

saipem



2015 Remuneration Report

Mission

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

We entrust our competent and multi-local teams to provide sustainable development for our Company and for the communities where we operate.

Our core values

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

Countries in which Saipem operates

EUROPE

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

AMERICAS

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

CIS

Azerbaijan, Kazakhstan, Russia, Turkmenistan, Ukraine

AFRICA

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

MIDDLE EAST

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

FAR EAST AND OCEANIA

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

saipem



2015
Remuneration Report

Approved by the Board of Directors on March 10, 2015

The Report is published in the 'Corporate Governance' section of Saipem's website
(www.saipem.com)

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Letter from the Chairman of the Compensation and Nomination Committee



Rosario Bifulco

Dear shareholders,

It is my pleasure to present Saipem's 2015 Remuneration Report, which will be submitted at the Shareholders' Meeting. The Report is the result of an intensive effort by the Compensation and Nomination Committee over the course of 2014.

The year saw the definition of the current composition of the Compensation and Nomination Committee, following the election of new management and control bodies at the Shareholders' Meeting held on May 6, 2014. I would like to take this opportunity to thank the previous Committee Chairman, Gabriele Galateri di Genola, as well as the Directors Nicola Greco and Maurizio Montagnese, who during the course of their term maintained a remuneration policy that was consistent with the results achieved by Saipem.

In this specific regard, I note that the non-pay-out of the annual monetary incentive, coupled with the non-award of the deferred monetary incentive reduced the competitiveness of the remuneration package, ensuring that the Company's remuneration policies were in line with the results achieved.

Looking back at 2014, the year saw the Committee evaluate the adequacy and overall consistency of the Remuneration Policy implemented in 2013 and review the Company's results and performance for the purpose of the short- and long-term incentive plans.

The results of the vote on the first section of the 2014 Remuneration Report, which were subjected to thorough analysis by the Committee, confirmed that the policies were appreciated by the shareholders.

The final two meetings of the year focused on the award of the Long-Term Monetary Incentive Plan for Top Management and Critical Managerial Resources, the approval of the Plan Regulations, the analysis of the market positioning of the remuneration package offered to managerial resources and, finally, on activities connected with the annual self-assessment by the Board of Directors and its committees.

With respect to the previous year, the most significant change in the 2015 Remuneration Policy Guidelines – which continue to be oriented towards the objective of creating long-term value for shareholders – is the definition of retention tools designed to protect know-how and ensure continuity in terms of attainment of both short and long-term business objectives. In addition, the new Guidelines envisage the introduction of severance payments of no more than 24 months of fixed remuneration, and the possibility of entering into non-competition agreements, as well as the adoption of clawback mechanisms in keeping with the recommendations contained in the most recent version of the Code of Corporate Governance.

We trust that this Report provides proof of our constant commitment to ensuring proper representation to our shareholders and to the market of the management remuneration strategies Saipem sets in support of its business objectives and in keeping with company values and principles.

I would like to thank the Directors Nella Ciuccarelli and Federico Ferro-Luzzi for the significant contribution they have made to the work of the committee and finally would like to extend a warm welcome to the new members of the Committee.

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

March 10, 2015

the Chairman of the Compensation and Nomination Committee

A handwritten signature in black ink, appearing to read 'R. Bifulco', written in a cursive style.

Introduction

Pursuant to the applicable legislation and regulations¹, this Report, which was approved by the Board of Directors on March 10, 2015 at the proposal of the Compensation and Nomination Committee, defines and illustrates:

- in the first section, the Policy adopted for 2015 by Saipem SpA ('Saipem' or the 'Company') for the remuneration of Directors and Senior Managers with strategic responsibilities², indicating the general aims pursued, the bodies involved and the procedures applied for the adoption and implementation of the Policy. The general principles and Guidelines of Saipem's Remuneration Policy are also used to determine the remuneration policy adopted in companies that are directly or indirectly controlled by Saipem;
- in the second section, the remuneration paid in 2014 to Saipem's Directors, Statutory Auditors and Senior Managers with strategic responsibilities.

The two sections of the Report are preceded by a summary of the main information, which aims to provide the market and investors with a clear and concise picture of the key elements of the 2015 Policy.

The Remuneration Policy described in the first section of this Report was established in line with the most recent edition of the Governance Code for listed companies promoted by the Italian Stock Exchange, approved in July 2014 ('Corporate Governance Code'), which Saipem has adopted³.

The Report also shows shares held in the Company by the Directors, Statutory Auditors and Senior Managers with strategic responsibilities, and contains the information regarding the implementation of the 2014 Long-Term Incentive Plan required by the applicable legislation⁴.

The Report was submitted to Borsa Italiana and was made available to the public at the Company's registered office and on the 'Corporate Governance' section of Saipem's website twenty-one days before the Shareholders' Meeting called to approve the 2014 financial statements and to pass a non-binding resolution with regard to the first section of the Report, in accordance with the applicable legislation⁵.

Information related to share-based remuneration plans currently in force is available in the 'Corporate Governance' section of Saipem's website⁶.

[1] Article 123-ter of the Consolidated Finance Act and Article 84-quater of the Consob Issuers' Regulation (No. 11971 of May 14, 1999 and subsequent amendments and additions).

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

[3] For further information regarding the terms of Saipem's adoption of the Corporate Governance Code, see the 'Corporate Governance' section of the Company website (<http://www.saipem.com>) and the document 'Corporate Governance and Shareholding Structure Report 2014'.

[4] Article 114-bis of Italian Legislative Decree No. 58/1998 and Article 84-bis of the Consob Issuers' Regulations.

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

[6] At: http://www.saipem.com/sites/SAIPEM_it_IT/press/DOCUMENTS-saipem-documents-corporate-governance.page#mpt.

Overview

Saipem's Remuneration Policy is voted on by the Board of Directors on the basis of a proposal submitted by the Compensation and Nomination Committee, which is composed exclusively of Non-Executive, Independent Directors, and is defined in accordance with the Governance Model adopted by the Company and with reference to the recommendations of the Corporate Governance Code. In keeping with the Guidelines set out in the Company's Strategic Plan, this Policy promotes the alignment of the interests of management with the prime objective of creating sustainable value for the shareholders over the medium to long term.

In drafting this Report, the Compensation and Nomination Committee has taken into account the favourable results of the vote⁷ that took place at the Shareholders' Meeting, the feedback received from the shareholders regarding the 2014 Report and the relevant legislative framework, with the aim of ensuring the maximum clarity, completeness and usability of the information provided in the Report.

2015 Remuneration Policy

The Saipem Board of Directors was appointed by the Shareholders' Meeting on May 6, 2014, for a term of one year. The Board's term of office thus expires on the date of the Shareholders' Meeting called to approve the financial statements as at and for the year ended December 31, 2014.

The 2015 Remuneration Policy, which is illustrated in detail in the first section of this document, contains the following Guidelines:

- for the Non-Executive Directors currently holding office, whose term expires on the date of the Shareholders' Meeting called to approve the financial statements as at and for the year ended December 31, 2014, the 2015 Guidelines do not contain any changes with respect to the Policy approved in the previous year, as they reflect the resolutions taken by the Board of Directors on June 11, 2014;
- for the Non-Executive Directors appointed for the new term, the Remuneration Policy Guidelines envisage the definition of remuneration commensurate with the complexity of the role and the significant commitment it requires, in line with market benchmarks;
- for the Non-Executive Directors who will serve on Board Committees, the Guidelines envisage the definition of remuneration commensurate with the complexity of the role and the significant and growing commitment it requires, in line with market benchmarks;
- for the remuneration of the current CEO, the 2015 Guidelines apply the same remuneration structure used in 2014;

- for the remuneration of the CEO due to be appointed following the election of the new Board of Directors, the Guidelines envisage possible variations in the fixed remuneration defined in 2014, in line with market benchmarks and up to a maximum of the relevant market median. In addition, the Guidelines envisage variable remuneration designed to reward performance achieved annually, against objectives set in the previous year, as well as over the medium to long term, through participation in the variable incentive plans established for other Senior Managers with strategic responsibilities. The 2015 Guidelines also envisage the adoption of a Long-Term Monetary Incentive Plan for critical managerial resources for the three-year period 2015-2017. As with the plan approved in 2014, the new plan will use both Total Shareholder Return and ROACE as performance parameters. Since the Plan is linked to the performance of the Saipem share, it will be submitted for approval to the Shareholders' Meeting called to approve the financial statements as at and for the year ended December 31, 2014. The Plan conditions will be detailed in the information document published on the Company website (www.saipem.com) pursuant to the applicable legislation (Article 114-bis of Italian Legislative Decree No. 58/1998 and Consob implementing regulations). Further details of Plan characteristics are given in the 'Long-term variable incentives' section of this Report;
- for the remuneration of Senior Managers with strategic responsibilities, the 2015 Guidelines apply the same remuneration structures established in 2014, with the adoption for the three-year period 2015-2017 of a Long-Term Monetary Incentive Plan for critical managerial resources, as described above in relation to the CEO.

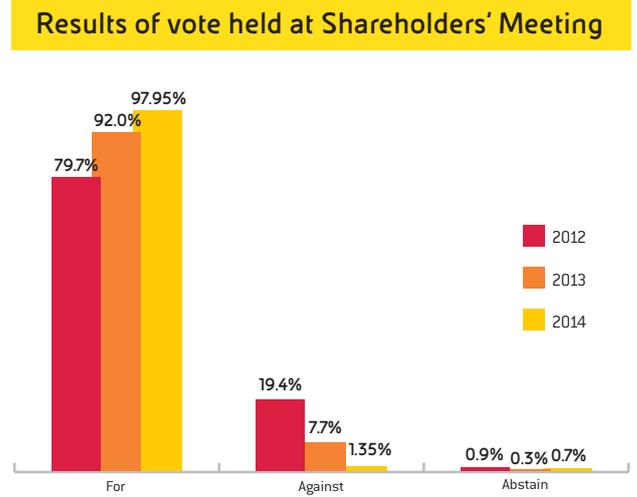
The principal changes compared with 2014 regard the proposal of a remuneration package including additional severance payments for the Chief Executive Officer due to be appointed for the next term, as well as for a number of Senior Managers with strategic responsibilities. The severance package envisages an additional severance payment of two year's fixed remuneration, determined in line with the recommendations of the Corporate Governance Code and the recommendation of the European Commission No. 385 of April 30, 2009, as well as a non-competition agreement that may be triggered by the Board of Directors at the end of the person's term. An additional change with respect to the 2014 Remuneration Policy is the elimination of special bonus payments to the CEO.

The following table shows the main elements of the Guidelines voted on for the remuneration of the CEO and Senior Managers with strategic responsibilities.

[7] In accordance with the applicable legislation (Article 123-ter, paragraph 6 of Italian Legislative Decree No. 58/1998), an advisory vote was held at the Shareholders' Meeting of May 6, 2014 with regard to the first section of the 2014 Remuneration Report. Votes in favour represented 97.95% of the share capital.

2014 Remuneration Report (Section I) - Results of vote at Shareholders' Meeting

In accordance with the applicable legislation (Article 123-ter, paragraph 6 of Italian Legislative Decree No. 58/1998), an advisory vote was held at the Shareholders' Meeting of May 6, 2014 with regard to the first section of the 2014 Remuneration Report. Votes in favour represented 97.95% of the share capital. This represented an increase in favourable votes of 5.93 percentage points compared with 2013.



2015 Remuneration Policy

Component	Aims and characteristics	Conditions for implementation	Amounts
Fixed remuneration	Rewards skills, experience and the contribution demanded by the role assigned.	Verification of pay market positioning using benchmarks suitable for the characteristics of Saipem and with the roles assigned.	CEO: €602,038 per year with possible variations in fixed remuneration in line with market benchmarks, up to a maximum of the relevant market medians. SMSR: remuneration determined on the basis of the role assigned. Adjustments possible based on competitive positioning reviews (market medians).
Annual Variable Incentive Plan	Promotes the achievement of annual budget objectives. All managerial resources are included in the Plan.	2015 objectives of CEO: adjusted EBIT (40%); net financial position (20%); orders acquired (20%); Cost Savings (10%); Sustainability (10%). Objectives of SMSR: defined based on objectives assigned to top management and assigned in relation to area of responsibility. Incentives paid out on the basis of results obtained in the previous year, measured on a performance scale of 70-130 points*, with a minimum threshold for pay-out of 85 points. Clawback in the event of demonstrably incorrect or deliberately altered data, or intentional violations of laws, regulations, the Code of Ethics or Company regulations.	CEO: target level pay-out = 60% of fixed remuneration (minimum 51% and maximum 78%). SMSR: target level pay-out varying based on role assigned, up to a maximum of 40% of fixed remuneration.
Deferred Monetary Incentive Plan (2015-2017 Plan)	Promotes attainment of annual objectives and long-term growth in business profitability. Plan participants: all managerial resources that have achieved their annual objectives.	Awards: based on attainment of annual objectives and on basis of EBITDA results in the previous year measured on a performance scale of 70-130*. EBITDA performance measured against EBITDA value specified in Plan. Incentives paid out as a percentage from 0% to 170% of the amount awarded, determined on the basis of the average annual EBITDA results obtained in the vesting period measured on a performance scale of 70-170*. Three-year vesting period. Clawback in the event of demonstrably incorrect or deliberately altered data, or intentional violations of the law, regulations, the Code of Ethics or Company regulations.	CEO: target level award = 40% of fixed remuneration (minimum 28% and maximum 52%). SMSR: target level award varying based on role assigned, up to a maximum of 25% of fixed remuneration.
Long-Term Monetary Incentive Plan¹ (2015-2017 Plan)	Promotes alignment of management with shareholders' interests and with long-term sustainable value creation. Plan participants: critical managerial resources.	Awards: percentage of Gross Annual Remuneration varying in accordance with the role of the beneficiary. Performance measured in terms of TSR ² (60%) compared with a peer group (Technip, Petrofac, JGC, Subsea 7, Samsung Engineering, and Transocean) and in terms of annual ROACE ² vs. Budget results (40%) over the three-year vesting period. Incentives paid out as a percentage from 0% to 130% of the amount awarded, determined on the basis of the weighted average of scores obtained by annual TSR rankings and average percentage scores obtained for annual ROACE results vs. annual budget over the three-year vesting period measured on the following scales**: TSR: 1 st place (130%); 2 nd place (115%); 3 rd place (100%); 4 th place (85%); 5 th place (70%); 6 th place (0%); 7 th place (0%). ROACE vs. Budget: >+10% (130%); ≤+10%, ≥0% (100%); <0%, ≥-10% (70%); <-10% (0%). Three-year vesting period. Clawback in the event of demonstrably incorrect or deliberately altered data, or intentional violations of the law, regulations, the Code of Ethics or Company regulations.	CEO: target level award up to a maximum of 50% of fixed remuneration. SMSR: target level award varying based on role assigned, up to a maximum of 35% of fixed remuneration.
Benefits	Supplement the remuneration package in accordance with a total reward approach through benefits in kind, mainly of a health and social security nature. Plan participants: all managerial resources.	Conditions set out in the national collective labour agreement and in supplementary company agreements applicable to Senior Managers.	- Supplementary pension fund; - Supplementary healthcare fund; - Insurance coverage; - Company car for business and personal use.
Severance Payments	Severance payments to protect the Company including potential competition risks.	CEO: <i>termination indemnities</i> : non-renewal upon end of office or early termination of office, with the exception of termination for just cause and resignations not caused by demotion; <i>non-competition agreements</i> : may be triggered at the discretion of the Board of Directors upon termination of term. SMSR: <i>termination indemnities</i> : agreed upon consensual termination; <i>severance payments</i> : for cases of Change of Control resulting in resignation or termination and/or demotion; <i>minimum term agreements</i> to protect know-how; <i>non-competition agreements</i> : may be triggered upon termination of employment.	CEO: <i>termination indemnity</i> : two years' fixed remuneration; <i>non-competition agreement</i> : 12 months of fixed remuneration for every year of the agreement. SMSR: <i>termination indemnity</i> : as established by the national collective labour agreement; <i>severance payments</i> : up to a maximum of two years' fixed remuneration. <i>Non-competition agreements/minimum term agreements</i> : up to a maximum of 12 months of fixed remuneration for every year of the agreement.

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

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

[1] Since the Long-Term Monetary Incentive Plan is partially linked to a Total Shareholder Return (TSR) objective calculated based on the performance of the Saipem share against a benchmark peer group, it will be submitted for approval to the Shareholders' Meeting scheduled to be held on April 30, 2015. The Plan conditions are detailed in the information document published on the Company website [www.saipem.com] pursuant to the applicable legislation [Article 114-bis of Italian Legislative Decree No. 58/1998 and Consob implementing regulations].

[2] Total Shareholder Return is an indicator measuring the total return on shareholders' investments, taking into account changes in the share price, and the dividends distributed on the coupon payment date and then reinvested in the share within a given period of time. ROACE is an indicator representing the return on capital employed over a given period of time. It is calculated as the ratio between operating profit after tax and net average capital employed.

Section I - 2015 Remuneration Policy

Governance of the remuneration process

Bodies and persons involved

The Remuneration Policy for members of the Saipem Board of Directors is defined in accordance with the applicable legislation on the Articles of Association, under which:

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

In accordance with the Saipem Governance Model⁸, the Board of Directors is also responsible for:

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

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

Saipem Compensation and Nomination Committee

Composition, appointment and powers

The Compensation Committee, which on February 13, 2012 was renamed the 'Compensation and Nomination Committee', was first established by the Board of Directors in 1999. Committee membership, appointments, tasks and operating procedures are regulated by a specific set of rules approved by the Board of Directors⁹ and published on the Company website¹⁰.

In accordance with the recommendations set out in the most recent version of the Corporate Governance Code, the Compensation and Nomination Committee is made up of three

Non-Executive, Independent Directors. Regulations also require at least one member of the Committee to have adequate knowledge and experience of financial or remuneration matters, as evaluated by the Board at the time of appointment.

Up until the election of new management and control bodies on May 6, 2014, the Committee was composed of the following Non-Executive, Independent Directors: Gabriele Galateri di Genola (Chairman), Nicola Greco and Maurizio Montagnese.

Following the election of new management and control bodies on May 6, 2014, the following Non-Executive Directors, who are all independent pursuant to the applicable legal requirements and the Corporate Governance Code, joined the Committee: Rosario Bifulco (Chairman), Federico Ferro-Luzzi and Nella Ciuccarelli. The Executive Vice President of Human Resources, Organisation and Services, or, in his/her place, the Senior Vice President of Development, Organisation, Compensation and Senior Managers Management, acts as Secretary of the Committee.

The Committee has the following consultative and advisory functions towards the Board of Directors:

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

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

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

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

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

Committee working procedures

The Committee meets as often as necessary to perform its duties, normally on the dates scheduled on the yearly calendar of meetings approved by the Committee itself. The Committee is quorate when at least the majority of its members in office are present and decides with the absolute majority of those in attendance. The Chairman of the Committee convenes and presides over the meetings. The Committee is provided by the Board of Directors with the resources necessary to fulfil its duties of analysis and evaluation, for which it also has the power to access the necessary Company information and departments and, through the Company’s organisational structures, to avail of external advisors in order to obtain an independent judgement. The Chairman of the Board of Statutory Auditors, or a Statutory Auditor designated by the Chairman, attends Committee meetings. Other Statutory Auditors may also participate when the Board is discussing matters for which the Board of Directors is obliged in its resolution to take account of the opinion of the Board of Statutory Auditors. At the request of the Committee Chairman, other persons may also participate in order to provide information and make assessments within their field of competence in relation to individual agenda items. No Director may take part in Committee meetings where proposals are being made to the Board of Directors concerning his/her remuneration.

Activities of the Compensation and Nomination Committee

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

the following steps:

- verifying the adequacy, overall consistency and implementation of the Policy adopted in the previous year in relation to the results achieved and remuneration benchmarks supplied by specialised providers;
- defining Policy proposals for the following year, as well as proposals for performance objectives for short- and long-term incentive plans;
- defining proposals regarding the implementation of the short- and long-term variable incentive plans in place, based on an analysis of the results achieved against the performance objectives established under the plans;
- preparing the Remuneration Report to be submitted annually to the Shareholders’ Meeting following its approval by the Board of Directors;
- examination of the results of voting at the Shareholders’ Meeting with regard to the Policy approved by the Board;
- monitoring of developments in the legal framework and the voting policies of the main proxy advisors, as part of its work to support Policy proposals for the following year.

Activities carried out and planned

In 2014, the Committee convened on a total of 7 occasions, with an average member attendance of 100%.

The Committee focused its activities on the following key remuneration topics: (i) evaluation of the impact of Article 84-ter of Italian Law No. 98 of August 9, 2013; (ii) periodic evaluation of the Remuneration Policy implemented in 2013 (including for the purpose of defining proposed Policy Guidelines for 2014); (iii) definition of the proposed review of the Long-Term Monetary Incentive Plan linked to share price performance, using new performance criteria and a new peer group; (iv) review of the Company’s 2013 results and the definition of 2014 performance

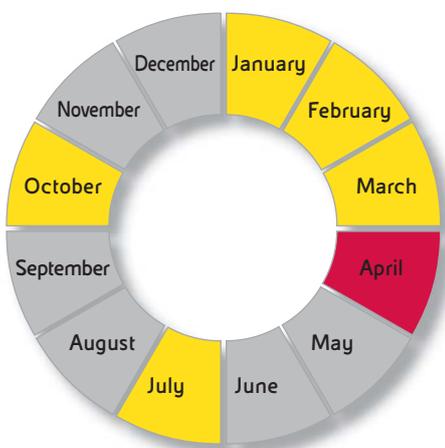
Activities of the Compensation and Nomination Committee

OCTOBER

- Implementation of Long-Term Monetary Incentive Plan
- Activities connected with self-assessment by BoD and its Committees

JULY

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



JANUARY - FEBRUARY

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

MARCH

- Analysis of results and definition of objectives for variable incentive plans
- Preparation of Remuneration Report

APRIL

- Presentation of the Remuneration Report to the Shareholders’ Meeting

Principal issues addressed in 2014

January	1. Assessment of impact of Article 84-ter of Italian Law No. 98 of August 9, 2013
February	1. Remuneration Policy: evaluation of 2013 implementation and 2014 proposal
March	1. Review of 2013 results and definition of 2014 performance objectives
	2. Remuneration of Executive Directors (pursuant to Italian Law No. 98/2013)
	3. Activities connected with Long-Term Monetary Incentive Plan
	4. Examination of 2014 Remuneration Report
	5. 2013 Self-Assessment Report of Board of Directors and recommendations regarding future composition of Board
	6. Remuneration of Internal Audit Manager
April	1. Preparation for 2014 Shareholders' Meeting
June	1. Formulation of proposals for remuneration of CEO, Chairman and Non-Executive Directors serving on Committees
	2. Definition of remuneration of Saipem Compliance Committee
July	1. Review of 2013 results in relation to the Long-Term Monetary Incentive Plan for critical managerial resources
	2. Analysis of results of voting on Remuneration Policy at 2014 Shareholders' Meetings
October	1. 2014 Long-Term Monetary Incentive Plan - 2014 award and approval of Plan Regulations
	2. Activities connected with annual self-assessment of Board of Directors and its committees

objectives in connection with the variable incentive plans; (v) examination of the 2014 Saipem Remuneration Report. Following the election of the new Board of Directors, the new Compensation and Nomination Committee was called to define proposals for the remuneration of Executive Directors for the 2014-2015 term. The proposals were duly formulated taking into account the principles and criteria underpinning the Saipem 2014 Remuneration Policy, as well as national and international market benchmarks for equivalent positions, and were submitted for approval to the meeting of the Board of Directors held on June 11, 2014.

During the second half of the year, the Committee focused on the following issues: (i) the review of 2013 results in relation to the Long-Term Incentive Plan for Top Management and critical managerial resources; (ii) the analysis of results of voting on the Remuneration Policy at Shareholders' Meetings in 2014; (iii) the 2014 award of the Long-Term Incentive Plan for top management and critical managerial resources and the approval of the Plan Regulations; (iv) the annual self-assessment by the Board of Directors and its committees; (v) the definition of the remuneration of the Saipem Compliance Committee. The Committee has scheduled at least 8 meetings in 2015. At the date of approval of this Report, the first four meetings had already been held. These focused on: (i) a proposal to implement the new recommendations concerning remuneration contained in the July 2014 edition of Borsa Italiana's Corporate Governance Code, which the Committee proposed the Board vote to adopt in full; (ii) an assessment of the remuneration policies implemented in 2014 with a view to defining the 2015 Remuneration Policy proposal; (iii) a review of 2014 results and the definition of 2015 performance objectives; (iv) an implementation of variable incentive plans for 2015; (v) a formulation of proposals for the

remuneration of new Directors due to be appointed for the next term; (vi) a definition of the 2015-2017 Long-Term Monetary Incentive Plan linked to share performance and the preparation of the related Information Document for Consob¹¹.

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

2015 Remuneration Policy approval process

In accordance with its remit, at meetings of January 22, February 13, February 26 and March 2, 2015, the Compensation and Nomination Committee defined the structure and content of the Remuneration Policy described in this Report in accordance with the latest recommendations contained in the Corporate Governance Code.

In reaching its conclusions, the Committee took account of the results of the periodical assessment of the adequacy, overall consistency and application of the 2014 Remuneration Policy Guidelines. It also considered resolutions concerning remuneration passed by the relevant company bodies. The Saipem 2015 Remuneration Policy for the CEO and Senior Managers with strategic responsibilities was approved, along with this Report, by the Board of Directors on March 10, 2015 at the proposal of the Compensation and Nomination Committee.

[11] The new 2015-2017 Long-Term Monetary Incentive Plan will be submitted for approval to the Shareholders' Meeting called to approve the financial statements as at and for the year ended December 31, 2014. The Plan conditions are detailed in the information document published on the Company website (www.saipem.com), pursuant to the applicable legislation (Article 114-bis of Legislative Decree No. 58/1998 and Consob implementing regulations).

The remuneration policies defined in accordance with the Guidelines provided by the Board of Directors are implemented by the competent Company bodies, with the support of the relevant Company functions.

Aims and general principles of the Remuneration Policy

Aims

The Saipem Remuneration Policy is defined in accordance with the Governance Model adopted by the Company and the recommendations included in the Corporate Governance Code.

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

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

- promoting actions and conduct consistent with the Company's culture and with the principles of diversity, equal opportunities, maximisation and leveraging of knowledge and skills of personnel, fairness, and non-discrimination as outlined in the Code of Ethics and in the 'Our people' Policy;
- recognising and rewarding responsibilities assigned, the results achieved and the quality of the professional contribution made, taking into account the specific context and remuneration benchmarks;
- defining performance-based incentive systems linked to the attainment of a series of financial, profit-based, business development and operating targets set with a view to achieving long-term sustainable growth in line with the Company's Strategic Plan and with responsibilities assigned.

General principles

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

- remuneration of Non-Executive Directors that is commensurate with duties on Board Committees established pursuant to the Company's Articles of Association, with higher remuneration for Committee Chairman with respect to that of Committee members in recognition of their duties of coordinating work and liaising with Company bodies and functions. Non-Executive Directors are not awarded variable incentive plans;
- remuneration structure for the CEO and Senior Managers with strategic responsibilities that is a balanced mix of a fixed component commensurate with powers and/or responsibilities assigned and a variable component with a maximum limit designed to link remuneration to targets achieved;
- consistency of remuneration with applicable market benchmarks for similar positions or roles of a similar level of responsibility and complexity within a panel of companies

comparable with Saipem, using specific remuneration benchmarks established with the support of international remuneration data providers;

- variable remuneration of executive roles that strongly influence Company results to have a significant incidence of long-term incentive components through an adequate deferral of incentives over a time frame of at least three years, in accordance with the long-term nature of the business pursued;
- objectives for the variable component of remuneration that are predetermined, measurable and specific in such a way as to ensure:
 - i. assessment of annual business and individual performance, based on a balanced score card defined in relation to the specific targets of the area of responsibility and in line with the tasks assigned;
 - ii. definition of long-term incentive plan targets designed to enable an assessment of the Company's performance both in absolute terms (i.e. its capacity to generate growing and sustainable profits) and in relative terms with respect to a peer group (i.e. share price performance and value creation superior to those of its main international competitors) in order to ensure greater alignment with the interests of the shareholders in the medium to long term;
- variable incentives paid out following a scrupulous process of verification of results achieved and assessment of performance targets assigned, net of the effects of exogenous variables¹², with the aim of rewarding actual managerial contribution to Company performance;
- adoption of clawback mechanisms enabling the recovery of variable remuneration already paid out and the withholding of deferred variable remuneration, where such remuneration is based on data found subsequently to be demonstrably incorrect, as well as in cases where beneficiaries are found to have wilfully altered data relating to the achievement of targets, or to have achieved targets by adopting behaviour in violation of laws or regulations, the Company Code of Ethics or Company regulations, without prejudice to any other action allowed for by the law in defence of the Company's interests;
- benefits (with a preference given to social security and insurance benefits) in line with market remuneration benchmarks and compliant with local regulations, to supplement and enhance the remuneration package, reflecting roles and responsibilities assigned;
- possibility of additional severance pay for termination of employment and/or expiry of term of office and non-competition agreements for executive positions subject to a high risk of competition, in line with the remuneration received.

2015 Remuneration Policy Guidelines

The 2015 Remuneration Policy Guidelines for Directors currently holding office, whose term expires on the date of the

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

Shareholders' Meeting called to approve the financial statements as at and for the year ended December 31, 2014, reflect resolutions taken by the Board of Directors on June 11, 2014 and therefore do not contain any significant changes with respect to the policy approved in the previous year. For Non-Executive Directors who will be appointed for the new term, the Remuneration Policy Guidelines envisage the definition of remuneration commensurate with the complexity of the role and the significant commitment it requires, in line with market benchmarks. For the Non-Executive Directors who will serve on Board Committees, the Guidelines envisage the definition of remuneration commensurate with the complexity of the role and the significant and growing commitment it requires, while maintaining the differentiation between remuneration awarded to the Chairman of the Committee and to Committee members. For the remuneration of the CEO appointed for the new Board term, the 2015 Guidelines envisage the possibility of a change in the remuneration defined in 2014, in line with market benchmarks and up to a maximum of the relevant benchmark market medians. In addition, the Guidelines envisage variable remuneration designed to reward both annual performance (against targets set in the previous year) and medium to long term performance (through participation in long-term variable incentive plans), as well as additional severance packages and non-competition agreements.

The 2015 Guidelines also envisage the adoption of a Long-Term Monetary Incentive Plan for critical managerial resources for the three-year period 2015-2017. As with the plan approved in 2014, the new Plan will use both Total Shareholder Return and ROACE as performance parameters in order to increase management alignment with the targets defined in the Company's Strategic Plan. Since the Plan is linked to the performance of the Saipem share, it will be submitted for approval to the Shareholders' Meeting scheduled to be held on April 30, 2015. The Plan conditions are detailed in the information document published on the Company website (www.saipem.com) pursuant to the applicable legislation (Article 114-bis of Italian Legislative Decree No. 58/1998 and Consob implementing regulations). Further details of Plan characteristics are given in the 'Long-term variable incentives' section of this Report.

For Senior Managers with strategic responsibilities, the 2015 Guidelines envisage the adoption of the same remuneration structure as in 2014, including the adoption of a Long-Term Monetary Incentive Plan for critical managerial resources for the three-year period 2015-2017. As with the plan approved in 2014 (as well as the 2015-2017 Plan envisaged for the CEO), the new Plan will use Total Shareholder Return and ROACE as performance parameters. Finally, the Guidelines also envisage additional severance payments and non-competition agreements.

Market benchmarks

The market benchmarks used are: (i) for the Chairman, Non-Executive Directors and the CEO, similar roles in major Italian and international companies with a turnover, market capitalisation and type of business comparable to Saipem's; (ii) for Senior Managers with strategic responsibilities, roles with

a similar level of managerial responsibility and complexity in major Italian and international industrial companies.

Chairman of the Board of Directors and Non-Executive Directors

Remuneration for the Chairman of the Board of Directors and for Non-Executive Directors reflects the resolutions taken by the Board of Directors on June 11, 2014.

Remuneration of the Chairman

As a result of the resolution carried by the Board of Directors on June 11, 2014, the current Chairman receives annual remuneration of €180,000. This represents a reduction from the previous term and includes remuneration of €60,000 for his duties as Director as approved by the Shareholders' Meeting. Due to the nature of the office and the absence of executive functions, the remuneration of the Chairman does not include a variable component.

With regard to the Chairman due to be appointed for the next term, the Remuneration Policy Guidelines envisage the definition of remuneration commensurate with the role, the significant commitment it requires and with any executive functions that may be assigned, in line with the general principles set out above, as well as with market benchmarks.

Remuneration of Non-Executive Directors

The Shareholders' Meeting of May 6, 2014 set gross fixed annual remuneration for Non-Executive Directors at €60,000.

This represents an increase compared with the previous term in line with market benchmarks.

With regard to Non-Executive Directors due to be appointed for the new term, the Remuneration Policy Guidelines envisage the definition of remuneration commensurate with the complexity of the role and the significant commitment it requires, in line with market benchmarks.

Additional remuneration for serving on Board Committees

Additional annual remuneration will continue to be paid to Non-Executive Directors currently holding office for participation in Board Committees. The fees, which the Board of Directors on June 11, 2014 moved to increase compared with the previous term to reflect the significant and growing commitment required for the role, are as follows:

- €30,000 for the Chairman of the Audit and Risk Committee and €24,000 for other Committee members;
- €20,000 for the Chairman of the Compensation and Nomination Committee and €15,000 for other Committee members.

With regard to Non-Executive Directors appointed for the new term and selected to serve on Board Committees, the Remuneration Policy Guidelines envisage the definition of remuneration commensurate with the complexity of the role and the significant and growing commitment it requires, in line with market benchmarks.

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

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

Benefits

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

Chief Executive Officer (CEO)

The structure of the current CEO's 2015 remuneration reflects the resolutions carried by the Board of Directors on June 11, 2014 with regard to fixed remuneration, which is set taking into account the functions and responsibilities delegated to the CEO, and absorbs any remuneration for Directors determined by the Shareholders' Meeting, as well as any other remuneration due for participation on the Boards of subsidiaries or associated companies. With regard to other components of remuneration, the CEO, along with the other Senior Managers of Saipem, participates in the Group incentive system described in these Guidelines, which have been submitted to the Board of Directors for approval.

Fixed remuneration

The gross fixed annual remuneration of the CEO has been set at €602,038. This figure was determined by the Board of Directors based on the proposal of the Compensation and Nomination Committee, and is unchanged from the previous term. For the CEO due to be appointed following the election of the new Board of Directors, the 2015 Remuneration Policy Guidelines envisage the possibility of determining remuneration in line with market benchmarks provided by HayGroup®, up to a maximum of the relevant benchmark market medians. The Guidelines also provide for the possibility of distinguishing between remuneration for responsibilities and functions delegated to the CEO by the Board of Directors and remuneration paid to the CEO as an employee of the Company. Furthermore, as a Saipem Senior Manager, the Chief Executive Officer receives allowances for assignments in Italy and overseas that are in line with the relevant national collective labour agreement for Senior Managers.

Annual variable incentive

As for other Senior Managers of the Saipem Group, the 2015 Annual Variable Incentive Plan for the current CEO is linked to the achievement of objectives set for the previous year, as described in the 2014 Remuneration Report, which are measured on a performance scale from 70 to 130, adjusted by applying a weighting factor. Below 70 points, the performance is considered equal to zero, while the minimum individual performance level for incentive pay-out purposes is 85 points.

The 2014 performance objectives defined for the 2015 incentive regard: (i) EBIT (weight 40%); (ii) net financial position (weight 30%); (iii) orders acquired (weight 20%); (iv) Sustainability & Integrity (weight 10%).

The 2015 pay-out under the Annual Variable Incentive Plan will be determined based on results achieved in 2014, measured on a performance scale consisting of a minimum level performance (85 points), a target level performance (100 points) and a maximum level performance (130 points), corresponding, respectively to 51%, 60% and 78% of fixed remuneration. Pursuant to the resolution passed by the Board of Directors on March 10, 2015, the 2015 performance objectives for the 2016 Annual Variable Incentive Plan for the CEO relate to:

2015 objectives for the 2016 Annual Variable Incentive Plan

Objectives	Weight
1 Adjusted EBIT	40%
2 Net financial position	20%
3 Orders acquired	20%
4 Cost Saving	10%
5 Sustainability	10%

The 'Orders acquired' performance objective relates to the acquisition of new orders offering a level of profitability sufficient to guarantee medium to long term creation of value for Saipem. The 'Cost Saving' objective relates to the optimisation of internal resources and reductions in general expenses.

The 'Sustainability' objective is mainly focused on health and safety issues and is measured using the following indicators: Injury frequency index (Total Recordable Injury Frequency Rate); Accident Prevention Programme; Social Impact: socio-economic studies on relevant projects/countries.

Long-term variable incentives

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

- the 2015-2017 Deferred Monetary Incentive Plan, which is applied also to managerial resources, consisting of three annual awards starting from 2015 based on Company performance measured in terms of EBITDA¹³. Annual awards and pay-outs at the end of the vesting period are based on the following conditions: (i) each annual award is determined on the basis of the EBITDA results achieved by the Company in the previous year, measured on a performance scale of 70 to 130 to obtain minimum, target and maximum values of 28%, 40% and 52% of fixed remuneration, respectively. If the results achieved are below the minimum threshold performance, no award is paid; (ii) the incentive paid out at the end of the three-year vesting period for each annual award is calculated as a percentage from zero to 170% of the value of the award, determined based on the average annual EBITDA results achieved over the vesting period. Annual EBITDA performance during the vesting period is measured on a scale from 70% to 170% (below the minimum threshold of 70%, the performance is considered equal to zero).

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

Deferred Monetary Incentive Plan - Timeline



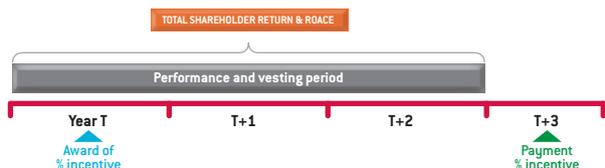
- The 2015-2017 Long-Term Monetary Incentive Plan for critical managerial resources, which is linked to shareholder wealth creation as benchmarked against the performance of Saipem's main international competitors, and to the return on capital employed. The Plan, which is subject to approval by both the Board of Directors and the Shareholders¹⁴, employs two performance indicators: Total Shareholder Return (an indicator of shareholder wealth creation as benchmarked against a peer group) and ROACE (an indicator of the return on employed capital measured against the annual budget), which are both measured annually a three-year period with the aim of achieving alignment of the incentive with shareholders' interests and with long-term sustainable growth. The Plan consists of an annual award for a target level performance of 50% of fixed remuneration. The amount paid out at the end of the three-year vesting period is determined as a percentage of the annual award. The percentage is given by the weighted average of:

- the average of scores obtained by annual ranking for Total Shareholder Return measured over the three-year vesting period against Saipem's six largest international competitors in terms of market capitalisation in the Oil & Gas services sector (weight 60%);
- the average of scores obtained by annual ROACE results vs. budget over the three-year vesting period (weight 40%)¹⁵.

The peer group is made up of the following companies: Technip, JGC, Subsea 7, Transocean, Petrofac and Samsung Engineering. Pay-out is made only for a placing outside the top 5 in the comparative TSR rankings in at least one year of the vesting period and ROACE results vs. budget greater than or equal to -10% in at least one year of the vesting period.

In the event of non-renewal of a term of office, pay-outs for each award made under long-term incentive plans shall occur at the end of the term and shall be determined on the basis of the time elapsed between award of the base incentive and the occurrence of the event, as well as on the results achieved during the period in question in accordance with the relevant performance conditions and plan regulations.

Long-Term Monetary Incentive Plan - Timeline



[14] The proposal will be presented to the Shareholders' Meeting called for April 30, 2015.

[15] The percentage scores for the two indicators are measured based on the following scale:

- relative TSR (weight 60%): the percentage score is determined based on the average ranking versus peer group companies in the three-year vesting period starting from the year of award, using the following scale: 1st place = 130%; 2nd place = 115%; 3rd place = 100%; 4th place = 85%; 5th place = 70%; 6th place = 0%; 7th place = 0%.

- ROACE vs. budget: the percentage score is determined based on the average of the results achieved against budget in the three-year vesting period starting from the year of award, using the following scale: >+10% (130%); ≤+10%, ≥0% (100%); <0%, ≥-10% (70%); <-10% (0%).

[16] Closed pension fund operating on a defined contribution, individual account basis, www.fopdire.it.

[17] Healthcare fund providing reimbursement of medical expenses for working and retired Senior Managers and their family members, www.fisde-eni.it.

Clawback mechanism

All short- and long-term variable incentives include a clawback mechanism enabling the recovery of incentives found to have been paid out incorrectly or as the result of intentional misconduct by beneficiaries, as set out in the 'Aims and general principles of the Remuneration Policy' section of this Report.

Severance indemnities for end of office or termination of employment

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

For the CEO due to be appointed following the election of the new Board of Directors, the 2015 Remuneration Policy Guidelines envisage the possibility of:

- additional severance pay for termination of employment and/or expiry of term of office in accordance with the recommendations contained in the Corporate Governance Code and amounting to no more than two years' fixed remuneration;
- entering into non-competition agreements of an amount determined in relation to fixed remuneration, as well as the nature, scope and length of the undertakings made in the agreement, which may be no greater than 12 months of fixed remuneration for every year of the agreement.

Benefits

In continuity with the remuneration policies implemented in 2014 and in accordance with the national collective labour agreement and supplementary agreements reached at Company level for Saipem Senior Managers, the CEO is granted membership of the Supplementary Pension Fund FOPDIRE¹⁶ and the Supplementary Healthcare Fund FISDE¹⁷, death and disability insurance coverage and a Company car for business and personal use.

For the CEO due to be appointed following the election of the new Board of Directors, the 2015 Remuneration Policy Guidelines envisage equivalent types of benefit.

Senior Managers with strategic responsibilities

Fixed remuneration

Fixed remuneration of Senior Managers with strategic responsibilities is determined based on roles and responsibilities assigned, and on market positioning at the median remuneration market benchmarks for executive roles of a similar level of managerial responsibility and complexity at Italian and international companies. It may be adjusted periodically during the annual salary review, which is carried out for all managers. Taking into account the relevant context and current market trends, the 2015 Guidelines will employ selective criteria designed to ensure adequate levels of competitiveness and motivation.

Specifically, the proposed actions will involve: (i) the possibility of making adjustments to align fixed remuneration with market median for Senior Managers whose roles or responsibilities have increased; (ii) the possibility of awarding very selective, special one-off bonus payments (up to a maximum of 25% of fixed remuneration) for excellent performances on key projects, to recover pay market competitiveness, or for retention purposes. Furthermore, as Senior Managers of Saipem, Senior Managers with strategic responsibilities receive allowances for assignments in Italy and overseas that are in line with the relevant national collective labour agreement for Senior Managers and supplementary agreements reached at Company level.

Annual variable incentive

As described above for the CEO, the Annual Variable Incentive Plan for Senior Managers with strategic responsibilities provides for a pay-out in 2015 calculated on the basis of Saipem and individual performance results in the previous year, measured on a performance scale of 70 to 130 (below 70 points the performance is considered equal to zero), with a minimum threshold of 85 points, below which no pay-out is due. Target level (performance of 100 points) and maximum level (performance of 130 points) pay-outs vary in accordance with the role of the beneficiary, up to a maximum of 40% and 52% of fixed remuneration, respectively. The objectives of Senior Managers with strategic responsibilities are assigned on the basis of those allocated to top management and focus on economic-financial and operational performance, internal efficiency, sustainability (health and safety, environmental protection, stakeholder relations), as well as on the basis of the Manager's area of responsibility for the role covered, in accordance with the Company Performance Plan.

Long-term variable incentives

In line with the incentive plans established for the CEO, Senior Managers with strategic responsibilities participate in long-term incentive plans approved by the Board of Directors on March 10, 2015, having the following characteristics:

- The 2015-2017 Deferred Monetary Incentive Plan only for managerial resources who have achieved the performance gate set for the Annual Variable Incentive Plan. The Plan consists of three annual awards, starting from 2015, with the same performance conditions and characteristics already described for the CEO. For Senior Managers with strategic responsibilities, the annual award is determined on the basis of the EBITDA results achieved by the Company in the previous year, measured on a performance scale of 70 to 130 to obtain minimum, target and maximum values of 17.5%, 25% and 32.5% of fixed remuneration, respectively. If the results achieved are below the minimum threshold performance, no award is paid out. The incentive paid out at the end of the three-year vesting period for each annual award is calculated as a percentage from zero to 170% of the value of the award, determined based on the average annual EBITDA results achieved over the vesting period. Annual EBITDA performance during the vesting period is measured on a scale from 70% to 170% (below the minimum threshold of 70%, the performance is considered equal to zero).
 - The 2015-2017 Long-Term Monetary Incentive Plan for critical managerial resources, which has the same performance conditions and characteristics already described for the CEO, subject to its approval by the Board of Directors and the Shareholders¹⁸. For Senior Managers with strategic responsibilities, the award varies in accordance with the role of the beneficiary, up to a maximum of 35% of fixed remuneration. The amount paid out at the end of the three-year vesting period is determined as a percentage of the award. The percentage is given by the weighted average of:
 - the average of scores obtained by annual ranking for Total Shareholder Return measured over the three-year vesting period against Saipem's six largest international competitors in terms of market capitalisation in the Oil & Gas services sector (weight 60%);
 - the average of scores obtained by annual ROACE results vs. budget over the three-year vesting period (weight 40%)¹⁹.
 The peer group is made up of the following companies: Technip, JGC, Subsea 7, Transocean, Petrofac and Samsung Engineering. Pay-out is made only for a placing outside the top 5 in the comparative TSR rankings in at least one year of the vesting period and ROACE results vs. budget greater than or equal to -10% in at least one year of the vesting period.
- Both Plans include clauses designed to encourage retention whereby, in the event of termination of employment by mutual consent or loss of control by Saipem of the company where the beneficiary of the plan is employed during the vesting period, the beneficiary conserves the right to the incentive, which is however reduced in relation to the time elapsed between award of the base incentive and the occurrence of the event, as well as on the results achieved during the same period, in accordance with the relevant performance conditions and Plan Regulations. In the case of unilateral termination of employment, no payment is made.

[18] The proposal will be presented to the Shareholders' Meeting called for April 30, 2015.

[19] The percentage scores for the two indicators are measured based on the following scale:

- relative TSR (weight 60%): the percentage score is determined based on the average ranking versus peer group companies in the three-year vesting period starting from the year of award, using the following scale: 1st Place = 130%; 2nd Place = 115%; 3rd Place = 100%; 4th Place = 85%; 5th Place = 70%; 6th Place = 0%; 7th Place = 0%.

- ROACE vs. budget: The percentage score is determined based on the average of the results achieved against budget in the three-year vesting period starting from the year of award, using the following scale: >+10% (130%); ≤+10%, ≥0% (100%); <0%, ≥-10% (70%); <-10% (0%).

Clawback mechanism

All short and long-term variable incentives include a clawback mechanism enabling the recovery of incentives found to have been paid out incorrectly or as the result of intentional misconduct by beneficiaries, as set out in the 'Aims and general principles of the Remuneration Policy' section of this Report.

Severance indemnities for end of office or termination of employment

Senior Managers with strategic responsibilities receive the termination indemnity established in the National Collective Labour Agreement for Senior Managers, as well as any supplementary indemnities that may be agreed on an individual basis upon termination in accordance with criteria set by Saipem and whose maximum amounts are established taking into account the entitlements already provided by the National Collective Labour Agreement for Senior Managers in the event of voluntary redundancy or early retirement. These criteria take account of the actual and pensionable age of the Senior Manager at the time the contract is terminated and his/her annual remuneration. In addition, severance payments up to a maximum of two years' fixed remuneration for a Change of Control resulting in resignation or termination and/or demotion may be established on the basis of individual termination indemnity agreements. Minimum term agreements to protect know-how and to ensure continuity in terms of attainment of business objectives may also be provided for, as well as specific remuneration for cases where it is deemed necessary to enter into non-competition agreements, which may be no greater than 12 months of fixed remuneration for every year of the agreement.

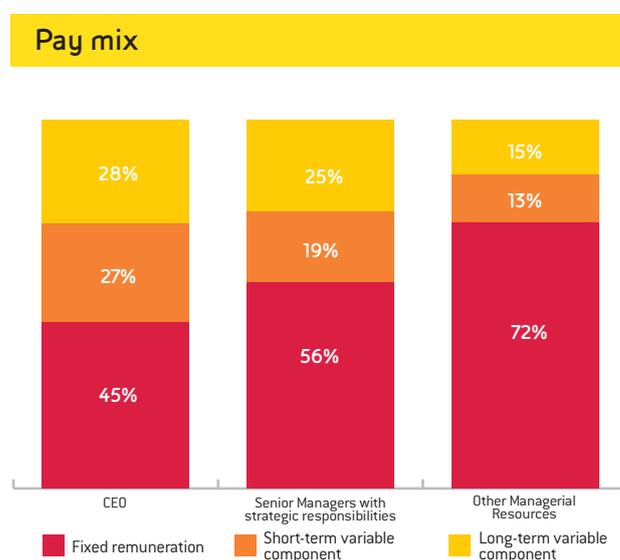
Benefits

In continuity with the remuneration policies implemented in 2014 and in accordance with the relevant National Collective Labour Agreement and supplementary agreements reached at Company

level for Saipem Senior Managers, Senior Managers with strategic responsibilities are granted membership of the Supplementary Pension Fund FOPDIRE²⁰ and the Supplementary Healthcare Fund FISDE²¹, death and disability insurance coverage and a Company car for business and personal use.

Pay mix

The 2015 Remuneration Policy Guidelines set pay mixes consonant with managerial roles, with more weight given to the variable component (in particular the long-term component) for positions that have a greater influence on Company results, as shown in the pay mix chart shown below, calculated considering a target performance level pay-out for short and long-term incentives.



[20] Closed pension fund operating on a defined contribution, individual account basis, www.fopdire.it.

[21] Healthcare fund providing reimbursement of medical expenses for working and retired Senior Managers and their family members, www.fisde-eni.it.

Section II - Remuneration and other information

Implementation of 2014 remuneration policies

This section of the Remuneration Report provides a description of the remuneration policies implemented in 2014 for the outgoing and current Chairman of the Board of Directors, the Non-Executive Directors serving on the Board of Directors until May 6, 2014, the Non-Executive Directors serving on the Board of Directors starting from May 6, 2014, the CEO, and, finally, Senior Managers with strategic responsibilities.

As verified by the Compensation and Nomination Committee during the periodical assessment required under the Corporate Governance Code, implementation of the 2014 Remuneration Policy was in line with the resolutions taken by the Board of Directors. The Committee's assessment was that the 2014 Policy was consistent with the relevant market benchmarks in terms of both overall positioning and pay mix.

Fixed remuneration

Directors holding office until May 6, 2014

The Chairman received the annual pro-rated share of remuneration for his office approved by the Board of Directors on June 16, 2011, applying a principle of continuity with the remuneration structure and amounts set in the previous term.

This remuneration incorporates the remuneration for the office of Director approved by the Shareholders on May 4, 2011.

The Deputy CEO received the annual pro-rated share of remuneration approved by the Board of Directors on September 6, 2013, which incorporates remuneration for the office of Director approved by the Shareholders on May 4, 2011.

Non-Executive Directors received the annual pro-rated share of remuneration approved by the Shareholders on May 4, 2011, which was unchanged with relation to the previous term.

The CEO received the remuneration approved by the Board of Directors on January 8, 2013, which incorporates the remuneration for the office of Director approved by the Shareholders on May 4, 2011.

Directors holding office from May 6, 2014

The Chairman received the annual pro-rated share, starting from the date of his appointment, of the remuneration for his office approved by the Board of Directors on June 11, 2014.

This remuneration represented a reduction from the remuneration paid to the previous Chairman in keeping with the general policy of cost containment implemented in the Group following the introduction of Italian Law No. 98/2013. This remuneration incorporates the remuneration for the office of Director approved by the Shareholders on May 6, 2014.

Non-Executive Directors were paid the annual pro-rated share of fixed remuneration approved by the Shareholders on May 6, 2014, which was increased compared with the previous term.

The CEO received the remuneration approved by the Board of Directors on June 11, 2014 applying a principle of continuity with the previous term. This incorporates the remuneration for the office of Director approved by the Shareholders on May 6, 2014, which was increased compared with the previous term compatibly with the restrictions introduced by Article 84-ter of Italian Law No. 98/2013.

Senior Managers with strategic responsibilities

For Senior Managers with strategic responsibilities, the annual salary review carried out for all Senior Managers brought fixed remuneration adjustments in 2014 for Managers whose responsibilities were increased or whose pay market positioning was below the relevant market median benchmark. Special one-off bonuses up to a maximum of 25% of fixed remuneration were also paid in 2014 (overall total for SMSR of €218,500) in connection with the achievement of results or projects of special strategic importance (renegotiation of commercial agreements in strategic and complex areas and/or markets, efficient recovery of delays, profits or receivables on high-value projects, unplanned contract awards, etc.) or for an exceptional contribution to the improvement of Compliance and the Governance System.

Sums for fixed remuneration and allowances provided under the national collective labour agreement for Senior Managers and under supplementary Company agreements are shown in Table No. 1 of the section 'Remuneration paid in 2014'.

Remuneration for participation in Board Committees

Directors holding office until May 6, 2014

Non-Executive Directors were paid the annual pro-rated share of the remuneration approved by the Board of Directors on June 16, 2011 for participation on Board Committees.

Directors holding office from May 6, 2014

Non-Executive Directors were paid the annual pro-rated share of the remuneration for participation on Board Committees, which the Board of Directors voted on June 11, 2014 to increase compared with the previous term to reflect the significant and growing commitment required for the role, while maintaining the differentiation between remuneration awarded to the Chairman of the Committee and to Committee members.

Remuneration for participation in Board Committees is shown in Table No. 1 of the section 'Remuneration paid in 2014'.

Variable incentives

Annual variable incentives

Saipem results for 2013 evaluated on a constant currency basis and approved by the Board of Directors at the proposal of the Compensation and Nomination Committee in the Meeting held on March 14, 2014 generated a performance score that was below the minimum threshold.

Under 2014 Remuneration Policy Guidelines, the score was not sufficient to trigger payment of the annual monetary incentive for the CEO or Senior Managers with strategic responsibilities, with the exception of transfers to Saipem and performances achieved in other companies.

The CEO was paid a special one-off bonus payment of €250,000 in connection with work done to enhance the Company's business and operational structure, as well as with the achievement of the strategic objectives of strengthening compliance and the internal controls and risk management systems, increasing Saipem's competitiveness and securing a rapid improvement in its performance and profitability.

The incentives paid to the outgoing CEO and Senior Managers with strategic responsibilities are indicated under the item 'Non-equity based variable remuneration - bonuses and other incentives' in Table No. 3 of the section 'Remuneration paid in 2014'.

Deferred Monetary Incentive

On March 14, 2014, EBITDA for 2013 [evaluated on a constant currency basis] was determined by the Board of Directors to be below the minimum performance level, as verified and proposed by the Compensation and Nomination Committee.

In accordance with 2014 Remuneration Policy Guidelines relating to long-term variable incentives, the 2014 deferred monetary incentive was not awarded as a consequence of the non-award of the annual variable incentive and the EBITDA result achieved.

The deferred monetary incentive awarded in 2011 to the CEO [awarded by Eni], and other managerial resources vested in 2014. On March 14, 2014, the Board of Directors, at the proposal of the Compensation and Nomination Committee, set the factor to be applied to the base incentive, based on the average Saipem EBITDA for the period 2011-2013, at 67%.

The CEO received an incentive of €84,575 (equal to 85% of the award of €99,500 awarded in 2011 by Eni). The percentage used to calculate the pay-out was determined using a weighted average of Eni and Saipem results over the actual periods in the post at the two companies, in accordance with the regulations of the respective plans.

Table 1 shows the performances achieved during the vesting period as used to determine the percentage of the award paid out to the CEO; Table 2 shows the performance achieved during the vesting period as used to determine the percentage of the award paid out to Senior Managers with strategic responsibilities:

Table 1

DMI	2011 award (€ thousand)	Performance during vesting period		% incentive	2014 pay-out (€ thousand)
	2011	2012	2013		
	99.5	Eni on tgt	Eni on tgt	85	84.6
		Saipem <tgt	Saipem <<tgt		

Table 2

DMI	Performance during vesting period			% incentive
	2011	2012	2013	
	Saipem on tgt			67
		Saipem <tgt	Saipem <<tgt	

The amounts paid out to the CEO and the Senior Managers with strategic responsibilities are indicated under the item 'Bonuses from previous years - payable/paid out' in Table No. 3 of the section 'Remuneration paid in 2014'.

Long-Term Monetary Incentive

On October 28, 2014, the Board of Directors determined the award to the CEO of a base incentive for the 2014 Long-Term Monetary Incentive Plan, as verified and proposed by the Compensation and Nomination Committee, of €301,000, applying the criteria and methods determined by the Board on March 14, 2014 and approved by the Shareholders on May 6, 2014. The base incentives awarded to the Senior Managers with strategic responsibilities were determined based on incentive levels which vary according to role, up to a maximum of 35% of fixed remuneration.

The base incentives awarded to the CEO and the Senior Managers with strategic responsibilities are shown under the item 'Bonuses for the year - deferred' in Table No. 3 of the section 'Remuneration paid in 2014'.

In addition, the long-term monetary incentive awarded in 2011 to the CEO [awarded by Eni] and other managerial resources vested in 2014. On July 29, 2014, the Board of Directors, at the proposal of the Compensation and Nomination Committee, set the factor to be applied to the base incentive, based on Saipem's adjusted net profit + D&A for the period 2011-2013, at 67%. The CEO received an incentive of €2,470 (equal to 2% of the award of €123,500 assigned in 2011 by Eni). The percentage used to calculate the pay-out was determined using a weighted average of Eni and Saipem results over the actual periods in the post at the two companies, in accordance with the regulations of the respective plans.

Table 1 shows the performances achieved during the vesting period as used to determine the percentage of the award paid out to the CEO; Table 2 shows the performance achieved during the vesting period as used to determine the percentage of the award paid out to Senior Managers with strategic responsibilities:

Table 1

LTM1	2011 award (€ thousand)	Performance during vesting period			% incentive	2014 pay-out (€ thousand)
		2011	2012	2013		
	123.5	Eni 7 th place	Eni 6 th place	Saipem 4 th place Saipem 6 th place	2	2

Table 2

LTM1	Performance during vesting period			% incentive
	2011	2012	2013	
	Saipem 2 nd place	Saipem 4 th place	Saipem 6 th place	67

The amounts paid out to the CEO and the Senior Managers with strategic responsibilities are indicated under the item 'Bonuses from previous years - payable/paid out' in Table No. 3 of the section 'Remuneration paid in 2014'.

Stock options

As of 2009, Saipem no longer implements stock option plans. The stock options awarded in 2008, which was the last award made, and not yet exercised, expired on July 31, 2014 at the end of the specified exercise period.

For information on developments during 2014 in relation to stock options awarded under previous plans, see Table No. 2 in the section 'Remuneration paid in 2014'.

Severance indemnities for end of office or termination of employment

No severance indemnities for end of office were approved or paid to Directors or Senior Managers with strategic responsibilities during 2014. Amounts due by law and contract for the termination of employment and sums calculated in line with Company redundancy policies received by the outgoing Deputy Chairman, whose office ceased on January 4, 2014, as well as the effects of termination on monetary incentive plans in force are reported under 'Severance indemnities for end of office or termination of employment' in Table No. 1 of the section 'Remuneration paid in 2014'.

Benefits

Table No. 1 of the section 'Remuneration paid in 2014' shows the taxable value of the following benefits paid in 2014: (i) annual contribution to the supplementary pension fund FOPDIRE; (ii) annual contribution to the supplementary healthcare fund FISDE; (iii) assignment of a company car for business and personal use for a three-year period (the value stated is annual and exclusive of the contribution paid by the assignee).

Remuneration paid in 2014

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

The following table shows remuneration paid to Directors and Statutory Auditors (who are listed by name), and remuneration paid to Senior Managers with strategic responsibilities (shown on an aggregate basis²²). Separate indications are supplied for remuneration received from subsidiaries and/or associated companies, with the exception of remuneration waived or returned to the Company. All persons who held the above-mentioned positions during 2014 are included in the table, even if they only held such office for a part of the year.

Specifically:

- the column 'Fixed remuneration' shows fixed remuneration and remuneration for employed work due for the year. The amounts shown are gross, hence before deductions for social security and tax payable by the employee. They do not include attendance fees, as these are not provided for. The footnote provides details of remuneration, as well as a separate indication of any allowances and other entitlements related to employment;
- the column 'Committee membership remuneration' shows remuneration pertaining to the year paid to Directors for participation in Board Committees. The footnote provides a separate indication of remuneration for each Committee on which the Director sits;
- the item 'Bonuses and other incentives' in the column 'Non-equity based variable remuneration' shows incentives paid during the year upon vesting and subject to checks and approval of performance results by the relevant Company bodies. Further details are given in the Table No. 3 'Monetary incentives plans for Directors and other Senior Managers with strategic responsibilities'; the column 'Profit sharing' is empty because there are no profit sharing plans in place;
- the column 'Non-monetary benefits' shows the taxable value of fringe benefits awarded in 2014;
- the column 'Other remuneration' shows any other remuneration pertaining to the year relating to other services performed;
- the column 'Total' shows the total of the preceding items;
- the column 'Fair value of equity-based remuneration' shows the fair value of stock option plans in place as estimated in accordance with International Financial Reporting Standards, which require costs to be distributed over the vesting period;
- the column 'Severance indemnities for end of office or termination of employment' show indemnities accrued, including those not yet paid, in relation to end of office or termination of employment.

[22] There is no current legal requirement for disclosure on an individual basis for Senior Managers with strategic responsibilities.

Table 1. Remuneration paid to Board of Directors, Board of Statutory Auditors and other Senior Managers with strategic responsibilities

[€ thousand]

Name and surname	Office	Term of office	Expiry of term ^(*)	Non-equity based variable remuneration					Total	Fair value of equity-based remuneration	Severance indemnities for end of office or termination of employment
				Fixed remuneration	Committee membership remuneration	Bonuses and other incentives	Profit sharing	Non-monetary benefits			
Board of Directors											
Alberto Meomartini	Chairman ⁽¹⁾	01.01 - 06.05		70 ^(a)						70	
Piergaetano Marchetti	Vice Chairman ⁽²⁾	01.01 - 06.05		46 ^(a)						46	
Francesco Carbonetti	Chairman ⁽³⁾	06.05 - 31.12	04.15	117 ^(a)						117	
Umberto Vergine	Chief Executive Officer (CEO) ⁽⁴⁾	01.01 - 31.12	04.15	602 ^(a)		337 ^(b)		10 ^(c)		949	
Gabriele Galateri di Genola	Director ⁽⁵⁾	01.01 - 06.05		14 ^(a)	4 ^(b)					18	
Nicola Greco	Director ⁽⁶⁾	01.01 - 06.05		14 ^(a)	4 ^(b)					18	
Maurizio Montagnese	Director ⁽⁷⁾	01.01 - 06.05		14 ^(a)	8 ^(b)					22	
Mauro Sacchetto	Director ⁽⁸⁾	01.01 - 06.05		14 ^(a)	5 ^(b)					19	
Michele Volpi	Director ⁽⁹⁾	01.01 - 06.05		14 ^(a)	4 ^(b)					18	
Fabrizio Barbieri	Director ⁽¹⁰⁾	01.01 - 08.08		29 ^(a)						29	
Francesco Gattei	Director ⁽¹¹⁾	23.09 - 31.12	04.15	16 ^(a)						16	
Enrico Laghi	Director ⁽¹²⁾	06.05 - 31.12	04.15	39 ^(a)	20 ^(b)					59	
Rosario Bifulco	Director ⁽¹³⁾	06.05 - 31.12	04.15	39 ^(a)	13 ^(b)					52	
Nella Ciuccarelli	Director ⁽¹⁴⁾	06.05 - 31.12	04.15	39 ^(a)	10 ^(b)					49	
Guido Guzzetti	Director ⁽¹⁵⁾	06.05 - 31.12	04.15	39 ^(a)	16 ^(b)					55	
Nicla Picchi	Director ⁽¹⁶⁾	06.05 - 31.12	04.15	39 ^(a)	16 ^(b)					55	
Federico Ferro-Luzzi	Director ⁽¹⁷⁾	06.05 - 31.12	04.15	39 ^(a)	10 ^(b)					49	
Board of Statutory Auditors											
Mario Busso	Chairman ⁽¹⁸⁾	01.01 - 31.12	04.17	67 ^(a)						67	
Adriano Propersi	Statutory Auditor ⁽¹⁹⁾	01.01 - 06.05		14 ^(a)						14	
Anna Gervasoni	Statutory Auditor ⁽²⁰⁾	01.01 - 31.12	04.17	47 ^(a)						47	
Massimo Invernizzi	Statutory Auditor ⁽²¹⁾	06.05 - 31.12	04.17	33 ^(a)						33	
Other Senior Managers with strategic responsibilities^(**)											
				3,751 ^(a)		1,423 ^(b)		168 ^(c)		5,342	
				5,097	108	1,760		178		7,143	

(*) The term of office of Directors appointed by the Shareholders' Meeting on May 6, 2014 expires on the date of the Shareholders' Meeting convened to approve the Financial Statements at December 31, 2014.

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

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

(a) The amount includes the pro-rated portion of fixed remuneration set by the Board of Directors on June 16, 2011 (€200,000), which incorporates remuneration for the office of Director determined by the Shareholders' Meeting of May 4, 2011 (€40,000).

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

(a) The amount includes the pro-rated portion of the fixed remuneration set by the Board of Directors' Meeting of September 6, 2013 (€130,000), which incorporates remuneration for the office of Director determined by the Shareholders' Meeting of May 4, 2011 (€40,000).

(3) **Francesco Carbonetti - Chairman**

(a) The amount includes the pro-rated portion of the fixed remuneration set by the Board on June 11, 2014 (€180,000), which incorporates remuneration for the office of Director determined by the Shareholders' Meeting of May 6, 2014 (€60,000).

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

(a) The amount includes the fixed remuneration set by the Board of Directors on January 8, 2013 (€602,000), which incorporates the basic remuneration for the office of CEO determined by the Shareholders' Meeting of May 4, 2011 (€40,000) till May 6, 2014 and the basic remuneration for the office of the CEO determined by Shareholders' Meeting of May 6, 2014 (€60,000). Additional amounts totalling €76.8 thousand were received for allowances for assignments in Italy and overseas that are in line with the national collective labour agreement for Senior Managers and with supplementary Company agreements and for entitlements connected with employed work. (b) The amount includes €250,000 relating to a special one-off bonus, €84,500 relating to the deferred monetary incentive awarded in 2011 and €2,500 relating to the long-term monetary incentive awarded by Eni in 2011. (c) The amount includes the value of the Company car benefit and supplementary healthcare and pension contributions paid by the Company.

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

(a) The amount corresponds to the pro-rated portion of the fixed Board Meeting fees established by the Shareholders on May 4, 2011 (€40,000). (b) The amount corresponds to the pro-rated portion of remuneration for the role of Chairman of the Compensation and Nomination Committee (€12,500).

(6) **Nicola Greco - Director**

(a) The amount corresponds to the pro-rated portion of the fixed Board Meeting fees established by the Shareholders on May 4, 2011 (€40,000). (b) The amount corresponds to the pro-rated portion of remuneration for participation in the Compensation and Nomination Committee (€10,000).

(7) **Maurizio Montagnese - Director**

(a) The amount corresponds to the pro-rated portion of the fixed Board Meeting fees established by the Shareholders on May 4, 2011 (€40,000). (b) The amount corresponds to the pro-rated portion of remuneration of €10,000 for participation in the Compensation and Nomination Committee (€3,500) and to the pro-rated portion of remuneration of €12,500 for participation in the Audit and Risk Committee (€4,300).

(8) **Mauro Sacchetto - Director**

(a) The amount corresponds to the pro-rated portion of the fixed Board Meeting fees established by the Shareholders on May 4, 2011 (€40,000). (b) The amount corresponds to the pro-rated portion of remuneration for the role of Chairman of the Audit and Risk Committee (€15,000).

(9) **Michele Volpi - Director**

(a) The amount corresponds to the pro-rated portion of the fixed Board Meeting fees established by the Shareholders on May 4, 2011 (€40,000). (b) The amount corresponds to the pro-rated portion of remuneration for participation in the Audit and Risk Committee (€12,500).

(10) **Fabrizio Barbieri - Director**

(a) The amount includes the pro-rated portion of the fixed Board Meeting fees.

(11) **Francesco Gattei - Director**

(a) The amount corresponds to the pro-rated portion of the fixed Board Meeting fees established by the Shareholders on May 6, 2014 (€60,000).

(12) **Enrico Laghi - Director**

(a) The amount corresponds to the pro-rated portion of the fixed Board Meeting fees established by the Shareholders on May 6, 2014 (€60,000). (b) The amount corresponds to the pro-rated portion of remuneration for the role of Chairman of the Audit and Risk Committee (€30,000).

(13) **Rosario Bifulco - Director**

(a) The amount corresponds to the pro-rated portion of the fixed Board Meeting fees established by the Shareholders on May 6, 2014 (€60,000). (b) The amount corresponds to the pro-rated portion of remuneration for the role of Chairman of the Compensation and Nomination Committee (€20,000).

(14) **Nella Ciuccarelli - Director**

(a) The amount corresponds to the pro-rated portion of the fixed Board Meeting fees established by the Shareholders on May 6, 2014 (€60,000). (b) The amount corresponds to the pro-rated portion of remuneration for participation in the Compensation and Nomination Committee (€15,000).

(15) **Guido Guzzetti - Director**

(a) The amount corresponds to the pro-rated portion of the fixed Board Meeting fees established by the Shareholders on May 6, 2014 (€60,000). (b) The amount corresponds to the pro-rated portion of remuneration for participation in the Audit and Risk Committee (€24,000).

(16) **Nicla Picchi - Director**

(a) The amount corresponds to the pro-rated portion of the fixed Board Meeting fees established by the Shareholders on May 6, 2014 (€60,000). (b) The amount corresponds to the pro-rated portion of remuneration for participation in the Audit and Risk Committee (€24,000).

(17) **Federico Ferro-Luzzi**

(a) The amount corresponds to the pro-rated portion of the fixed Board Meeting fees established by the Shareholders on May 6, 2014 (€60,000). (b) The amount corresponds to the pro-rated portion of remuneration for participation in the Compensation and Nomination Committee (€15,000).

(18) **Mario Busso - Chairman of Board of Statutory Auditors**

(a) The amount corresponds to the pro-rated portion up to May 6, 2014 of the fixed Board Meeting fees established by the Shareholders on May 4, 2011 (€60,000) and the pro-rated portion of new fixed Board Meeting fees established by the Shareholders on May 6, 2014 (€70,000).

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

(a) The amount corresponds to the pro-rated portion up to May 6, 2014 of the fixed Board Meeting fees established by the Shareholders on May 4, 2011 (€40,000).

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

(a) The amount corresponds to the pro-rated portion up to May 6, 2014 of the fixed Board Meeting fees established by the Shareholders on May 4, 2011 (€40,000) and the pro-rated portion of new fixed Board Meeting fees established by the Shareholders on May 6, 2014 (€50,000).

(21) **Massimo Invernizzi - Statutory Auditor**

(a) The amount corresponds to the pro-rated portion of new fixed Board Meeting fees established by the Shareholders on May 6, 2014 (€50,000).

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

(a) The amount of €3,751,000 for gross annual remuneration does not include a total amount of €223,300 relating to allowances for assignments in Italy and overseas that are in line with the national collective labour agreement for Senior Managers and with supplementary Company agreements and other entitlements connected with employed work. (b) The amount includes €499,300 relating to deferred monetary incentives awarded in 2011, €426,800 relating to long-term monetary incentives awarded in 2011 and special bonuses of €218,500. (c) The amount includes the value of the Company car benefit and supplementary healthcare and pension contributions paid by the Company.

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

The following table shows the stock options awards made under the last stock option plan, implemented in 2008, whose outstanding options expired on July 31, 2014.

Since no Saipem stock options were granted during 2014, the column 'Options pertaining to the year - fair value' is empty, as is the column 'Fair value of equity-based remuneration' in Table No. 1.

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

Name and surname	Plan	Options held at the beginning of the year			Options granted during the year				Options exercised during year						
		Number of options	Strike price (€)	Average maturity (months)	Number of options	Strike price (€)	Exercisable dates (from-to)	Fair Value at date of award (€)	Award date	Market value of underlying shares (€)	Number of options	Strike price (€)	Market value of underlying shares at exercise date (€)	Options expiring during the year	Options held at year end
Other Senior Managers with strategic responsibilities ⁽¹⁾	Saipem Stock Options Plan July 29, 2008	13,675	25.872	7	-	-	-	-	-	-	-	-	13,675	-	-

[1] All Senior Managers sitting on the Executive Committee and all those directly reporting to the CEO (fifteen Senior Managers). The number of options includes senior managers who became strategic in 2014.

Table 3 - Monetary incentive plans for Directors and other Senior Managers with strategic responsibilities

The following table shows the short and long-term variable monetary incentives provided for the CEO, the outgoing Deputy CEO, and (as an aggregate figure) Senior Managers with strategic responsibilities. All persons who held the above-mentioned positions during 2014 are included in the table, even if they only held such office for a part of the year.

The table also contains information regarding the Implementation of the 2014 Long-Term Monetary Incentive Plan, details of which are also provided in Table 1, 'Implementation of 2014 Long-Term Monetary Incentive Plan', pursuant to Article 84-bis (Attachment 3A, Schedule No. 7) of the Consob Issuers' Regulation.

Specifically:

- the column 'Bonuses for the year - payable/paid out' shows the short-term variable incentive paid out on the basis of performance, as evaluated by the competent Company bodies in relation to the targets set for the previous year;
- the column 'Bonuses for the year - deferred' shows the base incentive awarded for the year under long-term monetary incentive plans;

- the column 'Deferral period' shows the vesting period for long-term monetary incentives awarded during the year;
 - the column 'Bonuses from previous years - no longer payable' shows long-term incentives which can no longer be paid out on due to the performance recorded during the vesting period or portions of incentives which have been cancelled in connection with events relating to the employment contract pursuant to the Plan Rules;
 - the column 'Bonuses from previous years - payable/paid out' shows long-term variable incentives paid out on during the year based on the performance recorded during the vesting period or portions of incentives which were paid out in connection with events relating to the employment contract pursuant to the Plan Rules;
 - the column 'Bonuses from previous years - still deferred' shows incentives awarded in previous years under long-term incentives that have not yet vested;
 - the column 'Other bonuses' shows incentives paid out on a one-off basis in connection with key projects or the achievement of particularly important results during the year.
- The total of the columns 'Bonuses for the year - payable/paid out', 'Bonuses from previous years - payable/paid out' and 'Other bonuses' corresponds to the figure show in column 'Bonuses and other incentives' of Table No. 1.

Table 3. Monetary incentive plans for Directors and other Senior Managers with strategic responsibilities

[€ thousand]

Name and surname	Office	Plan	Bonuses for the year			Bonuses from previous years			
			Payable/Paid out	Deferred	Deferral period	No longer payable	Payable/Paid out	Still deferred	Other bonuses
Umberto Vergine	Chief Executive Officer (CEO)	2014 Long-Term Monetary Incentive Plan BoD, October 28, 2014		301	three-year				
		2013 Deferred Monetary Incentive Plan BoD, July 30, 2013					168		
		2013 Long-Term Monetary Incentive Plan BoD, October 28, 2013						300	
		2012 Deferred Monetary Incentive Plan Eni BoD, March 15, 2012						180	
		2012 Long-Term Monetary Incentive Plan Eni BoD, September 20, 2012						207	
		2011 Deferred Monetary Incentive Plan Eni BoD, March 10, 2011; BoD, March 14, 2014					15 ⁽¹⁾	85 ⁽²⁾	
		2011 Long-Term Monetary Incentive Plan Eni BoD, October 27, 2011; BoD, July 29, 2014					121 ⁽¹⁾	2 ⁽³⁾	
Total			301			136	87	855	250
Other Senior Managers with strategic responsibilities ⁽⁴⁾		2014 Annual Monetary Incentive Plan BoD, March 14, 2014	278 ⁽⁵⁾						
		2014 Long-Term Monetary Incentive Plan BoD, October 28, 2014		1,265	three-year				
		2013 Deferred Monetary Incentive Plan BoD, July 30, 2013						547	
		2013 Long-Term Monetary Incentive Plan BoD, October 28, 2013						1,111	
		2012 Deferred Monetary Incentive Plan Eni BoD, March 15, 2012						645	
		2012 Long-Term Monetary Incentive Plan BoD, October 26, 2012						828	
		2011 Deferred Monetary Incentive Plan Eni BoD, March 10, 2011; BoD, March 14, 2014					148 ⁽¹⁾	499 ⁽²⁾	
		2011 Long-Term Monetary Incentive Plan BoD, October 26, 2011; BoD July 29, 2014					422 ⁽¹⁾	427 ⁽³⁾	
Total		278	1,265			570	926	3,130	219
		278	1,566			706	1,013	3,985	469

(1) Pro-rated portion of the monetary incentive awarded in 2011 no longer payable based on adjusted net profit + depreciation and amortisation performance achieved over the three-year vesting period 2011-2013.

(2) Payout of deferred monetary incentive awarded in 2011, based on EBITDA performance during the three-year reference period 2011-2013.

(3) Payout of long-term monetary incentive awarded in 2011 based on adjusted net profit + depreciation and amortisation performance achieved during the three-year vesting period 2011-2013.

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

(5) Payout of annual monetary incentive in relation to objectives assigned by Eni in 2013 to three SMSR joining the Company during the year.

Shares held

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

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

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

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

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

Name and surname	Office	Company	Number of shares held at end of previous year	Number of shares purchased	Number of shares sold	Number of shares held at end of current year
Board of Directors						
Alberto Meomartini	Chairman	Saipem SpA	1,500			1,500
Francesco Carbonetti	Chairman	Saipem SpA		12,700		12,700
Umberto Vergine	CEO	Saipem SpA	420			420
Other Senior Managers with strategic responsibilities ⁽¹⁾		Saipem SpA	16,027			16,027

[1] All Senior Managers sitting on the Executive Committee and all those reporting directly to the CEO (fifteen Senior Managers). The number of shares held at the end of the previous financial year takes into account those held by Senior Managers who became strategic during 2014.

Attachment prepared in accordance with Article 84-*bis* of Consob Issuers' Regulation - Implementation of 2014 Long-Term Monetary Incentive Plan

Pursuant to Article 84-*bis* (Attachment 3A, Schedule No. 7) of the Consob Issuers' Regulation, the following table provides details of the 2014 award of the 2014 Long-Term Monetary Incentive Plan

approved by the Shareholders on May 6, 2014, whose conditions and objectives are set out in the Information Document published on the Company website www.saipem.com.

TABLE No. 1 of Schedule 7, Attachment 3A to Regulation No. 11971/1999

(€ thousand)

Chart 1 - Financial instruments other than stock options
Section 2 - Newly allocated financial instruments based on the decision of the body responsible for implementing the shareholders' resolution

Name and surname	Office (only for named individuals)	Date of shareholders' resolution	Description of instrument	Amount allocated	Date of allocation	Exercise price (where applicable)	Market price of financial instruments at allocation date	Vesting period
Umberto Vergine	CEO	06.05.2014	cash	301	01.10.2014	n.a.	n.a.	3 years
Other Senior Managers with strategic responsibilities ⁽¹⁾		06.05.2014	cash	1,265	01.10.2014	n.a.	n.a.	3 years
Other Senior Managers		06.05.2014	cash	2,748	01.10.2014	n.a.	n.a.	3 years

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

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Via Martiri di Cefalonia, 67
Branches:
Cortemaggiore (Piacenza) - Italy
Via Enrico Mattei, 20



saipem

saipem Società per Azioni
Share Capital €441,410,900 fully paid up
Tax identification number and Milan Companies'
Register No. 00825790157

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

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

Saipem Sustainability (in English)

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