

The Italian text prevails over the English translation.

SAIPEM S.p.A.

Extraordinary Shareholders' Meeting

April 28, 2017

REPORT BY THE BOARD OF DIRECTORS ON ITEM 1 OF THE MEETING AGENDA

*(pursuant to art. 125-ter of Legislative Decree no. 58 dated February 24, 1998
and art. 72 of Consob Regulation no. 11971 dated May 14, 1999)*

- 1. Reverse split of Ordinary and Savings Shares of Saipem S.p.A., in the ratio of 1 new ordinary share for 10 existing ordinary shares and 1 new savings share for 10 existing savings shares. Amendment to article 5 of the Articles of Association. Relevant resolutions.***

Messrs Shareholders,

The Board of Directors of Saipem S.p.A. ("**Saipem**" or the "**Company**"), at their meeting on March 16, 2017, resolved to submit for your approval a reverse split of Company shares ("**Reverse Split**"), thereby reducing the number of shares in circulation.

The aim of this report ("**Report**"), prepared in compliance with art. 72 and Table 3 of Annex 3A of Consob resolution no. 11971 dated May 14, 1999, and subsequent amendments, is to provide you with the necessary information to resolve on item 1 of the Extraordinary Meeting Agenda.

This Report shall be sent to CONSOB and made available to the public at the Company's registered office, at www.saipem.com and at Borsa Italiana S.p.A. under the terms of the law.

1. Reverse split of Ordinary and Savings Shares of Saipem S.p.A., in the ratio of 1 new ordinary share for 10 existing ordinary shares and 1 new savings share for 10 existing savings shares. Amendment to article 5 of the Articles of Association. Relevant resolutions.

1. Reasons underpinning this proposal

The Company's share capital amounts to €2,191,384,693, comprising no. 10,109,774,396 shares, all without par value, of which no. 10,109,668,270 are ordinary shares and no. 106,126 are savings shares.

A reverse split operation does not affect the value of a shareholding in a listed company. In fact, it reduces the number of existing shares and simultaneously increases their value, without affecting the overall counter-value of the holdings, all other conditions remaining unchanged. Conversely, this operation enables a reduction of the number of existing shares, facilitating the administrative management of the Shareholders' portfolio, and removing the potentially negative perception typically associated with stocks trading at below one euro per share.

These are the reasons why we propose that today's Shareholders' Meeting approve the reverse split of ordinary and savings shares, all without par value, in the ratio of 1 new ordinary share for 10 existing ordinary shares and 1 new savings share for 10 existing savings shares.

Following this Reverse Split, the number of ordinary shares will be reduced from 10,109,668,270 to 1,010,966,827 and the number of savings shares from 106,126 to 10,612, all without par value. For this purpose, 6 savings shares will have to be cancelled. However, this cancellation shall not imply a reduction in the share capital, as all shares are without par value. The cancellation of 6 savings shares shall imply an increase in value of the residual shares.

The Reverse Split shall be carried out in compliance with all applicable regulations by the authorized intermediaries of the central system managed by Monte Titoli S.p.A. Shareholders will not incur any fees or charges.

To enable the holders of a number of ordinary or savings shares, which are not a multiple of 10, to receive a whole number of new ordinary shares and/or savings shares and to manage the units remaining after the reverse split, the Company shall provide the shareholders - through the intermediaries of the system Monte Titoli SpA - with a service for the purchase of missing fractions of new shares or the sale of surplus shares, required to reach a whole number of new shares.

The sale of fractions of ordinary and/or savings shares will be made at the official market price, without additional fees or commission for shareholders and in accordance with the technical instructions issued during the execution of the transaction.

The Reverse Split operation shall take place within the time frame and with the methods that will

be agreed upon with Borsa Italiana S.p.A. and other competent authorities, but no later than June 30, 2017.

2. Group Incentive Plans

With regard to the current stock-based incentive plans approved by Saipem Shareholders, the Board of Directors will adjust the number of shares and their terms of allocation, applying corrections to ensure that conditions remain the same as those at the time of allocation.

The number of treasury shares currently held to service incentive plans is 71,061,344.

3. Right to convert savings shares into ordinary shares

Since the Reverse Split covers both ordinary and savings shares, with the same ratio of 1 new share for every 10 existing shares, the operation does not affect the right of conversion of savings shares into ordinary shares granted by the Extraordinary General Meeting on December 16, 1998, at par, with no time limit and completely free of charge.

4. Amendments to the Articles of Association and right of withdrawal

Following the Reverse Split operation, article 5 of Saipem's Articles of Association will be amended to reflect the new number of shares representing the Company's share capital.

Current Text	Proposed Text
<p>Article 5</p> <p>The corporate capital amounts to € 2,191,384,693 (two billion one hundred and ninety-one million three hundred and eighty-four thousand six hundred and ninety-three) comprising no. 10,109,774,396 (ten billion one hundred and nine million seven hundred and seventy-four thousand three hundred and ninety-six) shares without par value; of which no. 10,109,668,270 (ten billion one hundred and nine million six hundred and sixty-eight thousand two hundred and seventy) are ordinary shares, and no. 106,126 (one hundred and six thousand one hundred and twenty-six) are savings shares.</p> <p>Savings shares may be issued by both capital increase and by converting shares from other</p>	<p>Article 5</p> <p>The corporate capital amounts to € 2,191,384,693 (two billion one hundred and ninety-one million three hundred and eighty-four thousand six hundred and ninety-three) comprising no. 1.010.977.439 (one billion ten million nine hundred and seventy seven thousand four hundred and thirty nine) 10,109,774,396 (ten billion one hundred and nine million seven hundred and seventy four thousand three hundred and ninety six) shares without par value; of which no. 1.010.966.827 (one billion ten million nine hundred and sixty six thousand eight hundred and twenty seven) 10,109,668,270 (ten billion one hundred and nine million six hundred and sixty eight thousand two hundred and seventy)</p>

<p>categories; the issue of savings shares, which are convertible but have the same characteristics as ordinary shares, does not require formal approval by Savings Shareholders' Meetings.</p>	<p>are ordinary shares, and no. 10.612 (ten thousand six hundred and twelve) 106,126 (one hundred and six thousand one hundred and twenty six) are savings shares.</p> <p>Savings shares may be issued by both capital increase and by converting shares from other categories; the issue of savings shares, which are convertible but have the same characteristics as ordinary shares, does not require formal approval by Savings Shareholders' Meetings.</p>
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The above amendments to the Articles of Association do not entitle absent, abstaining or dissenting Shareholders to the right of withdrawal.

Furthermore, the above amendments to the Articles of Association are not subject to approval by the Savings Shareholders' Meeting pursuant to article 146, paragraph 1, letter b) of Legislative Decree 58/1998, as they do not affect the rights of savings shares.

5. Resolutions proposed to the approval of the Shareholders' Meeting

In light of the above, the Board of Directors shall submit the following resolutions for your approval:

“Having evaluated the Report by the Board of Directors prepared in compliance with article 72 of CONSOB Regulation no. 11971 dated May 14, 1999 and subsequent amendments, the Extraordinary Shareholders' Meeting

resolves

- i) to approve the Reverse Split of Ordinary and Savings Shares in circulation, all without par value, in the ratio of 1 new ordinary share with regular enjoyment for 10 ordinary shares of Saipem S.p.A. held, and 1 new savings share with regular enjoyment for 10 existing savings shares of Saipem S.p.A. held, subject to the cancellation of the minimum number of shares necessary to enable the overall tally of the operation without reducing the share capital;
- ii) to grant the Board of Directors and, the Chairman and the CEO on its behalf, severally and having recourse to proxies if necessary, within the limits set by Law, all powers to implement this resolution, in all its parts, in order to carry out the Reverse Split operation, including but not limited to:
 - the power to set the timing of the reverse split, based on the technical requirements of and in agreement with the relevant parties involved, but no later than June 30, 2017;
 - the right to cancel the minimum number of shares necessary to enable the overall tally of the operation, not exceeding the maximum number of 6 savings shares of Saipem S.p.A.,

- to provide the shareholders - through the intermediaries of the system Monte Titoli SpA – with a service for the purchase of missing fractions of new shares or the sale of surplus shares, required to hold a whole number of new ordinary and/or savings shares.

iii) to amend article 5 of Saipem’s Articles of Association as follows:

“Article 5 - The corporate capital amounts to € 2,191,384,693 (two billion one hundred and ninety-one million three hundred and eighty-four thousand six hundred and ninety-three) comprising no. 1.010.977.439 (one billion ten million nine hundred and seventy seven thousand four hundred and thirty nine) shares without par value; of which no. 1.010.966.827 (one billion ten million nine hundred and sixty six thousand eight hundred and twenty seven) are ordinary shares, and no. 10.612 (ten thousand six hundred and twelve) are savings shares.

Savings shares may be issued by both capital increase and by converting shares from other categories; the issue of savings shares, which are convertible but have the same characteristics as ordinary shares, does not require formal approval by Savings Shareholders’ Meetings”.

iv) to grant the Board of Directors and, the Chairman and the CEO on its behalf, severally and having recourse to proxies if necessary, all powers to implement the aforementioned resolutions, to amend the resolutions as required by the relevant Authorities and generally to put in place all deeds required to implement the resolutions, using any power to this end, no powers excluded, including the filing the revised Articles of Association with the relevant Companies’ Register”.

..*.*

San Donato Milanese, March 16, 2017

On behalf of the Board of Directors

The Chairman

Paolo Andrea Colombo

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Extraordinary Shareholders' Meeting

April 28, 2017

REPORT BY THE BOARD OF DIRECTORS ON ITEM 2 OF THE MEETING AGENDA

*(pursuant to art. 125-ter of Legislative Decree no. 58 dated February 24, 1998
and art. 72 of Consob Regulation no. 11971 dated May 14, 1999)*

- 2. Proposal to amend the following Articles of Association: article 7 (shareholder capacity), article 12 (Shareholders' Meeting, single call), article 19 and 21 last paragraph (reference to direction and co-ordination), article 22 (Board of Directors' meetings held via tele-conference link) and article 27 (appointment of the Chairman of the Board of Statutory Auditors). Relevant resolutions.*

Messrs Shareholders,

The Board of Directors of Saipem S.p.A. ("**Saipem**" or the "**Company**"), at their meeting on March 16, 2017, resolved to submit for your approval the amendments to the following Articles of Association: article 7 (shareholder capacity), article 12 (Shareholders' Meeting, single call), articles 19 and 21 last paragraph (reference to direction and co-ordination), article 22 (Board of Directors' meetings held via tele-conference link) and article 27 (appointment of the Chairman of the Board of Statutory Auditors).

The aim of this report ("**Report**"), prepared in compliance with art. 72 and Table 3 of Annex 3A of Consob resolution no. 11971 dated May 14, 1999, and subsequent amendments, is to provide you with the necessary information to resolve on item 2 of the Extraordinary Meeting Agenda.

This Report shall be sent to CONSOB and made available to the public at the Company's registered office, at www.saipem.com and at Borsa Italiana S.p.A. under the terms of the law.

2. Proposal to amend the following Articles of Association: article 7 (shareholder capacity), article 12 (Shareholders' Meeting, single call), article 19 and 21 last paragraph (reference to direction and co-ordination), article 22 (Board of Directors' meetings held via tele-conference link) and article 27 (appointment of the Chairman of the Board of Statutory Auditors). Relevant resolutions.

1. Reasons underpinning this proposal

The amendments to the Articles of Association of the Company proposed in this Report are required to achieve compliance with some changes in the regulations, with the Company's corporate governance and the discontinued direction and coordination by another listed company.

The proposed amendments concern the following articles:

- **Article 7:** the amendments proposed for this article, which regulates the way resolutions affect the Shareholders, conform with the wording adopted by major listed companies;
- **Article 12:** the current Article provides, as a general rule, that the ordinary and extraordinary Shareholders' Meeting be held following more than one call, making a use of the single call discretionary by the Board of Directors.
That wording was introduced in 2011 to ensure the implementation of the provisions of Legislative Decree no. 27 dated January 27, 2010 (implementing EC Directive 2007/36 "Shareholders' Rights") which, in amendment of the first paragraph of art. 2369 of the Italian Civil Code, established the right to resort to a single call instead of subsequent calls. Afterwards, Legislative Decree. no. 91 dated June 18, 2012 (the "Corrective Decree") further amended the first paragraph of art. 2369 of the Italian Civil Code, stipulating, as a general rule, the single call, unless provided otherwise in the Articles of Association.
To align the Articles of Association to the new legal provisions as well as for reasons of simplification and greater certainty about the date of the Shareholders' meeting, it is proposed to amend Article 12 of the Articles of Association, by providing that the Ordinary and Extraordinary General Meeting be held generally in a single call; nevertheless, the Board of Directors retains the right to use more than one call, if it deems it expedient, with the majorities required by law for this purpose in each case.
From 2014, all ordinary and extraordinary Shareholders' Meetings were held following a single call.
- **Articles 19 and 21 (last paragraph)** – Saipem's shareholding structure changed following the implementation of the Shareholders' Agreement that provided for "*Saipem to be subject to the joint control by Eni and FSI*". Consequently, on January 22, 2016, Saipem ceased to be subject to the direction and coordination by another listed company, pursuant to art. 2497 and subsequent amendments of the Italian Civil Code and art. 37 of Consob Market Regulations.
The provisions of the Articles of Association that refer to the direction and coordination by another listed company shall stand only when applicable, in particular those requiring:
 - that the majority of Directors comply with the independence requirements set by Consob, pursuant to art. 37 of Market Regulations, for Directors of listed companies subject to the direction and coordination of another listed company (art. 19 of the Articles of Association);
 - that Directors inform the Board of Directors not only of those operations in which they have an interest, but also those operations that are subject to the influence of the controlling party (art. 21 last paragraph).
- **Article 22** - the proposed amendment allows Board meetings to be held not only by videoconference, but also via other teleconferencing systems, under art. 2388 first paragraph of the Italian Civil Code, including an audio link. However, all participants must be able to

identify themselves and follow the discussion, examine, receive and transmit documents and intervene in real time and participate in the discussions.

- **Article 27:** the purpose of the amendment is to confirm that, when a Board of Statutory Auditors comprising of three statutory auditors is appointed, the Shareholders' Meeting appoints as Chairman the only statutory auditor elected from the minority list, pursuant to art. 148 of Legislative Decree 58/98.

2. Amendments to the Articles of Association and right of withdrawal

The text of the current Articles of Association is hereafter compared to the amended text proposed.

Current Text	Proposed Text
<p>Article 7 Shareholders will unconditionally accept the Company Articles of Association as well as all resolutions passed by the General Shareholders' Meeting, including those passed before becoming a shareholder.</p>	<p>Article 7 Shareholders will unconditionally accept the Company Articles of Association as well as all resolutions passed by the General Shareholders' Meeting, including those passed before becoming a shareholder. Resolutions taken by the Shareholders' Meeting, pursuant to the law and these Articles of Association, are binding for all Shareholders, including non-attending or dissenting Shareholders.</p>
<p>Article 12 The Shareholders' Meeting is called via a notification to be published on Saipem's website in addition to methods and contents required by Consob Regulations, and in compliance with the Law and current legislation. Ordinary and Extraordinary Shareholders' Meetings are usually held following more than one call; the relevant resolutions are taken in each case with the majorities required by Law. The Board of Directors may elect, whenever it is deemed necessary, to hold Ordinary and</p>	<p>Article 12 The Shareholders' Meeting is called via a notification to be published on Saipem's website in addition to methods and contents required by Consob Regulations, and in compliance with the Law and current legislation. Ordinary and Extraordinary Shareholders' Meetings are usually held following more than one in single call; the relevant resolutions are taken in each case with the majorities required by Law. The Board of Directors may elect, whenever it is deemed necessary, to hold</p>

<p>Extraordinary Shareholders' Meetings following a single call. In this case, the majorities required by Law shall apply.</p>	<p>Ordinary and Extraordinary Shareholders' Meetings following a single call more than one call; the resolutions in first, second or third call are taken in each case with —In this case, the majorities required by Law shall apply.</p>
<p>Article 19</p> <p>The Company is managed by a Board of Directors comprising a minimum of 5 (five) and a maximum of 9 (nine) members. The Shareholders' Meeting sets the number of Directors within the aforementioned parameters.</p> <p>The Directors' maximum term of office is 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. However, Directors can be returned.</p> <p>The Shareholders' Meeting appoints the Board of Directors from voting lists, in which candidates are allocated a progressive number. Lists shall be lodged with the Company at the registered headquarters, in person or remotely in the manner indicated in the notice calling the meeting, at least twenty five days prior to the Shareholders' meeting called to appoint the members of the Board of Directors (first or single call) and made available to the public, pursuant to the Law and the regulations issued by Consob, at least twenty one days prior to the date of the Shareholders' meeting (first or single call).</p>	<p>Article 19</p> <p>The Company is managed by a Board of Directors comprising a minimum of 5 (five) and a maximum of 9 (nine) members. The Shareholders' Meeting sets the number of Directors within the aforementioned parameters.</p> <p>The Directors' maximum term of office is 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. However, Directors can be returned.</p> <p>The Shareholders' Meeting appoints the Board of Directors from voting lists, in which candidates are allocated a progressive number. Lists shall be lodged with the Company at the registered headquarters, in person or remotely in the manner indicated in the notice calling the meeting, at least twenty five days prior to the Shareholders' meeting called to appoint the members of the Board of Directors (first or single call) and made available to the public, pursuant to the Law and the regulations issued by Consob, at least twenty one days prior to the date of the Shareholders' meeting (first or single call).</p>

Each Shareholder may present, or participate in presenting, only one list and vote only for one list, in compliance with the Law and applicable regulations.

Each candidate may appear in one list only, otherwise they will be deemed ineligible.

Lists may be presented by shareholders who, individually or with others, are holders of shares amounting to at least 2% of the share capital or other amount decreed by Consob regulations. Legal ownership of the minimum shareholding required to present a list is based on the number of shares registered as owned by the Shareholder on the day of filing with the Company. The relevant documentation may be produced after filing, but before the Company is required to publish the lists.

At least one Director if the Board comprises a maximum of seven members, or at least three Directors, if the Board comprises more than seven members, shall meet the independence requirement in compliance with current legislation applicable to Statutory Auditors of listed companies.

The majority of Directors must also comply with the independence requirements decreed by regulations set by Consob for Board Directors of listed companies subject to the control of another listed company.

Lists shall only contain candidates that meet the aforementioned independence requirement.

All candidates must also meet the integrity requirements provided by current legislation.

Lists which contain three or more candidates must include candidates of different genders, as specified in the notice of the General

Each Shareholder may present, or participate in presenting, only one list and vote only for one list, in compliance with the Law and applicable regulations.

Each candidate may appear in one list only, otherwise they will be deemed ineligible.

Lists may be presented by shareholders who, individually or with others, are holders of shares amounting to at least 2% of the share capital or other amount decreed by Consob regulations. Legal ownership of the minimum shareholding required to present a list is based on the number of shares registered as owned by the Shareholder on the day of filing with the Company. The relevant documentation may be produced after filing, but before the Company is required to publish the lists.

At least one Director if the Board comprises a maximum of seven members, or at least three Directors, if the Board comprises more than seven members, shall meet the independence requirement in compliance with current legislation applicable to Statutory Auditors of listed companies.

Should the Company be subject to the direction and co-ordination of another listed company, the majority of Directors must also comply with the independence requirements decreed by the applicable regulations. ~~set by Consob for Board Directors of listed companies subject to the control of another listed company.~~

Lists shall only contain candidates that meet the aforementioned independence requirement.

All candidates must also meet the integrity requirements provided by current legislation.

Shareholders' Meeting, in order to comply with current gender balance legislation. Since the number set by law of representatives of the least represented gender is at least three, the lists for the appointment of the Board of Directors must include at least two candidates of the least represented gender in the list.

For any list to be deemed eligible, it must be lodged along with the candidates' professional résumés, their statements accepting the nomination and their declaration that there are no grounds for ineligibility and/or incompatibility, and that they meet the integrity and/or independence requirements.

The appointed Directors undertake to inform the Company if they cease to meet the integrity and independence requirements and/or if causes for ineligibility or incompatibility arise.

The Board of Directors periodically assesses the independence and integrity of Directors and that there are no causes for ineligibility and incompatibility. Should a Director fail to meet the independence and integrity requirements that are provided by current legislation, or should causes for ineligibility and incompatibility exist, the Board of Directors shall declare the appointment void and provide for their replacement, or ask that they terminate the cause for incompatibility by a set date on pain of dismissal.

Directors shall be elected as follows:

a) seven tenths of Directors to be appointed (the number will be rounded down if necessary) will be selected from the list which receives the majority of votes from the Shareholders' Meeting, in the order in which

Lists which contain three or more candidates must include candidates of different genders, as specified in the notice of the General Shareholders' Meeting, in order to comply with current gender balance legislation. Since the number set by law of representatives of the least represented gender is at least three, the lists for the appointment of the Board of Directors must include at least two candidates of the least represented gender in the list.

For any list to be deemed eligible, it must be lodged along with the candidates' professional résumés, their statements accepting the nomination and their declaration that there are no grounds for ineligibility and/or incompatibility, and that they meet the integrity and/or independence requirements.

The appointed Directors undertake to inform the Company if they cease to meet the integrity and independence requirements and/or if causes for ineligibility or incompatibility arise.

The Board of Directors periodically assesses the independence and integrity of Directors and that there are no causes for ineligibility and incompatibility. Should a Director fail to meet the independence and integrity requirements that are provided by current legislation, or should causes for ineligibility and incompatibility exist, the Board of Directors shall declare the appointment void and provide for their replacement, or ask that they terminate the cause for incompatibility by a set date on pain of dismissal.

Directors shall be elected as follows:

a) seven tenths of Directors to be appointed (the number will be rounded down if

they are listed;

b) the remaining Directors will be selected from the other lists, provided they are not in any way, not even indirectly, linked with the shareholders who have presented or voted for the list that has obtained the majority of votes; therefore, votes obtained for each list will be successively divided by one, two, three and so on, until the number of remaining Directors to be appointed has been reached. The ratios obtained will be progressively attributed to candidates of each list, in the order attributed to each candidate within that list. Candidates will be classified in decreasing order according to their respective ratios, and those who have received the higher ratios will be appointed. In the event that more than one candidate obtains the same ratio, the candidate on the list with no Director yet appointed or on the list with the lowest number of Directors appointed will be elected. If these lists have yet to elect a Director, or if they have already appointed an equal number of Directors, the candidate on the list with the highest number of votes will be appointed. In case of another tie, the Shareholders' Meeting will vote again, but only amongst the candidates under ballot, and the candidate who receives the majority of votes will be elected;

c) should this procedure fail to appoint the minimum number of independent Directors required by the Articles of Association, the ratio of votes is calculated for each candidate from all lists, by dividing the number of votes obtained by each list by order number of each candidate; non-independent candidates who

necessary) will be selected from the list which receives the majority of votes from the Shareholders' Meeting, in the order in which they are listed;

b) the remaining Directors will be selected from the other lists, provided they are not in any way, not even indirectly, linked with the shareholders who have presented or voted for the list that has obtained the majority of votes; therefore, votes obtained for each list will be successively divided by one, two, three and so on, until the number of remaining Directors to be appointed has been reached. The ratios obtained will be progressively attributed to candidates of each list, in the order attributed to each candidate within that list. Candidates will be classified in decreasing order according to their respective ratios, and those who have received the higher ratios will be appointed. In the event that more than one candidate obtains the same ratio, the candidate on the list with no Director yet appointed or on the list with the lowest number of Directors appointed will be elected. If these lists have yet to elect a Director, or if they have already appointed an equal number of Directors, the candidate on the list with the highest number of votes will be appointed. In case of another tie, the Shareholders' Meeting will vote again, but only amongst the candidates under ballot, and the candidate who receives the majority of votes will be elected;

c) should this procedure fail to appoint the minimum number of independent Directors required by the Articles of Association, the ratio of votes is calculated for each candidate

have received the lowest ratios in all lists are replaced, starting from the lowest one, by independent candidates appearing in the same list as the replaced candidate (in order of appearance), or by independent candidates appointed in accordance with the procedure under letter d). In the event of candidates from different lists having achieved the same ratio, the candidate from the list which has appointed the greater number of Directors will be replaced by the candidate from the list that obtained the smaller number of votes, and in case of lists having received the same number of votes, with the candidate who will have obtained the fewer votes by the Shareholders' meeting in an ad-hoc ballot;

c-bis) should procedures under *a*) and *b*) fail to comply with gender balance legislation, the ratio of votes is calculated for each candidate from all lists, by dividing the number of votes obtained by each list by order number of each of said candidates; the candidate of the most represented gender with the lowest ratio amongst candidates from all lists is replaced, notwithstanding the minimum number of independent Directors, by a candidate of the least represented gender with the higher order number in the same list (if any), or by a candidate appointed as per the procedure under letter *d*). In the event of candidates from different lists having obtained the same minimum ratio, the candidate from the list which has appointed the greater number of Directors will be replaced by the candidate from the list that obtained the smaller number of votes, and in case of lists having received

from all lists, by dividing the number of votes obtained by each list by order number of each candidate; non-independent candidates who have received the lowest ratios in all lists are replaced, starting from the lowest one, by independent candidates appearing in the same list as the replaced candidate (in order of appearance), or by independent candidates appointed in accordance with the procedure under letter d). In the event of candidates from different lists having achieved the same ratio, the candidate from the list which has appointed the greater number of Directors will be replaced by the candidate from the list that obtained the smaller number of votes, and in case of lists having received the same number of votes, with the candidate who will have obtained the fewer votes by the Shareholders' meeting in an ad-hoc ballot;

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the same number of votes, with the candidate who will have obtained the fewer votes by the Shareholders' meeting in an ad-hoc ballot;

d) to elect Directors, who for any reason have not been appointed through the aforementioned procedures, the Shareholders' Meeting will vote according to the majority procedure as provided by law, to ensure that the composition of the Board of Directors complies with the Law and the Articles of Association.

This voting procedure from lists is only applicable whenever the entire Board of Directors is replaced.

The Shareholders' meeting may vary the number of Directors during their term in office and within the limitations imposed by paragraph 1 of this article, and shall proceed with their appointment. The term of office for Directors so appointed will cease simultaneously with the term of Directors already serving at the time of their appointment.

Should one or more Directors become unavailable during the course of the year, the others shall attend to their replacement pursuant to art. 2386 of the Italian Civil Code.

Should the majority of Directors become unavailable, the entire Board of Directors shall resign and the Shareholders' Meeting will be called immediately by the outgoing Board in order to elect a new one. However, appointments must always comply with the minimum number of independent Directors and current gender balance legislation.

The Board of Directors may set up internal

Directors will be replaced by the candidate from the list that obtained the smaller number of votes, and in case of lists having received the same number of votes, with the candidate who will have obtained the fewer votes by the Shareholders' meeting in an ad-hoc ballot;

d) to elect Directors, who for any reason have not been appointed through the aforementioned procedures, the Shareholders' Meeting will vote according to the majority procedure as provided by law, to ensure that the composition of the Board of Directors complies with the Law and the Articles of Association.

This voting procedure from lists is only applicable whenever the entire Board of Directors is replaced.

The Shareholders' meeting may vary the number of Directors during their term in office and within the limitations imposed by paragraph 1 of this article, and shall proceed with their appointment. The term of office for Directors so appointed will cease simultaneously with the term of Directors already serving at the time of their appointment.

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Should the majority of Directors become unavailable, the entire Board of Directors shall resign and the Shareholders' Meeting will be called immediately by the outgoing Board in order to elect a new one. However, appointments must always comply with the

<p>Committees to perform consultative and propositive roles on specific subjects.</p>	<p>minimum number of independent Directors and current gender balance legislation.</p> <p>The Board of Directors may set up internal Committees to perform consultative and propositive roles on specific subjects.</p>
<p>Article 21</p> <p>The Board of Directors shall appoint the Chairman, if the Shareholders' Meeting has not done so; it shall also appoint a Secretary, who need not be a Director.</p> <p>The Chairman:</p> <ul style="list-style-type: none"> - represents the Company; - chairs Shareholders' meetings; - calls and chairs Board of Directors' meetings, sets the agenda and coordinates its activities; - ensures that adequate information is provided to the Directors on the items on the agenda; - exercises the powers the Board of Directors has granted him. <p>The Board of Directors may appoint up to two Vice-Chairmen and one or more Managing Directors, and delegate its powers to one or more of its members, setting the powers, limitations and methods of exercise pursuant to art. 2381 of the Italian Civil Code.</p> <p>The Board of Directors can also grant powers to carry out individual operations or categories of activities to employees of the Company or third parties.</p> <p>The Board of Directors may also appoint one or more General Managers, granting them powers at the Chairman's proposal, having ascertained that they meet the integrity requirement pursuant to regulations. Failure to satisfy this requirement shall result in</p>	<p>Article 21</p> <p>The Board of Directors shall appoint the Chairman, if the Shareholders' Meeting has not done so; it shall also appoint a Secretary, who need not be a Director.</p> <p>The Chairman:</p> <ul style="list-style-type: none"> - represents the Company; - chairs Shareholders' meetings; - calls and chairs Board of Directors' meetings, sets the agenda and coordinates its activities; - ensures that adequate information is provided to the Directors on the items on the agenda; - exercises the powers the Board of Directors has granted him. <p>The Board of Directors may appoint up to two Vice-Chairmen and one or more Managing Directors, and delegate its powers to one or more of its members, setting the powers, limitations and methods of exercise pursuant to art. 2381 of the Italian Civil Code.</p> <p>The Board of Directors can also grant powers to carry out individual operations or categories of activities to employees of the Company or third parties.</p> <p>The Board of Directors may also appoint one or more General Managers, granting them powers at the Chairman's proposal, having ascertained that they meet the integrity requirement pursuant to regulations. Failure to satisfy this requirement shall result in</p>

<p>disqualification from the position.</p> <p>The Board of Directors, on the Chairman's proposal and having heard the opinion of the Board of Statutory Auditors, shall appoint a manager charged with preparing the company's financial reports.</p> <p>This manager must be chosen amongst individuals who have carried out the following for at least three years:</p> <ul style="list-style-type: none">a) administrative and control activities in a managerial capacity at listed companies with a share capital exceeding two million euros, in Italy, in other European Union or OCSE member states; orb) legal audits of accounts at the companies, under letter a) orc) having had a professional position in the field of or a university professor teaching finances or accounting; ord) a management position at public or private companies with financial, accounting or control responsibilities. <p>The Board of Directors ensures that the manager charged with preparing the company's financial reports is granted adequate powers and has sufficient means to carry out his/her duties; the Board also ascertains that the administrative and accounting procedures are adhered to.</p> <p>Directors with executive powers ensure that the Company structure, in terms of organisation, administration and accounts, is suited to the nature and size of the company.</p> <p>The Directors inform the Board of Directors and the Board of Statutory Auditors promptly or at least every quarter on company activities,</p>	<p>disqualification from the position.</p> <p>The Board of Directors, on the Chairman's proposal and having heard the opinion of the Board of Statutory Auditors, shall appoint a manager charged with preparing the company's financial reports.</p> <p>This manager must be chosen amongst individuals who have carried out the following for at least three years:</p> <ul style="list-style-type: none">a) administrative and control activities in a managerial capacity at listed companies with a share capital exceeding two million euros, in Italy, in other European Union or OCSE member states; orb) legal audits of accounts at the companies, under letter a) orc) having had a professional position in the field of or a university professor teaching finances or accounting; ord) a management position at public or private companies with financial, accounting or control responsibilities. <p>The Board of Directors ensures that the manager charged with preparing the company's financial reports is granted adequate powers and has sufficient means to carry out his/her duties; the Board also ascertains that the administrative and accounting procedures are adhered to.</p> <p>Directors with executive powers ensure that the Company structure, in terms of organisation, administration and accounts, is suited to the nature and size of the company.</p> <p>The Directors inform the Board of Directors and the Board of Statutory Auditors promptly or at least every quarter on company activities,</p>
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<p>major economic and financial transactions involving the Company or its subsidiaries; in particular they report those operations in which they have an interest, on behalf of themselves or third parties, or those operations that are subject to the influence of the controlling party.</p>	<p>major economic and financial transactions involving the Company or its subsidiaries; in particular they report those operations in which they have an interest, on behalf of themselves or third parties, or those operations that are subject to the influence of the controlling party, whenever present.</p>
<p>Article 22</p> <p>The Chairman calls a Board of Directors' meeting whenever he deems it expedient or a minimum of two Directors request it; the Board of Statutory Auditors can call a Board of Directors' meeting subject to prior notice having been given to the Chairman of the Board of Directors. Should the Chairman be absent or unavailable, this task is taken over by one of the Vice-Chairmen or Managing Directors, if any have been appointed; if unavailable, the Board of Directors' meeting is called by the eldest Director. The notice of meeting must contain information on items for which the meeting was called.</p> <p>The Board of Directors' meeting shall convene at the place indicated in the notice of meeting. The notice is sent out at least five days prior to the meeting by any means available that can certify its receipt; in case of an urgent meeting, notice must be sent out at least 24 hours in advance.</p> <p>The same terms apply to the notice sent to the Statutory Auditors.</p> <p>The Board of Directors may convene by video-conference link, provided that all participants can be identified, they can follow, receive and transmit documents and that they can</p>	<p>Article 22</p> <p>The Chairman calls a Board of Directors' meeting whenever he deems it expedient or a minimum of two Directors request it; the Board of Statutory Auditors can call a Board of Directors' meeting subject to prior notice having been given to the Chairman of the Board of Directors. Should the Chairman be absent or unavailable, this task is taken over by one of the Vice-Chairmen or Managing Directors, if any have been appointed; if unavailable, the Board of Directors' meeting is called by the eldest Director. The notice of meeting must contain information on items for which the meeting was called.</p> <p>The Board of Directors' meeting shall convene at the place indicated in the notice of meeting. The notice is sent out at least five days prior to the meeting by any means available that can certify its receipt; in case of an urgent meeting, notice must be sent out at least 24 hours in advance.</p> <p>The same terms apply to the notice sent to the Statutory Auditors.</p> <p>The Board of Directors may convene by video-or tele-conference link, provided that all participants can be identified, they can follow, receive and transmit documents and that they</p>

<p>participate in the discussion in real time. The meeting is considered to be based where the Chairman and the secretary are present.</p> <p>The Chairman chairs Board of Directors' meetings; should the Chairman be absent or unavailable, meetings are chaired by the eldest Vice-Chairman or, should they be absent or unavailable, by the eldest Managing Director or, should they be absent or unavailable, by the eldest Director.</p>	<p>can participate in the discussion in real time. The meeting is considered to be based where the Chairman and the secretary are present.</p> <p>The Chairman chairs Board of Directors' meetings; should the Chairman be absent or unavailable, meetings are chaired by the eldest Vice-Chairman or, should they be absent or unavailable, by the eldest Managing Director or, should they be absent or unavailable, by the eldest Director.</p>
<p>Article 27</p> <p>The General Shareholders' Meeting appoints the Statutory Auditors and determines their remuneration. The Board of Auditors comprises three statutory; two alternate auditors are also appointed. In order to be appointed, Statutory Auditors must meet the integrity and professionalism requirements set by the relevant regulations, in particular Ministerial Decree 162 of 30/03/2000.</p> <p>For the purposes of the aforementioned decree, the subject matters strictly related to the Company's business are: commercial law, business administration and finance, and so are the engineering, geological and mineral extraction sectors.</p> <p>Statutory Auditors may hold positions as members of administrative and control bodies in other companies; however, these are limited by Consob regulations.</p> <p>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.</p> <p>Lists are lodged, presented and published in compliance with the procedures detailed in art. 19 and Consob regulations in matters of appointment of members of management and control bodies.</p> <p>Each Shareholder may present, or participate in presenting, only one list and vote only for one list, in compliance with the aforementioned legal and regulatory</p>	<p>Article 27</p> <p>The General Shareholders' Meeting appoints the Statutory Auditors and determines their remuneration. The Board of Auditors comprises three statutory; two alternate auditors are also appointed. In order to be appointed, Statutory Auditors must meet the integrity and professionalism requirements set by the relevant regulations, in particular Ministerial Decree 162 of 30/03/2000.</p> <p>For the purposes of the aforementioned decree, the subject matters strictly related to the Company's business are: commercial law, business administration and finance, and so are the engineering, geological and mineral extraction sectors.</p> <p>Statutory Auditors may hold positions as members of administrative and control bodies in other companies; however, these are limited by Consob regulations.</p> <p>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.</p> <p>Lists are lodged, presented and published in compliance with the procedures detailed in art. 19 and Consob regulations in matters of appointment of members of management and control bodies.</p> <p>Each Shareholder may present, or participate in presenting, only one list and vote only for one list, in compliance with the aforementioned legal and regulatory</p>

provisions.

Lists may be presented by voting shareholders who, at the time of the presentation of the list, individually or with others, represent at least to 2% (or other percentage set by the Law or other regulation) of voting shares at the Ordinary Shareholders' Meeting.

Each candidate may appear in only one list, otherwise they will be deemed ineligible.

Lists are divided in two sections: the first concerns candidates to the post of Statutory Auditors, the second the offices of Alternate Auditor. At least the first candidate on each set of lists must have enrolled in the Register of Legal Auditors of Accounts and have practiced as statutory accounts auditor for a minimum of three years.

Lists that, considering both sections, have three or more candidates and are vying for the appointment of the majority of members of the Board of Statutory Auditors must include candidates of different genders under the Statutory Auditors section, as stated in the notice of Shareholders' meeting, in compliance with current gender balance legislation. Should the Alternate Auditors' section be comprised of two candidates, these must also be of different genders.

Two statutory auditors and one alternate auditor will be selected from the list which receives the majority of votes. The remaining statutory auditor and alternate auditor will be selected as per the procedure detailed in art. 19 letter *b*), that applies to each section of all other lists.

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*).

Should the aforementioned procedure fail to comply, for Statutory Auditors, with gender balance legislation, the ratio of votes is calculated for each candidate from the Statutory Auditors' sections of the various lists, by dividing the number of votes obtained by each list by order number of each of said candidates; the candidate of the most represented gender with the lowest ratio amongst candidates from all lists is replaced by a candidate of the least represented gender with the higher order number in the same Statutory Auditors' section list, or from the Alternate Auditors' section of the same list (the replaced Auditor, in this case, shall

provisions.

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replace the Alternate Auditor who replaced him). If this fails to achieve compliance with gender balance legislation, he is to be replaced by a candidate appointed by the Shareholders' meeting through a majority vote as provided by law, to ensure that the composition of the Board of Statutory Auditors complies with the Law and the Articles of Association. In the event of candidates from different lists having obtained the same minimum ratio, the candidate from the list which has appointed the greater number of Statutory Auditors will be replaced by the candidate from the list that obtained the smaller number of votes, and in the case of lists having received the same number of votes, with the candidate who will have obtained the fewer votes by the Shareholders' meeting in an ad-hoc ballot.

In the case of Statutory Auditors not having been appointed in compliance with the above procedures, the Shareholders' meeting shall proceed with the appointments through a majority vote as provided by law, to ensure that the composition of the Board of Statutory Auditors complies with the Law and the Articles of Association.

Should the need arise to replace an Auditor appointed from the list that received the majority of votes, this will be succeeded by the Alternate Auditor chosen from the same list; in case of replacement of an Auditor appointed from another list, this will be succeeded by an Alternate Auditor appointed from the latter.

Should this replacement result in a failure to comply with current gender balance legislation, a Shareholders' meeting shall be promptly called to ensure compliance with the aforementioned legislation.

This voting procedure from lists is only applicable whenever the entire Board of Statutory Auditors is replaced.

Outgoing Auditors can be returned.

The Board of Statutory Auditors convenes, at least every 90 days, by video or teleconference link if required, provided that all participants can be identified, they can follow, receive and transmit documents and that they can participate in the discussion in real time.

The meeting is considered to be based where the Chairman of the Board of Statutory Auditors is attending.

The power to call a Board of Directors' meeting may be exercised individually by each member of the Board of Statutory Auditors;

replace the Alternate Auditor who replaced him). If this fails to achieve compliance with gender balance legislation, he is to be replaced by a candidate appointed by the Shareholders' meeting through a majority vote as provided by law, to ensure that the composition of the Board of Statutory Auditors complies with the Law and the Articles of Association. In the event of candidates from different lists having obtained the same minimum ratio, the candidate from the list which has appointed the greater number of Statutory Auditors will be replaced by the candidate from the list that obtained the smaller number of votes, and in the case of lists having received the same number of votes, with the candidate who will have obtained the fewer votes by the Shareholders' meeting in an ad-hoc ballot.

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the power to call a Shareholders' meeting may be exercised by at least two members of the Board of Statutory Auditors.	the power to call a Shareholders' meeting may be exercised by at least two members of the Board of Statutory Auditors.
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The above amendments to the Articles of Association do not entitle absent, abstaining or dissenting Shareholders to the right of withdrawal.

3. Resolutions proposed to the approval of the Shareholders' Meeting

In light of the above, the Board of Directors shall submit the following resolution to your approval:

“The Extraordinary Shareholders' Meeting of Saipem S.p.A.:

- having evaluated the Report by the Board of Directors prepared in compliance with article 72 of CONSOB Regulation no. 11971 dated May 14, 1999 and subsequent amendments;

resolves

- 1) to approve the amendments to articles 7,12, 19, 21, 22 and 27 of the Articles of Association of Saipem S.p.A. as detailed in the text proposed in the Board of Directors' Report enclosed to these minutes;
- 2) to grant the Board of Directors and, the Chairman and the CEO on its behalf, severally and having recourse to proxies if necessary, all powers to implement the aforementioned resolutions, to amend the resolutions as required by the relevant Authorities and generally to put in place all deeds required to implement the resolutions, using any power to this end, no powers excluded, including the task of filing the revised Articles of Association with the relevant Companies' Register”.

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San Donato Milanese, March 16, 2017

On behalf of the Board of Directors

The Chairman

Paolo Andrea Colombo
