an investment policy in line with business requirements. The large investments made in recent years enable to Company to benefit from vessels and bases in line with operational requirements. All new investment needs will be assessed as and when they arise.
4. With regard to the outlook for 2015-2016, in view of the current global financial situation, he reminded the meeting that the Company has already provided indications in this respect.
5. He made reference to the answer provided to the Shareholder Deminor International in respect of the time required to review results.
6. With regard to information related to the termination of Mr O'Donnell, we inform that the latter presented his resignations from the office of Board Director in July 2013; he remained in employment until January 4, 2014 in order to allow a full hand-over of responsibilities. The termination of his employment was consensual; the Company, due to the changes in the organization, no longer required Mr. O'Donnell's input; however, in view of his significant international experience and the role he held in Saipem, it was deemed in the Company's interest for him to sign a non-competition agreement.

Mr. Vergine then answered the question posed and information requested by the Shareholder Campellone.

He pointed out that the Saipem Group from the beginning of the year had been

awarded approximately € billion in new contracts, underpinning the confidence that backlog expectations for 2014 shall be met; the market is informed through press releases and periodic reports of new contract awards, specifically for relevant orders, i.e. those whose value exceeds €1 billion.

The CEO then answered the questions posed by the Shareholder Marino:

1. He made reference to the answers already provided to the Shareholder DEMINOR on the same subject; he pointed out that Bernini has stopped being a Saipem employee in 2008 and that Mr Tali had been CEO continuously from 2000 to 2012. Mr. Cerchiarini stopped being an employee of the Company in January 2014.
2. In respect of current or future extraction operations in Sicily, he stressed that it is not up to Saipem to decide where to perform extraction operations and that Saipem is not currently performing any.

The then answered further questions posed by the Shareholder Pinto:

1. The duration of the Directors' mandate is approved by the Shareholders' meeting. Conversely, the duration of the Statutory Auditors' mandate is set by law.
2. With regard to the employment of young resources instead of pensioners, he pointed out that, from 2011, Saipem has recruited 339 graduates less than 30 years old, and that, at the end of 2013, 1218 employees out of 7500 in Italy, are not yet 30 years old. This shows that, even though the Company employs 80 pensioners on account of their specific skills on complex projects, it is committed to recruiting young graduates and tutoring them to achieve managerial positions.

The Chairman asked if anyone would like to take the floor.

The Shareholder Mario Croce asked why notification was not provided regarding the substitution in 2013 of the Chief Financial Officer, Mr. Stefano Goberti, and asked if the latter was also a Board Director.

The Chairman explained that Mr. Goberti held the office of Secretary to the Board

of Directors but he was not a member of the Board.

The CEO, Mr. Vergine, pointed out this substitution was not a consequence of a change in the organization, structure or management of the Company, it followed a personal request by Mr. Goberti.

The CEO reiterated the answers he deemed to have already provided to the questions posed by the Shareholder Deminor International. The Chairman then invited Mr. Alberto Chiarini, *Chief Financial and Compliance Officer*, in turn, to provide further clarifications to the additional questions posed by the same Shareholder Deminor International. Mr. Chiarini stressed that:

- The reason for the restatement of the 2012 Financial Statements was the review of the valuation of some long-term contracts. Consob assumed that €500 million worth of revenues accounted for in June 2013 could be accounted for as at December 31, 2012. The identification of €245 million, related to the restatement at December 31, 2012, was not broken down into the single contracts because it is deemed to be commercially “sensitive information”.
- In compliance with “IAS 11” and “cost to cost” accounting, the re-evaluation of long-term contracts determines a variation of coefficient K (total revenues/total costs) and therefore a reduction of work in progress for the period.

As this information was already provided to the market, the CEO again reads out the text of the press release issued in June 2013, as further answer to the questions posed by the Shareholder Deminor International. The Chairman also stressed that Mr. Tali resigned only and exclusively on account of the investigations in Algeria because “he felt that his resignation would better enable the company to respond to the Prosecutor’s inquiry”, as stated in Saipem press release dated December 5, 2012.

The Chairman closed the discussion and:

- j) established and declared that no. 1,317 Shareholders were in attendance, in person or through proxies, representing no. 321,757,729 shares, equal to 72.91% of the ordinary capital;
- k) called a ballot (via remote control) on the proposal for the approval of the financial statements for the year ended on December 31, 2013.

The proposal was approved by a majority of votes in favour by no. 1,298 Shareholders representing no. 321,120,287 shares, no. 0 Shareholders against representing no. 0 shares, no. 10 Shareholders abstained representing no. 344,842 shares, no. 9 Shareholders did not vote representing no. 292,600 shares (see Annex 1 for details of voting).

The Chairman moved on to address item 2.

2. Allocation of result

The Chairman proposed to allocate the net profit of €277,473,666.88 as follows:

- to distribute a dividend for savings shares in circulation on the ex-coupon date, pursuant to art. 6 of Saipem S.p.A.'s Articles of Association, amounting to 5% of the nominal share price, i.e. €0.05 per savings share;
- to allocate to the reserve for retained earnings/losses the remainder, following the proposed dividend distribution, and to forego the distribution of a dividend for ordinary shares.

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

The Chairman opened the discussion.

Nobody having asked leave to speak, the Chairman:

- established and declared that no. 1,314 Shareholders were in attendance, in person or through proxies, representing no. 321,735,229 shares, equal to 72.91% of the ordinary capital;

- called a ballot (via remote control) on the proposal for the allocation of result.

The proposal was approved by a majority of votes in favour by no. 1,297 Shareholders representing no. 320,647,916 shares, no. 1 Shareholder against representing no. 181,800 shares, no. 8 Shareholders abstained representing no. 614,613 shares, no. 8 Shareholders did not vote representing no. 290,900 shares (see Annex 2 for details of voting).

The Chairman moved on to address item 3.

3. **Establishing the number of Board Directors.**

The Chairman read out the Board of Directors' report and the resolution proposal on this item:

Directors' Report

"Messrs. Shareholders,

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

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

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

Resolution Proposal

"Messrs. Shareholders,

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

The Chairman opened the discussion.

Nobody having asked leave to speak, the Chairman:

- established and declared that no. 1,314 Shareholders were in attendance, in person or through proxies, representing no. 321,735,229 shares, equal to 72.91% of the ordinary capital;
- called a ballot (via remote control) on the proposal to establish the number of Board Directors.

The proposal was approved by a majority of votes in favour by no. 1,295 Shareholders representing no. 320,806,890 shares, no. 2 Shareholders against representing no. 22,825 shares, no. 9 Shareholders abstained representing no. 614,614 shares, no. 8 Shareholders did not vote representing no. 290,900 shares (see Annex 3 for details of voting).

The Chairman moved on to address item 4.

4. Establishing the duration of the Board of Directors' mandate.

The Chairman read out the Board of Directors' report and the resolution proposal on this item:

Directors' Report

“Messrs. Shareholders,

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

Resolution Proposal

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

The Chairman opened the discussion. The Shareholder Eni, represented by Massimo Cipolletta asked leave to speak. He proposed to set the mandate of the

Board of Directors at one year, expiring at the Shareholders' meeting called to approve the 2014 Financial Statements.

The Shareholder Pinto asked to clarify the reason for this proposal. The Chairman explained that the Shareholder Eni stated that the reason is to stagger the expiry of Saipem's and Eni's Boards of Directors, in order to preclude an outgoing Eni Board having to participate in nominating a new Board for Saipem.

Nobody else having asked leave to speak, the Chairman:

- established and declared that no. 1,314 Shareholders were in attendance, in person or through proxies, representing no. 321,735,229 shares, equal to 72.91% of the ordinary capital;
- called a ballot (via remote control) on the proposal to establish the duration of the Board of Directors' mandate.

The proposal was approved by a majority of votes in favour by no. 1,290 Shareholders representing no. 320,726,975 shares, no. 3 Shareholders against representing no. 22,875 shares, no. 13 Shareholders abstained representing no. 694,479 shares, no. 8 Shareholders did not vote representing no. 290,900 shares (see Annex 4 for details of voting).

The Chairman moved on to address item 5.

5. Appointment of Board Directors

The Chairman read out the Board of Directors' report and the resolution proposal on this item:

Directors' Report

"Messrs. Shareholders,

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

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

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

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

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

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

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

Size of the Board of Directors:

- *The Board of Directors considers the current number of Directors, equal to nine, to be appropriate. It is the maximum number provided by the Articles of Association.*
- *The Board also considers appropriate the current ratio between Executive*

Directors (1), Non-Executive Directors (2) and Non-Executive Independent Directors (6).

Professional profiles deemed appropriate for the new Board of Directors:

The Chairman:

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

The C.E.O. should:

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

The other seven Directors:

- *Four out of seven professional profiles should have gained managerial experience*

at listed companies of similar size, international presence and business/management complexity as Saipem.

These professional profiles should include the following expertise:

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

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

These professional profiles should include the following expertise:

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

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

All Directors should have adequate knowledge of the English language.

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

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

Resolution Proposal

“Messrs. Shareholders,

You are invited

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

The Chairman informed the meeting the Shareholder Eni S.p.A. presented the following list of candidates to the office of Board Director of Saipem S.p.A. (List 1):

- Francesco CARBONETTI (independent)
- Umberto VERGINE
- Fabrizio BARBIERI
- Enrico LAGHI (independent)
- Rosario BIFULCO (independent)
- Nella CIUCCARELLI (independent)

The Shareholders AcomeA Sgr Spa and others presented the following joint list of

candidates to the office of Board Director of Saipem S.p.A. (List 2):

- Guido GUZZETTI (independent)
- Nicla PICCHI (independent)
- Federico FERRO-LUZZI (independent)

In compliance with the provision of the Articles of Association, the Shareholders presenting lists have:

- filed the lists at the Company's registered office 25 days prior to the Shareholders' meeting first call.

The lists had been made available to the public at the Company's registered office, at Consob, and on Saipem's website, in compliance with the terms of the Law;

- filed the following for each candidate: a declaration stating acceptance of their candidature; a declaration stating that no cause exists for ineligibility, incompatibility or forfeiture as provided by the Law, current regulations and the Articles of Association; a declaration stating that they meet the integrity requirements provided for by art. 147-quinquies of Legislative Decree 58/98; a declaration stating they are aware of the limits of cumulation of offices set by the Board of Directors and that they are not on any other list of candidates vis-à-vis today's Shareholders' meeting; their up-to-day CVs.

The list also contains declarations by the candidates stating that they meet the independence requirements set by Legislative Decree 58/98 and art. 3 of the Corporate Governance Code;

- filed copies of certificates stating ownership of:
 - by ENI S.p.A. of no. 189,423,307 shares representing 42.92% of the ordinary share capital of Saipem S.p.A.
 - by the Shareholders AcomeA Sgr SpA and others of no. 5,726,502 shares representing 1.298% of the ordinary share capital of Saipem S.p.A.

The Chairman opened the discussion on this item.

The Shareholder Croce asked leave to speak. He asked for clarification on the principles of authority and independence required of the Chairman upon his first appointment, as stated in the document “Saipem’s Board of Directors advice for shareholders on the size and composition of the new BoD” prepared by the outgoing Board of Directors. The Chairman answered the Shareholder providing clarification.

Nobody else having asked leave to speak, the Chairman:

- established and declared that no. 1,314 Shareholders were in attendance, in person or through proxies, representing no. 321,735,229 shares, equal to 72.91% of the ordinary capital;
- called a ballot (via remote control) on the proposal for the appointment of Board of Directors.

The Chairman asked the meeting to proceed with the Appointment of Board Directors by voting the lists that had been presented, using the remote control within one minute from the beginning of each vote. After one minute the voting will close.

He reminded the meeting that, for the appointment of Board Directors, the Shareholders, or representatives, holding proxies may:

- vote in favour of one of the lists utilising button 1 (for list 1) or button 2 (for list 2);
- or
- vote against all lists presented;
- or
- abstain from voting for any list.

The Chairman informed that:

- Voting in favour of List 1: no. 15 Shareholders representing no. 193,672,608

shares.

- Voting in favour of List 2: no. 1,262 Shareholders representing no 126,292,498 shares.
- Against: no. 27 Shareholders representing no. 1,527,693 shares.
- Abstentions: no. 10 Shareholders representing no. 242,430 shares.

(see Annex 5 for details of voting).

The Chairman advised that the voting had resulted in the appointment of the following Board Directors of the Company:

- Francesco CARBONETTI-F.C.CRBFNC41B06M082W (independent)
- Umberto VERGINE - F.C. VRGMRT57A07F025M
- Fabrizio BARBIERI - F.C. BRBFRZ59L23G337T
- Enrico LAGHI - F.C. LGHNRC69B23H501Z (independent)
- Rosario BIFULCO - F.C. BFLRSR54P14F839D (independent)
- Nella CIUCCARELLI - F.C. CCCNLL69M52A944W (independent)
- Guido GUZZETTI - F.C. GZZGDU55P21F205M (independent)
- Nicla PICCHI - F.C. PCCNCL60L52E738H (independent)
- Federico FERRO-LUZZI - F.C. FRRFRC68P22H501C (independent)

The Chairman moved on to address item 6.

6. Appointment of the Chairman of the Board of Directors

The Chairman read out the Board of Directors' report and the resolution proposal on this item:

Directors' Report

“Messrs. Shareholders,

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

Resolution Proposal

“Messrs. Shareholders,

You are invited

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

The Chairman opened the discussion and asked if anybody wanted leave to speak.

The Shareholder Eni, represented by Massimo Cipolletta, took the floor and proposed to appoint Francesco Carbonetti Chairman of the Board of Statutory Auditors.

Nobody else having asked leave to speak, the Chairman:

- established and declared that no. 1,313 Shareholders were in attendance, in person or through proxies, representing no. 321,725,229 shares, equal to 72.90% of the ordinary capital;
- called a ballot (via remote control) on the proposal for the appointment of the Chairman of the Board of Directors.

The proposal was approved by a majority of votes in favour by no. 1,282 Shareholders representing no. 320,034,800 shares, no. 6 Shareholders against representing no. 390,811 shares, no. 17 Shareholders abstained representing no. 1,008,718 shares, no. 8 Shareholders did not vote representing no. 290,900 shares (see Annex 6 for details of voting).

The Chairman informed the meeting that voting had resulted in the appointment of Francesco Carbonetti as Chairman of the Board of Directors, with powers decreed by law and the Articles of Association.

The Chairman moved on to address item 7.

7. Establishing the remuneration of Board Directors.

The Chairman read out the Board of Directors' report and the resolution proposal on this item:

Directors' Report

"Messrs. Shareholders,

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

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

The Compensation and Nomination Committee has ascertained that this exemption also applies to subsidiary companies.

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

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

Resolution Proposal

"Messrs. Shareholders,

You are invited

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

The Chairman opened the discussion and asked if anybody wanted leave to speak.

The Shareholder Eni took the floor and proposed to set the gross annual remuneration of each Director at €60,000, plus expenses.

The Shareholder Pinto took the floor and asked that the last paragraph of the Directors' Report, which stated that the remuneration should be in line with the benchmark of comparable companies, be deleted in view of the negative results attained by the Company. The Chairman ruled this request inadmissible, as the Company did not receive a request to add/amend items on the meeting agenda.

Nobody else having asked leave to speak, the Chairman:

- established and declared that no. 1,313 Shareholders were in attendance, in person or through proxies, representing no. 321,725,229 shares, equal to 72.90% of the ordinary capital;
- called a ballot (via remote control) on the proposal to establish the remuneration of Board Directors.

The proposal was approved by a majority of votes in favour by no. 1,274 Shareholders representing no. 318,395,363 shares, no. 12 Shareholders against representing no. 971,118 shares, no. 19 Shareholders abstained representing no. 2,067,848 shares, no. 8 Shareholders did not vote representing no. 290,900 shares (see Annex 7 for details of voting).

The Chairman moved on to address item 8.

8. Appointment of Statutory Auditors

The Chairman read out the Board of Directors' report and the resolution proposal on this item:

Directors' Report

“Messrs. Shareholders,

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

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

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

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

Lists are lodged, presented and published in compliance with the procedures regulating the appointment of Board Directors detailed in art. 19 of the Articles of Association and Consob Issuers’ Regulations. Furthermore, lists may be presented only by shareholders who, individually or jointly, hold shares amounting to at least 1% of shares with vote entitlement at the Ordinary Shareholders’ Meeting”.

Resolution Proposal

“Messrs. Shareholders,

You are invited

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

The Chairman informed the meeting the Shareholder Eni S.p.A. presented the following list of candidates to the office of Statutory Auditor and Alternate Auditor of Saipem S.p.A. (List 1):

Statutory Auditors:

- Anna GERVASONI
- Massimo INVERNIZZI

Alternate Auditor :

- Elisabetta Maria CORVI

The Shareholders AcomeA Sgr Spa and others presented the following joint list of candidates to the office of Statutory Auditor and Alternate Auditor of Saipem S.p.A., divided in two parts (List 2):

Statutory Auditor:

- Mario BUSSO

Alternate Auditor :

- Paolo Domenico SFAMENI

In compliance with the provision of the Articles of Association, the Shareholders presenting lists have:

- filed the lists at the Company’s registered office in compliance with the terms of the Law.

The lists had been made available to the public at the Company's registered office, at Consob, and on Saipem's website;

- filed the following for each candidate: a declaration stating acceptance of their candidature; a declaration stating that no cause exists for ineligibility, incompatibility or forfeiture and the Articles of Association; a declaration stating that they meet the integrity, independence and professional requirements as provided by the Law and current regulations; a declaration stating they are aware of the limits of cumulation of offices set by the Board of Directors and that they are not on any other list of candidates vis-à-vis today's Shareholders' meeting; their up-to-day CVs.

For all Shareholders other than the majority Shareholders, lists included declarations stating that there were no relations, as per art. 144 – quinquies of Issuers' Regulations, with Shareholders owning, on their own or jointly, a controlling share or a relative majority;

- filed copies of certificates stating ownership of:
 - by ENI S.p.A. of no. 189,423,307 shares representing 42.92% of the ordinary share capital of Saipem S.p.A.
 - by AcomeA Sgr SpA and others of no. 5,726,502 shares representing 1.298% of the ordinary share capital of Saipem S.p.A.

The Chairman pointed out that 3 Statutory Auditors and 2 Alternate Auditors will be appointed from the above lists.

The Chairman opened the discussion on this item. Nobody having asked leave to speak, the Chairman:

- established and declared that no. 1,313 Shareholders were in attendance, in person or through proxies, representing no. 321,725,229 shares, equal to 72.90% of the ordinary capital;

- called a ballot (via remote control) on the proposal for the appointment of Statutory Auditors.

The Chairman asked the meeting to proceed with the Appointment of Statutory Auditors by voting the lists that had been presented, using the remote control within one minute from the beginning of each vote. After one minute the voting will close.

He reminded the meeting that, for the appointment of Statutory Auditors, the Shareholders, or representatives, holding proxies may:

- vote in favour of one of the lists utilising button 1 (for list 1) or button 2 (for list 2);
or
- vote against all lists presented;
or
- abstain from voting for any list.

The Chairman informed that:

- Voting in favour of List 1: no. 18 Shareholders representing no. 194,269,867 shares.
- Voting in favour of List 2: no. 1,256 Shareholders representing no 126,331,296 shares.
- Against: no. 24 Shareholders representing no. 856,345 shares.
- Abstentions: no. 12 Shareholders representing no. 235,620 shares
- Did not vote: no. 3 Shareholders representing no. 32,101 shares.

(see Annex 8 for details of voting).

The Chairman advised that the voting had resulted in the appointment of the following Statutory Auditors:

Statutory Auditors:

- Anna GERVASONI - F.C. GRVNNA61M58F205A

- Massimo INVERNIZZI - F.C. NVRMSM60E11F205D
- Mario BUSSO - F.C. BSSMRA51C01L219D

Alternate Auditors:

- Elisabetta Maria CORVI - F.C. CRVLBT57R55F205B
- Paolo Domenico SFAMENI - F.C. SFMPDM65S25F205J

The Chairman moved on to address item 9.

9. Appointment of Chairman of the Board of Statutory Auditors

The Shareholder Eni leaves the meeting.

The Chairman read out the Board of Directors' report and the resolution proposal on this item:

Directors' Report

"Messrs. Shareholders,

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

Resolution Proposal

"Messrs. Shareholders,

you are invited

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

The Chairman opened the discussion on this item.

Nobody having asked leave to speak, the Chairman:

- established and declared that no. 1,312 Shareholders were in attendance, in person or through proxies, representing no. 132,301,922 shares, equal to 29.98% of the ordinary capital;

- called a ballot (via remote control) on the proposal for the appointment of the Chairman of the Board of Statutory Auditors, in compliance with art. 27 of the Articles of Association and art. 148, paragraph 2 bis of Law 58/98.

The proposal was approved by a majority of votes in favour by no. 1,287 Shareholders representing no. 131,364,892 shares, no. 3 Shareholders against representing no. 168,397 shares, no. 13 Shareholders abstained representing no. 476,233 shares, no. 9 Shareholders did not vote representing no. 292,400 shares (see Annex 9 for details of voting).

The Chairman moved on to address item 10.

10. Establishing the remuneration of Statutory Auditors and of the Chairman of the Board of Statutory Auditors

The Shareholder Eni re-joins the meeting.

The Chairman read out the Board of Directors' report and the resolution proposal on this item:

Directors' Report

"Messrs. Shareholders,

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

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

Resolution Proposal

"Messrs. Shareholders,

You are invited

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

The Chairman opened the discussion on this item. The Shareholder Eni took the floor and proposed to set the gross annual remuneration of the Chairman of the Board of Statutory Auditors and that of the Statutory Auditors at €70,000 and €50,000 respectively, plus expenses.

The Shareholder Pinto took the floor and commented against this proposal, since this remuneration would be an increase on previous years.

Nobody else having asked leave to speak, the Chairman:

- established and declared that no. 1,313 Shareholders were in attendance, in person or through proxies, representing no. 321,725,229 shares, equal to 72.90% of the ordinary capital;
- called a ballot (via remote control) on the proposal to establish the remuneration of the Statutory Auditors and that of the Chairman of the Board of Statutory Auditors, proposed by the Shareholder Eni (€50,000 and €70,000 respectively, plus expenses).

The proposal was approved by a majority of votes in favour by no. 1,278 Shareholders representing no. 318,685,607 shares, no. 10 Shareholders against representing no. 760,688 shares, no. 17 Shareholders abstained representing no. 1,988,034 shares, no. 8 Shareholders did not vote representing no. 290,900 shares (see Annex 10 for details of voting).

The Chairman moved on to address item 11.

11. Additional fees to the External Auditors

The Chairman read out the justified proposal on this item:

Justified Proposal

“Messrs. Shareholders,

External Auditors Reconta Ernst & Young SpA in their letter dated February 26, 2014 requested payment of additional fees in excess of those paid to cover the audit of the statutory and consolidated Financial Statements of Saipem S.p.A. for the year 2013. Additional fees relate to the performance of additional work which exceeded the audit of accounts, as approved by the Shareholders’ meeting on April 26, 2010. This additional work could not have been foreseen at the time of the mandate based on the original proposal put forward by the External Auditors on March 2, 2010.

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

This required the implementation of the following additional procedures:

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

The above resulted in the firm carrying out additional studies, analyses, and

processes which could not have been foreseen in the original proposal. These resulted in the performance of additional work, which has been estimated to amount to a total of 2,354 man-hours, corresponding to a fee of €239,124.

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

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

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

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

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

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

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

These additional audit activities regarded:

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

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

This additional work, which could not have been foreseen at the time of the original offer, amounted to a total of 2,502 additional man-hours, corresponding to €273,000. This amount includes a reduction of €1,405 relating to audit activities on branches of Saipem S.p.A., which had been included in the original offer.

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

For each of the 7 relevant branches:

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

For each of the 8 less relevant branches:

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

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

The Board of Statutory Auditors, having had confirmation from the relevant Company functions that the financial request put forward by the External Auditors is in line with the quantity and quality of the work performed, the professional competence of their personnel and market rates, proposes that the Shareholders' meeting approve additional audit fees for the year 2013 of € 512,000 payable to External Auditors Reconta Ernst & Young as per their proposals”.

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

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

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

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

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

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

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

Additional fees for the procurement audit of companies operating in Canada and

Mexico:

<u>Category</u>	<u>Hrs</u>	<u>Mix</u> <u>(%)</u>	<u>Hrs</u>	<u>Hourly rate</u>	<u>Euro</u>
Partner	485	10.00%		144.96	70,233
Manager	1,696	35.00%		89.28	151,397

Senior	1,454	30.00%	51.84	75,349
Staff	1,211	25.00%	26.88	32,558
	<u>4,845</u>			<u>329,537</u>

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Companies involved in these audits from 2013 are:

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

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

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

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

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

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

- Saipem SA
- Saipem (Portugal) Comercio Maritimo
- Saipem Canada Inc.
- Snamprogetti Saudi Arabia Ltd.
- Saipem Contracting Nigeria Ltd.
- ER SAI Caspian Contractor Llc

- Saipem Limited Ltd
- Saipem do Brasil Servic. De Petrol. Ltda
- Petrex SA
- Saipem Offshore Norway AS
- Saipem Drilling Norway AS
- Global Petroproject Services AG SA Ltd
- PT Saipem Indonesia
- Saipem International BV
- Snamprogetti Netherlands BV

These focused on the following activities:

- 1) Obtaining from the company a copy of the company's organigram, authorization matrix and power matrix; ascertain that the documentation met the requirements of Group Management System Guidelines (MSG);
- 2) Obtaining a copy of the "risk map" and the minutes of Board of Directors' meeting at which the Model was approved;
- 3) Obtaining copies of the minutes of Board of Directors' and Shareholders' meetings held during the year; ascertain, from a formal standpoint, that all resolutions complied with the incorporation deed and the company's Articles of Association;
- 4) Obtaining copies of minutes of Board of Directors' and Shareholders' meetings held during the year, and the documentation supporting the minutes (if any); ascertain that all supporting documentation met the minutes of meeting and resolutions;
- 5) Obtaining copies of minutes of Compliance Committee meetings held during the year; list dates when the work was carried out and matters under discussion;
- 6) Obtaining copies of reports issued by Saipem's INAU department; list items they

had audited and their findings;

- 7) the Co-ordination Corporate Team gathered information and results achieved by the individual audit teams involved in the agreed procedures;
- 8) the Co-ordination Corporate Team prepared a presentation of all work performed and related findings.

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

Agreed audits on subsidiaries:

<u>Category</u>	<u>Hrs</u>	<u>Mix Hrs (%)</u>	<u>Hourly rate</u>	<u>Euro</u>
Partner	192	10.00%	144.96	27,832
Manager	676	35.00%	89.28	60,309
Senior	579	30.00%	51.84	30,015
Staff	483	25.00%	26.88	8,145
	<u>1,930</u>			<u>(1,301)</u>
				<u>125,000</u>

The Board of Statutory Auditors, having had confirmation from the relevant Company functions that the financial request put forward by the External Auditors is in line with the quantity and quality of the work performed, the professional competence of their personnel and market rates, is in favour of recognising additional audit fees to the External Auditors, for the aforementioned work not related to the legal audit of accounts”.

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

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You are therefore invited to approve additional fees for the year 2013 to the

External Auditors Reconta Ernst & Young amounting to a total of €1,399,890 (512,000 + 887,890)”.

The Chairman opened the discussion on this item. The Shareholder Pinto took the floor and stated that this same audit firm audited Saipem’s accounts in the early nineties and he seemed to recall that it had been the subject of a judiciary enquiry; however, he could not provide further details. He then expressed his misgivings over the payment of these extra fees.

The Chairman of the Board of Statutory Auditors Mario Busso took the floor and reminded the meeting of the quantity of work carried out by both the Board of Statutory Auditors and the external auditors, on account of the events that have recently affected your Company and stated that he deemed the additional fees to be fair.

Nobody else having asked leave to speak, the Chairman:

- established and declared that no. 1,313 Shareholders were in attendance, in person or through proxies, representing no. 321,725,229 shares, equal to 72.90% of the ordinary capital;
- called a ballot (via remote control) on the proposal relating to the additional fees to the External Auditors.

The proposal was approved by a majority of votes in favour by no. 1,275 Shareholders representing no. 318,594,833 shares, no. 7 Shareholders against representing no. 171,648 shares, no. 19 Shareholders abstained representing no. 2,067,848 shares, no. 12 Shareholders did not vote representing no. 890,900 shares (see Annex 11 for details of voting).

The Chairman moved on to address item 12.

12. New long-term Monetary Incentive Plan

The Chairman read out the Board of Directors’ report and the resolution proposal

on this item:

Directors' Report

“Messrs. Shareholders,

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

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

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

This proposal has been prepared in compliance with art. 114-bis of Law Decree 58/98 of February 24, 1998, and takes into account Consob's provisions for the implementation of compensation plans based on the allocation of financial instruments to Corporate Officers, Employees and Collaborators. The information document provided for by the provisions of art. 84 – bis, of Consob Regulations 11971/99 and subsequent modifications has also been prepared and will be made available under the terms of the law. Please refer to the aforementioned information document for a detailed description of the Plan.

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

The entity of the incentives will be a percentage of the fixed remuneration,

consistent with the following principles of Saipem's compensation policy:

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

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

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

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

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

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

Annual TSR results are measured in terms of positioning against a peer group of six

major international competitors by capitalization in the Oil Services Industry, namely Technip, JGC, Subsea7, Transocean, Petrofac and Samsung Engineering”.

Resolution Proposal

“Messrs. Shareholders,

You are invited

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

The Chairman opened the discussion on this item.

Umberto Vergine, answering the question posed by the Shareholder Pinto, confirmed that this Incentive Plan shall also apply to the current CEO.

Nobody else having asked leave to speak, the Chairman:

- established and declared that no. 1,313 Shareholders were in attendance, in person or through proxies, representing no. 321,725,229 shares, equal to 72.90% of the ordinary capital;
- called a ballot (via remote control) on the proposal relating to the new long-term monetary incentive plan.

The proposal was approved by a majority of votes in favour by no. 1,211 Shareholders representing no. 313,663,925 shares, no. 74 Shareholders against representing no. 5,182,420 shares, no. 16 Shareholders abstained representing no. 1,987,984 shares, no. 12 Shareholders did not vote representing no. 890,900 shares (see Annex 12 for details of voting).

The Chairman moved on to address item 13.

13. Remuneration Report: remuneration policy

The Chairman read out the Board of Directors' report and the resolution proposal on this item, reminding the meeting that one of the reports had been read out earlier by the Chairman of the Compensation and Nomination Committee Gabriele Galateri di Genola:

Directors' Report

“Messrs. Shareholders,

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

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

Resolution Proposal

“Messrs. Shareholders,

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

The Chairman opened the discussion on this item.

Nobody having asked leave to speak, the Chairman:

- established and declared that no. 1,313 Shareholders were in attendance, in person or through proxies, representing no. 321,725,229 shares, equal to 72.90% of the

ordinary capital;

- called a ballot (via remote control) on the proposal to express a consultative vote on the first section of the Remuneration Report.

The proposal was approved by a majority of votes in favour by no. 1,221 Shareholders representing no. 314,239,467 shares, no. 59 Shareholders against representing no. 4,316,540 shares, no. 20 Shareholders abstained representing no. 2,276,622 shares, no. 13 Shareholders did not vote representing no. 892,600 shares (see Annex 13 for details of voting).

Before closing the meeting, the Chairman reminded the meeting once again of the extraordinary work carried out by the Board of Statutory Auditors, the Board of Directors, the External Auditors and the CEO Mr. Vergine over the last year to manage the extraordinary events that interested the Company.

The Chairman stressed that Saipem's industrial model is still current and the Company maintains a good, sometimes excellent, competitive positioning for highly complex projects in a continuously evolving market, which represent Saipem's core business.

Finally the Chairman thanked all attendees for their precision in posing the questions and for their trust.

He declared the Annual General Shareholders meeting closed at 16.00 hrs.

The Secretary

(Mr. Domenico Avondola)

the Chairman

(Mr. Alberto Meomartini)