

**SAIPEM S.p.A.**  
**ORDINARY SHAREHOLDERS' MEETING**  
**APRIL 30, 2015**

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

**1) STATUTORY FINANCIAL STATEMENTS AT DECEMBER 31, 2014 OF SAIPEM S.P.A. RELEVANT DELIBERATIONS. PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AT DECEMBER 31, 2014. REPORTS BY THE BOARD OF DIRECTORS, THE STATUTORY AUDITORS AND THE EXTERNAL AUDITORS.**

**2) ALLOCATION OF RESULT.**

“Messrs. Shareholders,

You are invited to approve Saipem’s Statutory Financial Statements at December 31, 2014, which recorded a net profit for the year of € 70,350,916.70.

The Company’s policies provide for the distribution of a third of Group result and since the Saipem Group recorded a loss of €230 million, we propose:

- to distribute a dividend for savings shares in circulation on the ex-coupon date amounting to 5% of the nominal share price, i.e. €0.05 per savings share, pursuant to art. 6 of Articles of Association;
- 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 20, 2015; ex-coupon date: May 18, 2015; record date: May 19, 2015”.

**SAIPEM S.p.A.**  
**ORDINARY SHAREHOLDERS' MEETING**  
**APRIL 30, 2015**

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

**3) ESTABLISHING THE NUMBER OF BOARD DIRECTORS**

“Messrs. Shareholders,

The mandate of the current Board Directors, granted by the Shareholders' meeting of May 6, 2014, will expire at the General Shareholders' Meeting called to approve the 2014 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”.

**SAIPEM S.p.A.**  
**ORDINARY SHAREHOLDERS' MEETING**  
**APRIL 30, 2015**

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

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

“Messrs. Shareholders,

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

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

**RESOLUTION PROPOSAL**

“Messrs. Shareholders,

You are invited to appoint the Board Directors for the years 2015, 2016 and 2017; their mandate shall expire on the day the Shareholders approve the Financial Statements as at December 31, 2017”.

**SAIPEM S.p.A.**  
**ORDINARY SHAREHOLDERS' MEETING**  
**APRIL 30, 2015**

Report by the Board of Directors on item 5 of the Meeting Agenda.

**5) APPOINTMENT OF BOARD DIRECTORS**

“Messrs. Shareholders,

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

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

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

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

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

Pursuant to the Articles of Association, the appointment must comply

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

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

### **Preliminary remarks**

The Board of Directors of Saipem S.p.A. carried out the Board-review for its first and only year's mandate with the support of the external consulting firm Egon Zehnder, in compliance with art. 1 (Application Criteria) of the Corporate Governance Code of listed companies.

Taking into account:

- that the Board's mandate expires with the approval of the 2014 financial statements,
- the positive outcome of the self-review that examined the operation of the Board and its Committees, as well as their size and composition,
- elements such as professional competencies, experience and gender of its members, in addition to their length of service,

in view of the renewal of the Board and in compliance with the directions of the Corporate Governance Code, the Board of Directors provides, through the Chairman, the following advice to the Shareholders on the qualitative and quantitative profile of the new Board. Specifically:

- Size
- Composition

### **Size**

All Board Directors:

- consider the current number of directors (9 members) to be appropriate;
- consider the current ratio between Independent (7) and non-independent Directors (2) to be appropriate.

### **Composition**

- All Board Directors wish for continuity for the next Board of Directors through the re-appointment of a significant number of members, so as to ensure stability and a return on investments made for their induction and training.
- Board Directors are aware of the need to increase by at least one person the number of Directors from the least represented gender on the Board, in line with the relevant legal regulations.

Among their competencies and experience, they recommend:

- Maintaining the following competencies already present:
  - Legal competencies;
  - Financial and administrative competencies.
- Strengthening:
  - Sector specific competencies - EPC and/or Oil&Gas;
  - Managerial and international experience;
  - Previous experience on the Board of highly-complex listed companies.

This strengthening could occur through the appointment of a single Board member having the aforementioned competencies and

experience.

- The figure of a Chairman to complement in terms of experience and competencies that of the CEO (well in line with the current one).

### **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”.



**SAIPEM S.p.A.**  
**ORDINARY SHAREHOLDERS' MEETING**  
**APRIL 30, 2015**

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

**6) APPOINTMENT OF THE CHAIRMAN OF THE BOARD OF DIRECTORS**

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

**RESOLUTION PROPOSAL**

“Messrs. Shareholders,

You are invited

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

**SAIPEM S.p.A.**  
**ORDINARY SHAREHOLDERS' MEETING**  
**APRIL 30, 2015**

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

**7) ESTABLISHING THE REMUNERATION OF BOARD  
DIRECTORS**

“Messrs. Shareholders,

we remind the Shareholders that currently the gross remuneration for each Director is €60,000 per annum, plus expenses.

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

**RESOLUTION PROPOSAL**

“Messrs. Shareholders,

You are invited

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

**SAIPEM S.p.A.**  
**ORDINARY SHAREHOLDERS' MEETING**  
**APRIL 30, 2015**

Report by the Board of Directors on item 8 of the Meeting Agenda.

**8) APPOINTMENT OF AN ALTERNATE AUDITOR.**

“Messrs. Shareholders,

on January 14, 2015, Mrs Elisabetta Corvi resigned from the office of Alternate Auditor. She had been elected from the list presented by the shareholder Eni.

The Shareholders' Meeting is called to reconstitute the Board of Statutory Auditors. Pursuant to art. 27 of the Articles of Association, list-based voting shall not apply; conversely, the Shareholders' meeting shall resolve this appointment through a legal majority.

This appointment shall also comply with the gender balance requirements provided by Law 120 of July 12, 2011”.

**RESOLUTION PROPOSAL**

“Messrs. Shareholders,

You are invited

to reconstitute the Board of Statutory Auditors with the appointment of an Alternate Auditor who will remain in office until the Shareholders' Meeting convened to approve the Financial Statements at December 31, 2016, by voting one of the proposals put forward at the Shareholders' Meeting”.

**SAIPEM S.p.A.**  
**ORDINARY SHAREHOLDERS' MEETING**  
**APRIL 30, 2015**

Proposals on item 9 of the Meeting Agenda.

**9) ADDITIONAL FEES TO THE EXTERNAL AUDITORS.**

“Messrs. Shareholders,

External Auditors Reconta Ernst & Young SpA in their letters dated January 15 and February 23, 2015 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 2014. 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.

**Fees for additional audit services related to the financial year ended on December 31, 2014.**

This additional work was carried out mainly in response to changes in the market context, which resulted in extended audit procedures in respect of the statutory and consolidated Financial Statements of Saipem S.p.A. at December 31, 2014.

Specifically, the oil price reduction and the downturn of Saipem share price required the performance of the following additional procedures:

- in-depth analysis of the impairment test for Group cash generating units;
- extension of audit procedures of impairment test carried out by the Company to all Group cash generating units;
- extension of audit procedures related to the legal audit of statutory and consolidated financial statements at December 31, 2014 and in respect of the mandate detailed in the original proposal;
- audit of disclosure procedures for the statutory and consolidated Financial Statements at December 31, 2014 and related information vis-à-vis the impairment test.

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 2,667 man-hours, corresponding to a fee of €205,408.

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

<u>Category</u>	<u>hrs</u>	<u>Mix hrs (%)</u>	<u>Hourly rate</u>	<u>Euro</u>
Partner	554	20.77%	144.96	80,307.84
Manager	894	33.52%	89.28	79,816.32
Senior	822	30.82%	51.84	42,612.48
Staff	397	14.89%	26.88	10,671.36
	<u>2,667</u>			<u>213,408.00</u>
			<i>Reduction</i>	<u>(8,000,00)</u>
				<u>205,408,00</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 €205,408.

**Fees for additional audit services of Saipem Branches related to the financial year ended on December 31, 2014.**

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 financial year ended December 31, 2014.

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

- Relevant branches: Abu Dhabi, Iraq, Norway, Kazakhstan, Kuwait and Russia-Filanosky;
- Less relevant branches: Bulgaria, Croatia, Mauritania, Suriname, Russia-Anapa, Turkey.

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;
- Specific audit procedures on significant accounting items for the branch financial statements at December 31, 2014.

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 €19,156. This amount includes

a reduction of €1,406 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 6 relevant branches:

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

For each of the 6 less relevant branches:

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

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

The Board of Statutory Auditors, having had confirmation from the relevant Company functions that the financial request put forward by the External Auditors is in line with the quantity and quality of the work performed, the professional competence of their personnel and market rates, proposes that the Shareholders' meeting approve additional audit fees for the year 2014 of € 424,564 payable to External Auditors Reconta Ernst & Young as per their proposals”

Conversely, with regard to Reconta Ernst & Young proposals for additional increases that Saipem received on December 12, 2014 and February 24, 2015, 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 Reconta Ernst & Young, 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:

- in 2014, 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 2014 are:

- Saipem Do Brasil
- Saipem Ltd

The aforementioned companies were added to the other subsidiaries of



Saipem S.p.A. which were already considered relevant for the purposes of the audit of the internal control system of Eni S.p.A., namely:

- 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**

Man-hours and fees pertaining to this additional work are as follows:

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

<u>Category</u>	<u>hrs</u>	<u>Mix hrs (%)</u>	<u>Hourly rate</u>	<u>Euro</u>
Partner	72	10.00%	144.96	10,408.13
Manager	251	35.00%	89.28	22,436.06
Senior	215	30.00%	51.84	11,166.34
Staff	180	25.00%	26.88	4,824.96
	<u>718</u>			<u>48,835.49</u>

- Following the significant deficiency found in 2013, Saipem SpA launched a series of corrective measures which resulted in Reconta Ernst & Young SpA performing the following additional activities:
  - 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”.

Furthermore, consistently with actions taken in recent years and in consideration of the 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, it was deemed expedient to set up a specific additional programme called “*Fraud Risk Work Program*” for all subsidiaries of Saipem S.p.A., which also involved checks on sub-contractor identified by whistle-blowers.

### **Man-hours and fees**

Man-hours and fees pertaining to the aforementioned additional work are as follows:

*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	50	10.00%	144.96	7,248
Manager	175	35.00%	89.28	15,624
Senior	150	30.00%	51.84	7,776
Staff	125	25.00%	26.88	3,360
	<u>500</u>			<u>34,008</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	32	16.2%	144.96	4,566.24
Manager	110	41.7%	89.28	9,843.12
Senior	95	30.8%	51.84	4,898.88
Staff	79	11.3%	26.88	2,116.80
	<u>315</u>			<u>21,425.04</u>

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

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

identified by whistle-blowers:

<u>Category</u>	<u>Hrs</u>	<u>Mix Hrs (%)</u>	<u>Hourly rate</u>	<u>Euro</u>
Partner	201	10.00%	144.96	29,136.96
Manager	704	35.00%	89.28	62,808.48
Senior	603	30.00%	51.84	31,259.52
Staff	503	25.00%	26.88	13,507.20
	<u>2,010</u>			<u>136,712.12</u>

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

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	243	10.00%	144.96	35,254.27
Manager	851	35.00%	89.28	75,995.14
Senior	730	30.00%	51.84	37,822.46
Staff	608	25.00%	26.88	16,343.04
	<u>2,432</u>			<u>165,414.91</u>

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

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
- Saipem do Brasil Servic. De Petrol. Ltda
- Petrex SA

- Saipem Offshore Norway AS
- Saipem Drilling Norway AS
- Global Petroprojects 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	220	10.00%	144.96	31,891.20
Manager	770	35.00%	89.28	68,745.60
Senior	660	30.00%	51.84	34,214.40
Staff	550	25.00%	26.88	14,784.00
	<u>2,200</u>			<u>149,635.20</u>
			Discount	<u>19,635.20</u>
				<u>130,000.00</u>

Total fees: €36,396.

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 recognises additional audit fees to the External Auditors Reconta Ernst & Young of €36,396 for the year 2014, as per the proposal put forward by the external auditors.

~ ~ ~ ~ ~

You are therefore invited to approve additional fees for the year 2014 to the External Auditors Reconta Ernst & Young amounting to a total of €60,960 (536,396 + 424,564)".

**SAIPEM S.p.A.**  
**ORDINARY SHAREHOLDERS' MEETING**  
**APRIL 30, 2015**

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

**10) REMUNERATION REPORT: REMUNERATION POLICY**

“Messrs. Shareholders,

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

Pursuant to paragraph 6 of art. 123 ter of Law 58/98, the Shareholders' meeting is called to express its opinion on 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”.

**SAIPEM S.p.A.**  
**ORDINARY SHAREHOLDERS' MEETING**  
**APRIL 30, 2015**

Report by the Board of Directors on item 11 of the Meeting Agenda.

**11) NEW LONG-TERM MONETARY INCENTIVE PLAN.**

“Messrs. Shareholders,

the long-term Monetary Incentive Plan 2015-2017 (Plan), maintaining its objectives of improving alignment with shareholders’ interests in the medium-long term and measuring long-term profitability on the capital invested, provides for, like the Incentive Plan introduced in 2014, two performance indicators: i) “total shareholder return” linked to the share price performance and measured against a peer group panel and ii) “ROACE”.

This Plan 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 three monetary incentives from October 2015 onwards, which shall be paid out after the three-year vesting period, subject to the Plan criteria and conditions.

The Plan will end in 2020 with the payment of the 2017 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 remuneration.

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



1. “total shareholder return” (TSR) 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 2015-2017 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 employed;
- to grant the CEO all necessary powers to implement this resolution, including the identification of beneficiaries and approval of Plan Implementation Regulations”.