

(Translation for the readers' convenience only. In case of inconsistency, the Italian text shall prevail)

SAIPEM S.p.A.

Registered Office in San Donato Milanese, Via Martiri di Cefalonia n. 67

Share Capital €2,191,384,693

Register of Companies of Milan no. 00825790157

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MINUTES OF THE ORDINARY SHAREHOLDERS' MEETING

The ordinary Shareholders' meeting was held on April 29, 2016 at 10.05 am in San Donato Milanese, Via Martiri di Cefalonia n. 67, IV Palazzo Uffici.

Pursuant to art. 16 of the Company's Articles of Association, Prof. Paolo Andrea Colombo, with the unanimous consent of all present, chaired the meeting and asked the Notary, Francesco Guasti, to act as Secretary.

The Chairman advised that this meeting was called (single call), in compliance with the law and the Articles of Association, via a notice published on the Company's website and in the newspaper "Il Sole 24 Ore" on March 30, 2016, on the websites of Borsa Italiana and the Consob-authorized central storage system "Nis Storage", with the following

AGENDA

1. Statutory Financial Statements at December 31, 2015 of Saipem S.p.A. Relevant deliberations. Presentation of the Consolidated Financial Statements at December 31, 2015. Reports by the Board of Directors, the Statutory Auditors and the External Auditors.
2. Appointment of a Director.
3. Additional fees to the External Auditors.
4. Remuneration Report: remuneration policy.
5. New long-term incentive plan.
6. Buy-back of treasury shares to cover the 2016 allocation of the 2016-2018 long-term incentive plan.
7. Authorising the Board of Directors, pursuant to art. 2357-ter of the Italian Civil Code, to grant up to a maximum of 85,000,000 treasury shares in connection with the 2016 allocation of the 2016-2018 long-term incentive plan.

He informed that no requests to add items to the meeting agenda had been received from Shareholders, pursuant to art. 126-bis of Legislative Decree 58/98.

Besides the Chairman, the following Board Directors were in attendance: Stefano Cao - CEO, Maria Elena Cappello, Federico Ferro-Luzzi, Francesco Ferrucci, Guido Guzzetti, Flavia Mazzarella

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and Nicla Picchi and all Statutory Auditors: Mario Busso – Chairman of the Board of Statutory Auditors, Massimo Invernizzi and Giulia De Martino.

At the Chairman's request, the Secretary of the Board of Directors Mr. Mario Colombo was also present.

The Chairman informed that the meeting was attended in the meeting room and in an adjoining room, pursuant to articles 2 and 3 of the Regulations, by several journalists and financial experts, representatives of the External Auditors Reconta Ernst & Young and employees of the Company whose presence was deemed to be useful with regard to items on the agenda and the execution of the meeting.

He also informed that the meeting was attended by Senior Managers of the Company to help prepare the replies to the Shareholders' questions and ensure the smooth running of the meeting.

The Chairman reminded the Shareholders that if they wished to leave the meeting, they must report to the control station outside the meeting room.

He advised that an audio recording device was used to record the meeting.

He also informed that:

a) from the Shareholders register, updated for the Shareholders' meeting, it emerged that the number of ordinary Shareholders stood at 78,985.

From the Shareholders register and information received as of April 20, 2016 pursuant to art. 120 of Legislative Decree 58/98, and other available information, major Shareholders holding voting stock in excess of 2% of the share capital were as follows (altogether their holdings amounted to 51.55% of the share capital):

<i>Shareholder</i>	<i>ordinary Shares</i>	<i>% held</i>
- Eni S.p.A.	3,087,679,689	30.54%
- CDP Equity S.p.A. (formerly Fondo Strategico Italiano S.p.A.)	1,269,056,372	12.55%
- Dodge & Cox	649,660,383	6.43%
- People's Bank of China	205,783,909	2.03%
Total	5,212,130,353	51.55%

The share capital on March 30, 2016 amounted to €2,191,384,693, fully paid up, and comprised no. 10,109,668,270 ordinary shares and no. 106,126 savings shares, all with no par value.

Treasury shares on the day of the Shareholders' Meeting notice publication amounted to 1,939,832.

Voting stock comprised no. 10,107,728,438 ordinary shares.

b) All legal requirements provided for by the Civil Code and Issuers' Regulations had been duly met in respect of this Shareholders' meeting.

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c) A Shareholders' agreement is in place between the Shareholders Eni and F.S.I. as per art. 122 of Legislative Decree 58/98, which took effect on January 22, 2016 and has a 3-year duration. The Information Document prepared by Eni pursuant to art.5 of Related Parties' Regulations relating to the sale of a Saipem stake held by Eni states that "The provisions of the Shareholders' Agreement related to Saipem's corporate governance are aimed at creating a joint control of Saipem by Eni and FSI". The main points of the Shareholders' Agreement are posted on the Company's website under the section "Governance", subsection "Documents".

d) To carry out the legal audit of the Consolidated and Statutory Financial Statements as at December 31, 2015, the consolidated interim report as at June 30, 2015 and the audit of accounts, the external Audit Firm Reconta Ernst & Young invoiced no. 21,283 man-hours, equal to a fee of €1,483,125.08 (reviewed by the relevant bodies and deemed appropriate), broken down as follows:

- Statutory financial statements	11,765 hrs	€808,520.02
- Consolidated financial statements	6,045 hrs	€440,630.02
- limited audit of the consolidated		
Interim report	2,320 hrs	€155,552.59
- audit of accounts	<u>1,153 hrs</u>	<u>€78,422.45</u>
total	21,283 hrs	€1,483,125.08

These fees include charges relating to additional activities carried out with regard to Financial Statements at December 31, 2015 and to additional audit procedures in respect of several Saipem overseas Branches.

Item 3 of this meeting agenda details the proposal on additional fees payable to the external auditors.

Opening the proceedings pursuant to art. 7, paragraph 2 of "Shareholders' meeting regulations", the Chairman reminded all present that each contribution must not exceed 15 minutes. He stated that each Shareholder may provide only one contribution for each item on the agenda and that, following the discussion, only short voting comments would be allowed.

Prior to the Shareholders' meeting, questions had been received from Shareholders, pursuant to art. 127-ter of Legislative Decree 58/98.

In compliance with the law, the Company appointed Dario Trevisan as Designated Representative, so that Shareholders could have granted the power to vote on their behalf on items on the meeting agenda. No Shareholder exercised this right.

The Chairman reminded the attending Shareholders that they were required to vote using the remote controls provided at the time of registration, and illustrated how they worked. He informed that

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Shareholders wishing to depart before the end of the meeting were required to return their remote controls to personnel outside the meeting room.

In compliance with current data protection legislation, the Chairman informed that attendees' personal details (name, surname, place of birth, address and professional qualifications) shall be used strictly for the purposes and within the boundaries of the current legislation; details shall feature in the minutes of the Shareholders' meeting and may be circulated in Italy and abroad, within and/or outwith the European Union, always within the boundaries and obligations set by, and for the purposes of, the current legislation.

The Chairman, having verified the identities and entitlements of all participants, the notices issued by intermediaries and the legitimacy of proxies in line with current legislation, ascertained that no. 986 Shareholders were in attendance, either on their own behalf or by proxy, representing a total of 6,574,930,610 shares, equal to 65.04% of the ordinary share capital;

The Chairman informed that a detailed list of Shareholders, both on their own behalf and by proxy, has been attached, providing the number of shares for which notice of art. 83-sexies of Legislative Decree 58/98 was required (Annex A).

He declared he would provide updated information on shares represented before each vote.

The Chairman declared the Shareholders' meeting to be valid and fit to resolve on items of the Agenda.

He reminded the meeting that resolutions could not be proposed during the meeting on items that were not on the agenda.

Before discussing the individual items on the agenda, the Chairman read out some general macro-economic considerations, their effects and dynamics of the sector in which the Company operates.

In 2015, we received contrasting signals: on the one hand, the main indicators of the US economy showed a considerable improvement while, on the other, emerging economies experienced difficulties, due mainly to a decrease in prices for raw materials – especially in the energy sector – and a slowdown in commercial trading and investment at global level.

The three main factors which affected the global economy in 2015 were:

- the gradual easing of economic growth in China (+6.9% compared to +7.3% in 2014), with a reduction in investment and industrial production against an increase in demand for consumer goods and services;
- US monetary policy differing from those of the Eurozone and Japan. Specifically, in the US, the Federal Reserve recognised the economic recovery and in December – for the first time since 2006 – raised interest rates, albeit as part of a gradual manoeuvre, as recently stated by its Chairman Janet Yellen, who remarked the intention to proceed with caution vis-à-vis changes

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to the monetary policy. Conversely, the European and Japanese Central Banks continue to pursue a policy of “quantitative easing” to stimulate growth in their respective economies;

- oil prices bucked the downward trend of 2014, with WTI reaching the lowest prices since the last financial crisis and Brent seeing the lowest prices since 2004.

In 2015, the global GDP decreased to +2.4% compared to +2.6% in 2014.

If we analyse this data, we find that in emerging and developing economies – representing in excess of 70% of global growth – the GDP growth rate decreased for the fifth consecutive year (+4.3% compared to +4.9% in 2014). These economies, having driven global growth after the financial crisis of 2008, are now shrinking due to a reduction in prices for raw materials (crude oil in particular), in commercial trade at global level (+2.5% in 2015 compared to +3.5% in 2014) and in foreign investments.

These developments give rise to important internal dynamics, namely:

- political uncertainty, particularly in key areas in our sector, the Middle East and North Africa, which resulted in an increased country risk in those regions, reducing foreign capital and investments;
- restrictive monetary policies in countries like Brazil and South Africa increasing interest rates, with repercussions on investments and internal consumption.

Conversely, in advanced economies we saw modest recovery (+1.9% compared to +1.8% in 2014), driven mainly by a strengthening of internal demand, above all in the US.

The US GDP improved following a growth in demand for consumer goods (+3.1% in 2015 compared to +2.7% in 2014) – due to families experiencing greater spending power as a result of a lower rate of unemployment, a reduction in fuel prices and growth in salaries – only partially offset by a contraction in exports – due to the US dollar's appreciation and a slowdown in emerging markets – resulting in +2.5 GDP growth, the highest rate since 2008.

Following an 8-year crisis, the Eurozone seems to be heading for recovery, despite a worldwide commercial slowdown. This recovery is due to:

- a recovery in exports, thanks to the euro's depreciation and the reduction in energy costs (in a scenario of low oil and natural gas prices);
- an increase in investments, due to near zero or negative interest rates;
- growth – albeit moderate – in internal demand, with families having increased spending power as a result of a reduction in fuel prices and the ECB monetary policy which enabled a reversal in the down trend of the credit access rate for families and businesses;

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- lastly, a gradual reduction in the overall unemployment rate (from 11.3% in January 2015 to 10.3% in January 2016), although still too high in countries like Greece (24%), Spain (20%) and Italy (11.4%).

This scenario meant that, in 2015, GDP growth in the Eurozone stood at +1.5%, with main variations in Spain (+3.2% compared to +1.4% in 2014), Italy (+0.8% compared to -0.4% in 2014) and France (+1.1% compared to 0.2% in 2014) and Germany in line with the previous year (+1.5% compared to +1.6% in 2014).

Monetary policy played a particularly important role in revitalizing the economy. The tools that ECB has been using since 2014 are having the desired effect, i.e. ensuring that the monetary policy has a real effect on the economy.

However, monetary policy alone is not sufficient. To promote balance and sustainable growth structural reforms and investments are needed, which depend upon the trust placed by companies and investors in future prospects.

Such reforms cannot disregard the issue of European governance, dependent as they are on the cohesion of member states. The political and financial tensions that emerged during the management of the Greek crisis – which ended with a third bailout plan (approx. €86B) – have taken their toll on the cohesion of the European Union.

In 2015, the energy sector as a whole provided important clues: on aggregate, the annual primary energy requirement (approximately 13,700 mtoe) is growing at the rate of 0.5%. This shows a reduction in primary energy demand by advanced economies (-0.9% compared to the previous year) and, an increase (+1.2%) by emerging economies, which in the last 15 years had been growing on average by 5% pa.

If we break down the advanced economy percentage, we find that the US have recorded +0.9% growth, while the EU continued on a negative trend, recording -4.1% compared to 2014.

Emerging markets have seen the first reduction in 17 years, with China's economy (-0.2%) headed towards a lower growth rate than in the past. Conversely India (+6.7%), Brazil (+3.7%), South Africa (+3.4%) and the Middle East (+3.2%) continue to record important growth rates in terms of primary energy demand.

The mix of primary sources required to meet global energy demand is as follows: fossil fuel (crude oil, natural gas and coal) accounts for approximately 86% of demand, the remaining 14% is divided between nuclear energy (5%) and renewable sources (9%).

With regard to electrical energy consumption, according to the latest data, global demand was approximately 23,400 TWh, of which 47% was used by advanced economies and around 40% by emerging markets. The amount of fossil fuels used in power generation remains high (67%),

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however, renewable sources have been growing steadily, +3% compared to the previous year, accounting for 23%. Nuclear energy amounts to approx. 10% of power generation at global level.

In terms of power generation, plants based on renewable energy sources account for 28% worldwide (1,700 GW), with an average annual growth rate of new installations of 7%.

Also, new technological standards improving energy efficiency continued to be rolled out at global level. This plays a crucial role if we think that energy demand by 2040 will have increased by approx. 30%, vis-à-vis a 150% prospected growth in the global economy. This is due to the adoption of mandatory standards, also in China and India, having followed the footsteps of advanced economies.

Finally, 2015 has seen a very important event; the UN Conference on Climate Change (COP21), held in Paris from November 30 until December 11, involving 195 countries.

The agreement, heralded as “historic” by many parties, shows that all countries are committed, including emerging economies and the US, always reluctant in the past. This upheld the belief that climate change presents a concrete and potentially irreversible threat for our planet and requires the maximum cooperation of all countries to accelerate a reduction in greenhouse gas emissions.

The agreement provides a maximum temperature increase of 2°, with 5-year checks. Industrialized nations committed funds towards clean energy (around €100 billion per annum from 2020) to spread green technology around the world, and compensate the financial losses in countries most affected by the effects of climate change.

With regard to the oil sector, 2015 suffered from a glut in supply at global level. Despite low prices driving down production – especially in areas of high production costs like Canada, USA and the North Sea – the slowdown in the supply growth rate has not managed to rebalance the market in the short term, unless the main oil producing countries (OPEC primarily) make clear decisions in the coming months.

Global oil demand on aggregate in 2015 stood on average at 93 mb/d , an increase of +1.7% compared to 2014. This increase was supported by low oil prices, which accounted for an increase in demand for industrial and diesel fuel and oil by-products in the petrochemical sector.

If we break this down, the advanced economies saw stable oil demand, with an increase in the US (+1.9% compared to 2014) and in Europe (+1.5% compared to 2014) and a decrease in Asia Pacific (-1.2%). Emerging markets such as China (+3.5% compared to 2014), India (+5% compared to 2014) and the Middle East (+2.4% compared to 2014) have seen the highest demand for oil. Conversely, the Brazilian oil industry saw a 6% reduction in oil demand compared to 2014, due to the recession in the country.

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With regard to supply, average 2015 total production (including crude oil, methane and non-conventional oil by-products) amounted to 95.5 mb/d, an +3% increase compared to 2014.

In non-OPEC countries, average crude production rose to approximately 57.5 mb/d, a +1.7% increase compared to the previous year.

In OPEC countries, average crude production amounted to approximately 31.3 mb/d, a +5% increase compared to 2014. Major contributors to this increase are Iraq (+23%), Angola (+6%) and Saudi Arabia (+5%), while the other countries' level of production was in line with the previous year.

Lastly, oil and by-products reserves in 2015 amounted to around 3,000 mb, a +9% growth on the previous year, mainly in the US (+13.8%) and in Europe (+5.4%), while reductions were recorded in Japan (-5.4%) and China (-4%).

The trend in demand, supply and reserves has caused oil price fluctuations during the year. In fact, the Brent price went from 57 \$/bbl in January 2015 to 38 \$/bbl at the end of December 2015. In early 2016, Brent went below 30 \$/bbl, with a subsequent gradual recovery to today's 40\$/bbl.

In today's volatile market, the future trend of oil prices, as envisaged by analysts and other market specialists, may vary significantly depending on their forecast of geopolitical and macroeconomic variables as well as sector-specific expectations (exhaustion rate of production volumes of current reserves, OPEC countries production levels, Iran returning to the market and market reserves).

The unsuccessful meeting in Doha of main oil producers, which did not produce an agreement of production quotas to support oil prices, emphasised the fact that geopolitical conditions do not allow for market stabilization. According to the International Energy Agency (IEA) a decrease in oil production by non-OPEC countries may stabilize the market by 2017, but it may lead to a reduction in reserves from 2018: IEA also believes that these developments "may cause a gradual increase in prices".

The price of oil is one of the main factors underpinning the level of investment by the oil companies. In 2015, they reduced their spending on exploration & production by approximately 20% compared to 2014, down to US\$ 520 billion.

The greatest reductions in spending came from the Major Oil Companies (ENI, Exxon Mobil, Shell, Chevron, BP, Total, and Gazprom), as they were affected by a deterioration in their ability to generate cash and – above all the American companies – their dependency on the development of non-conventional oilfields.

Spending by the National Oil Companies (NOCs) remained stable, in line with the levels of 2014; they are driven by their need to strengthen their extractive infrastructure and oil monetization, and maintain their production quotas on the international market in order to support their economies.

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In 2015, the areas most affected by spending cuts were North America (-48% vs 2014), Russia (-15% vs 2014), Europe (-18%), Africa (-16%) and Asia Pacific (-20%), while the Middle East (-6%) experienced a more contained reduction.

The geographical diversity in spending will probably continue throughout 2016: the reduction in North America is expected to reach 25% (due to reduced production of shale oil in the US and Heavy Oil in Canada), while other areas are expected to see increases: particularly the Middle East (+5.5% mainly in the Downstream sector) and Russia/FSU (+3.5%), regions where Saipem has always enjoyed strong competitive positioning.

From 2005 to 2014 the Oil Field Service (OFS) Companies have benefitted from a positive trend in the prices of oil and natural gas, which drove investments in exploration and production and, consequently, upstream and downstream projects.

Today's oil & gas industry (Oil Companies and OFS Companies) are experiencing the toughest time during the past 30 years, with decreased revenues and backlog compared to 2014.

Specifically, the spending cuts by the oil companies have had the following effects in 2015:

- in the Offshore E&C segment, the cancellation or delay of various important development projects, resulting in an overcapacity of offshore construction vessels, mainly for ultra-deep waters;
- in the Onshore E&C segment, increased competition and pressure on prices, especially for large but less complex projects, and a lesser impact on downstream projects;
- in the offshore and onshore drilling segments, a global reduction in the utilization of onshore vessels (very relevant in North America) and offshore drilling rigs. As a direct result, lease rates have dropped significantly, which bodes badly for the future of the offshore drilling sector, as there are many offshore drilling rigs under construction which will come into operation in the next few years.

The current market conditions and the difficulties of the oil companies to generate positive cash flow are greatly affecting the OFS Companies, in terms of delays in credit collection, difficult relations with clients vis-à-vis claims and variation orders and an increase in requests for re-negotiation of prices and unit rates.

However, we must point out that, despite dependency on the oil companies' investments, 50% of the E&C backlog is not affected by oil prices. This is because there are projects in the backlog in the Infrastructure and downstream sectors, which benefit from low oil prices. In fact, investments in the downstream sector increased in 2015, particularly in the Middle East.

In a much deteriorated scenario, Saipem's revenues for 2015 amounted to €1,507 million (-11% vs 2014). When considering net current and non-current asset write-downs of €16 million carried out

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in the second quarter, the reported EBIT for the year amounted to €-452 million, while net result amounted to €-806 million.

Net debt at December 31, 2015 amounted to €5,390 million, an increase of €970 million compared to December 31, 2014, having felt the effects on the forex hedging derivatives reaching maturity of the US\$ appreciation against the € during the year (€487 million).

Saipem was awarded new contracts amounting to a total of €6,515 million, a reduction against the 2014 acquisitions which totalled €17,971 million; the backlog at December 31, 2015 amounted to €15,846 million, compared to €22,147 million at December 31, 2014, of which approximately €8,100 million is to be realized in 2016.

The aforementioned macroeconomic and sector scenario, this Board of Directors (appointed on April 30, 2015) launched the review of the 2016-2019 Industrial Plan, which was presented to the financial community on October 28, 2015. The guidelines of the plan are:

- reviewing the business portfolio, focusing on Saipem's core business;
- reviewing risk management models, aiming for risk reduction;
- rationalizing costs and improving efficiency of company processes;
- developing innovative technological solutions to present as a distinctive element on the market;
- strengthen the financial structure of the Company by reducing the debt and strictly managing investments and working capital.

In the first quarter of 2016, Saipem achieved positive results in terms of visibility on revenue sources, the consolidated equity structure, and the increase in efficiency. These allow us, albeit in a complex market scenario, to confirm the 2016 guidance provided in the third quarter of 2015 in terms of revenues, profitability and net financial position.

Revenues for the first quarter of 2016 amounted to €2.8 billion, a 6% decrease compared to the first quarter of 2015, with EBIT amounting to €179 million, a 13% increase over the same period 2015.

Net profit for the first quarter reached €61 million, with capex amounting to €45 million.

Net debt at March 31, 2016 fell to €2,040 million, down from December 31, 2015 (€5,390 million), due to the conclusion of the share capital increase operation.

In the first quarter of 2016, Saipem was awarded new contracts amounting to a total of €1,025 million, (€2,399 million in the first quarter of 2015), with a backlog at March 31, 2016 amounting to €14,031 million.

With regard to strengthening the financial structure of the Company, in February the Share Capital Increase was completed, amounting to approximately €3.5 billion; this operation together with the refinancing of the residual debt enabled Saipem to fully repay the debt owed to the parent company

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Eni S.p.A. and to reduce it from €5.4 billion at the end of 2015 to approximately €2 billion at March 31, 2016.

The share capital increase and debt refinancing were necessary for Saipem to have financial independence and flexibility, to reduce its financial leverage to that of its main competitors and diversify its sources of financing at competitive rates; all this in order to have a solid position with which to address the challenges facing the Company in the future.

The operation was a strategic pillar in Saipem's strategic revival, because it shall provide a much strengthened financial structure which will prove to be a competitive advantage both at strategic and commercial level.

With regard to the topic of Corporate Governance, the Chairman reminded the meeting that it is a tool to create and protect value, which is increasingly used as a valuation and selection criteria by investors. For these reasons, Saipem is pursuing initiatives aimed at improving its Governance. Main activities carried out in 2015 included:

- setting up the Corporate Governance Committee with the task of assisting the Board of Directors in reviewing assessment and decision-making processes with regard to the corporate governance and Corporate Social Responsibility;
- implementing the amendments made to the Corporate Governance Code in July 2015, relating to the introduction of the medium-long term corporate sustainability; implementing several best practices in matters of internal control, already rolled out at national and international level in some business sectors; and adding to the Code certain opinions expressed by the Corporate Governance Committee of Borsa Italiana in its 2014 Annual Report;
- appointing as Chairman of the Audit & Risk Committee – which at Saipem also acts as the Related Parties' Committee – to a Board Director selected from the minority list;
- placing the Head of Internal Audit under the remit of the Board of Directors and, on its behalf, the Chairman, notwithstanding his functional reporting to Director responsible for the Internal Control and Risk Management System;
- launching a risk appetite identification process, as part of the review of contract acquisition and execution;
- finally, the continuation of analyses aimed at optimizing the governance of main subsidiaries.

The Chairman closed his speech by talking about sustainability policies and main measures taken in 2015 which are recorded in the Sustainability Report-

Saipem's commitment to sustainability – i.e. a company's ability to operate on the market creating value for its stakeholders and assimilating economic, environmental, ethical and social factors – is one of the pillars of Saipem's industrial strategy, even in the current scenario.

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Sustainability is pivotal to Saipem's strategy because of the nature of its business, its clients' requirements, the attention paid by the financial community and the expectations of sustainable development held by the communities in the countries where it operates.

Saipem is a global company but it also has a long-standing presence in some areas. Historically, Saipem has committed to managing its operations responsibly, promoting dialogue and cementing relations with its stakeholders. The latter are involved by taking part in an analysis on the material issues on sustainability – a process which allows the prioritization of the various aspects of sustainability at the company – and promoting sustainability to our clients as a qualifying element for our services.

Specific sustainability initiatives for single territories, aimed at mitigating the environmental and social impact cannot but add value to the project itself.

With regard to materiality and stakeholder engagement, in 2015 an Engagement Survey was sent to 8000 employees and dealt also with sustainability issues. The Survey found three themes that employees deemed important: safety at work, human resources management and growth and technological innovation.

Personnel safety remains the primary objective, for which no satisfaction or indicator levels exist that can make us lower our guard. Therefore, despite the rate of accidents at work has been in decline, safety programmes like "Leadership in Safety", "We Want Zero" and the recently introduced "Life Saving Rules" have endured.

With regard to the development of human resources – the main asset for the long-term success of the Company – Saipem continues to attract talented personnel, and promote their professional growth and motivation. Besides initiatives to enhance their competencies, in many countries around the world Saipem has continued to cooperate with schools and universities to promote the development of human capital through the implementation of internships, scholarships and training courses.

Therefore, the communities in Saipem countries of operation recognize that this is an opportunity for development, growth and socio-cultural integration: a decisive factor in areas often experiencing conflict and social tension.

Alongside core activities, namely job creation and the promotion of economic development through the fabrication yards, other development initiatives have been launched involving civilians. An important example was the creation of a training programme on Human Rights and the launch of projects to develop local entrepreneurship in sectors not directly linked to Oil & Gas.

We in Saipem strongly believe that sustainability is not a cost but added value for the Company. Just think of the role of innovation, which in Saipem's business represents a competitive advantage

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in the short-term but at the same time allows it to open its strategic horizon adapting it to various scenarios, so as not to be unprepared and to continue to pursue sustainable growth.

This year Saipem want to make on a formal commitment at international level and adhere to the UN initiative "Global Compact", promoting its accountability with a large range of stakeholders and supporting its credibility on the market and with investors.

Finally, the Chairman pointed out that transparency, correct conduct, ethics in all its guises and integrity in managing innumerable business situations – including relations with clients, suppliers, partners, collaborators and public authorities – are founding values for this Company, which must inspire each one of us. These values are the basis of the Code of Ethics and the Company's Organization Model, but also of the daily activities of all employees of the Group. The aim and duty of all interested parties is spreading these values throughout all levels of the Group organization, through training of all employees and awareness campaigns targeting all levels of the Company.

In recent years, Saipem has been involved in events that have damaged its image; we must make these the opportunity to start a new chapter in the Company's history, in which all these founding values will be emphasised: ethics, long-term vision, competencies and technology, unavoidable elements in the creation of sustainable value.

He closed by thanking first of all his colleagues, who, this year – in a particularly difficult context – continued to work assiduously, with passion and sacrifice.

He thanked the Board of Directors for their commitment, tenacity and quality of their work. He gave personal thanks, also on behalf of the Board of Directors, to Mr. Cao, who is leading the Group with great passion and professionalism.

He also thanked the Board of Statutory Auditors, the members of the Corporate Governance Committee, the Compensation and Nomination Committee, the Audit and Risk Committee and the Compliance Committee for their commitment and quality of their work.

He thanked all Shareholders for the trust they continue to put in Saipem in this particularly difficult period in the history of the Group.

The Chairman then moved on to address **the first item on the agenda**. He stated that the 2015 Annual Report, which includes the draft Statutory Financial Statements of Saipem S.p.A. and the Consolidated Financial Statements at December 31, 2015, reports by the Board of Statutory Auditors and the external Auditors, and the statement as per art. 154-bis paragraph 5 of Legislative Decree 58/98, was filed and made available to all Shareholders together with the reports and resolution proposals prepared by the Board Directors at the Company's registered office, and online

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on Saipem's website and Borsa Italiana S.p.A.'s under the terms of the law and regulations (Appendix C).

The financial statements of subsidiary and associated companies were also lodged at the Company's registered office, in compliance with the provisions of Law.

With the unanimous consent of the meeting, and at the proposal of **Massimo Cipolletta representing the Shareholder Eni**, the Chairman forwent the reading of the reports on the Consolidated and Statutory Financial Statements of Saipem S.p.A., reading out only the proposals (on page 250 of the booklet "Financial Statements"):

"Messrs. Shareholders,

You are invited to approve Saipem's Statutory Financial Statements at December 31, 2015, which recorded a loss for the year of €126,555,266.87.

We propose to cover the aforementioned loss by utilizing available reserves as follows:

- Share premium reserve : Euro 54,909,005.94
- Reserve from transactions under common control : Euro 18,253,019.98
- Forex gains reserve (art. 2426 bis Italian C.C.) : Euro 4,856,975.48
- Incentive plans fair value reserve : Euro 13,486,742.37
- Merger surplus reserve: Euro 35,049,523.10".

The Chairman handed over to the **Chairman of the Board of Statutory Auditors**. With the unanimous consent of all present, he forwent the reading of the Report by the Board of Statutory Auditors but illustrated the first part dealing with the audit activities, the second part related to the Audit Committee and audit of accounts, and the third part dedicated to "other activities".

Finally, he read out the conclusions of the Report in which the Board of Statutory Auditors expressed in favour of the proposal to approve the 2015 Financial Statements.

The Chairman opened the discussion.

Donato Pinto, shareholder, employee and manager at Saipem, having studied the financial statements, asked for information on the components of the working capital and, specifically, regarding the reasons for the €781,000,000 write-down carried out in June 2015.

Sebastiano Corato told the meeting that he became a Shareholder a couple of years ago, putting much faith in the Eni school. He asked for clarification regarding the share capital increase and the timing of its implementation; he maintained that the increase enabled the Company to source financial funding, that €1,300,000,000 were received by Eni and that approximately €24,000,000, possibly including the fees to the external auditors, went to the share placing consortium.

He pointed out that the timing of the share capital increase impoverished the majority of Shareholders, stating that he minimised the damage by selling all his shares and buying the rights

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later, thereby maintaining an unchanged position, running a risk which proved later to be an opportunity. However, not all small Shareholders were prepared to take that risk.

He asked if the timing of the share capital increase was decided by Eni and how Saipem contributed to that decision. Did the Company passively accept this timing, before the draft 2015 financial statements were ready and therefore not knowing if any more write-downs of payables or contracts were going to occur?

He emphasised how the placing consortium, having underwritten the shares at €0.362 cents, managed to realize gains of 17%, in addition to their fees, when the share hit 42.5 cents on March 7, 2016.

With regard to the 1.8 billion planned bond issue, he hopes that the Board of Directors will give the small Shareholders the chance to partake, issuing bonds of reasonable denomination, around € 10/20,000.

Regarding the dependency on the negative trend in the oil price, he maintains that there is no direct correlation between service companies and production companies and this may be an opportunity for recovery.

Finally he asked if Saipem may have opportunities in India, as there are no extraction companies in the country and if Saipem may have considered requesting a Corporate Governance rating.

In addition to the questions he sent prior to the meeting and the answers provided in writing and appended to these minutes, **Luciano Marchisio** asked for clarification regarding the real reasons behind the recent share capital increase "dilution" operation, the total loss of its original capitalization, i.e. of market value of the Saipem shares.

He maintained that the conditions pursuant to art. 2446 of the Italian Civil Code and subsequent amendments had not been met, and could not fathom how the losses for the year can be covered by the indicated reserves, as the current capitalization is now lower than the value of the option right.

He asked that the names of those persons who planned and implemented the share capital increase be included in these minutes: Board Directors, control and compliance bodies, consultants and advisors.

He also asked that the parent company Eni return to Saipem the amount received as intra-group payables write-off so as to avoid a possible revocation action in the future, should the legal conditions occur.

Giorgio Gola hoped that the CEO would offer his comments on the financial statements, as per usual.

He believes that Saipem is one of the most advanced Italian companies and one of the leaders at global level in its sectors of operation, which is why he invested in it, also in light of the results of

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the fourth quarter 2015, which showed a €60 million profit. This positive result is borne out by the trend on the first quarter 2016 and in the appreciation of the share price.

He deems the excessively fractionalized number of shares penalizes the Company because it is not liked by major institutional investors. He proposed a share reverse-split, for instance from 10 to 1.

In his opinion, the share price will be, for a long while, affected by the fact that the recent share capital increase had been largely absorbed by the pool of banks, which can't wait to place the stock.

The guidance for 2016 forecasts profit of €300 million: as the guidance also pointed out how risky this forecast is, he asked if the guidance for the first quarter had been met, the trend of the backlog, and the current value of contracts in the backlog and the percentage of these contracts to be carried out on Eni's behalf.

Specifically, he asked if there are contracts in the backlog to be carried out in high-risk countries, such as Venezuela or Algeria, and if Saipem regards the recent acquisition of a €430 million contract to erect wind turbines off the coast of Scotland to be a new sector of operations.

He would like to know the current number of Saipem employees and their geographical distribution; if, as a result of the South Stream contract cancellation, Saipem started damage recovery proceedings and, should its claim be successful, will it be awarded damages in cash or in new orders?

He stated that he would vote in favour.

Gianni Franzoni asked how heavy the financial loss would be, should Saipem be forced to recall its assets from Egypt following the Regeni affair, and similarly, what would be the loss should the situation in Libya deteriorate.

Davide Crippa representing the Shareholder **Giulio Melegari** declared that he was a Member of Parliament for the "Movimento 5 Stelle" party and a Member of the Business Activities Commission.

He pointed out how the progressive loss of share value today amounts to 75%. He agrees with the other Shareholders regarding the bad timing for the share capital increase, before the release of the financial statements.

This increase avoided bankruptcy, but damaged small investors and shareholders; "Cassa Depositi e Prestiti", which invested in Saipem through FSI, has so far lost €373 million. He wondered if this was not the Italian State helping Eni. He asked what price a barrel of oil has to reach to break even, and what would Saipem's costs be to upgrade its drilling rigs to comply with the "new oil well control rules" introduced by the Obama administration.

He reminded the meeting that during the hearing of the joint Business Commissions of the Chamber of Deputies and the Senate on November 17, 2015, both the Chairman and the CEO had committed

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to posting on Saipem's website transparent documents and information regarding the certification of its naval assets.

He stated that he was unable to find this information and asked where it could be found.

He asked for confirmation of the versatility of the vessel Saipem 7000, particularly in view of the installation of large offshore wind farms. In reply to the Shareholder Marchisio's questions, the Company stated that it is not planning to invest in renewable energy, while the Chairman maintained that there may be business opportunities in this field; he therefore asked if the Company had taken part in tenders or been awarded any work in this sector, which he deems to be of strategic importance.

He also asked if new business opportunities may clash with the CEO's intention of focusing on the Company's traditional core business. He deems the use of LNG for maritime transportation to be important in this transition period, emphasising the need for the rational planning of distribution points serving naval routes.

He also asked if the management are planning to modernize the fleet, and to change the fuelling of vessels to LNG.

He stated that revamping Saipem's image also means pursuing business transparency and ethics; he quoted a sentence by the Court of Appeal, which upheld a fine issued by Consob for failing to provide correct information to Shareholders, with a consequent claim by several Shareholders for damages amounting to €64 million.

He asked what measures Saipem and its current management have put in place to identify elements that could give rise to potential actions for liability.

He would also like to know if any measures have been put in place to safeguard the former Chairman of Saipem Algeria, who settled a sentence for alleged bribes paid by Saipem in Algeria for the award of contracts, and if the Company has started prosecutions in ongoing cases.

He believes that for Saipem to be considered a reliable international contractor, it needs to send out clear signals in terms of prosecuting those individuals who have actual juridical responsibilities for incorrect and/or corrupt conduct.

The Shareholder **Dario Radaelli** took the floor, and asked for his speech to be transcribed verbatim and appended to these minutes (Annex D).

The Chairman adjourned the meeting at 11.45 to prepare replies. The meeting resumed at 12.55.

The CEO replied to the Shareholder Pinto: he stated that the write-downs of payables from Clients does not mean that the Company has forfeited those credits, and it continues to pursue their payments.

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He pointed out that the decision to write them down depends on the scarce willingness by clients to settle them, due to the difficult and ever-worsening market conditions linked to the deterioration in the oil price.

In reply to the Shareholder Corato and other Shareholders who asked about the share capital increase, he maintained that the operation is of vital importance for the development of the Company and was approved by the relevant corporate bodies in order to gain financial autonomy from Eni, reduce the debt and diversify its sources of credit. All these reasons were reported in the press releases and described in detail in the information document approved by Consob.

It is market practice that the EMTN programme be aimed at institutional investors; at present, the Company has not considered its extension to small investors.

Saipem has achieved the sustainability rating FTSE4Good, which also contains a rating for the Corporate Governance; he shall evaluate the expediency to acquire further ratings of Corporate Governance.

There is only an indirect link between the oil price and the award of contracts: a decrease in the oil price causes the oil companies to reduce their exploration and research spending budgets.

India is a country that has oil resources and Saipem has worked there in the past. At this moment there are no important prospects for asset utilization, or use of our competencies in local projects. However, the Company maintains an important engineering presence in the country which supports ongoing projects.

In reply to the Shareholder Marchisio, he pointed out that art. 2446 of the Italian Civil Code states that the reduction of corporate capital for losses does not refer to the market capitalization, but net equity; therefore it is not applicable if reserves are available to cover the losses. In this case, the losses are covered by the reserves detailed in the resolution proposed by the Board of Directors and said article does not apply.

The Company is not planning a reverse split of shares; however, it may review the benefits of such an operation in the future.

With regard to contracts in the backlog to be carried out in high risk countries, he reminded the meeting that contracts in Venezuela and Algeria amount to €29 million, of which €15 million are on behalf of Eni.

The whole backlog of contracts to be carried out on Eni's behalf amounts to 10% of the total.

Net receivables at March 31 from the aforementioned countries amounted to a total of €220 million, of which €33 million were from Eni.

Saipem personnel at March 31, 2016 totalled 44,390 resources, of which 6,649 are Italian nationals, (of which two thirds are employed in Italy and the remainder throughout the world).

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With regard to the contract in Scotland, it is a project for the erection of offshore wind turbines utilizing Saipem vessels. It is of interest to the Company; however, it has small added value, in view of its size and number of vessels required.

Regarding the South Stream project, its cancellation was not related to the Company's performance. Saipem is determined to pursue the recovery of what is due, launching all the necessary actions: in December 2015, Saipem launched an arbitration and arbitrators are currently being selected for the parties. Should it be in the interests of the Company, Saipem may seek a financial settlement, whereas the compensation between the South Stream project and other projects is out of the question.

The Company is interested in pursuing the new North Stream development.

He reminded the meeting that all ongoing proceedings are detailed on page 145 of the Annual Report.

Replying to the Shareholder Franzoni, he stated that the Company has no assets in Libya, apart from one office which employs local personnel.

In Egypt, Saipem has no direct exposure. It currently has a well-structured office. Drilling operations are being carried out offshore as part of the Zohr project; Saipem is negotiating with Eni regarding a contract for the development of the first phase of the project.

Replying to the Shareholder Davide Crippa, he maintained that Saipem 7000 is a hook-up vessel and confirmed that it possesses all the class and flag certifications, in addition to those required by the International Safety Management (ISM), International Ship and Port Facility Security (ISPS) and Maritime Labour Convention (MLC). Furthermore, it was always found in compliance with the checks carried out by the Coastal Guards.

All this information will be made available as soon as the internal check and necessary in-depth analyses are completed. The information will be complete, exhaustive, transparent and it will be posted on the Company's website, and the relevant links will be made public.

The issue of renewable energy sources is deemed very important by the Company.

Saipem believes that it can refocus on its core business without excluding the diversification to the sector of renewable energy; the two things are fully compatible.

In this current situation and critical market conditions it is important to focus on activities for which Saipem has developed such competencies and technologies to be a leader in its sector. However, Saipem can, and should, explore future prospects, specifically the pursuit of innovation, which has enabled Saipem to achieve excellence over the years.

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The Obama rules were introduced in April 2016 and we are checking their impact on the Company's assets. At the moment, these rules only apply in the Gulf of Mexico, even though they may be extended.

Saipem is among the main contractors to build LNG plants throughout the world; we are bidding for a contract in Mozambique in joint venture with two of the largest operators in this sector. This shows that Saipem is extremely active in the construction of both onshore and floating installations. Conversely, we are not researching the possibility to use LNG as a fuel for our assets because these are destined to move in areas where platforms are constructed or pipes laid, their main function is not navigation.

The **Chairman** took the floor and confirmed that the Board of Directors is determined to pursue transparency and ethics in business.

With regard to the two points made by Davide Crippa, the 2015 Annual Report provides a detailed account (pages 138-141) of the penal proceedings filed recently with the Court of Milan and which we are expecting to hear from.

Saipem had sent letters to suspend the terms of the statute of limitation for former employees under investigation by the Prosecutor's Office, in order to retain the right to pursue possible future actions for damages. The Board closely follows the evolution of these events and shall evaluate and take the appropriate decisions, to protect the Company and its assets.

With regard to the Consob fine, he mentioned that page 144 of the Annual Report provides details on the proceedings launched by Consob

With regard to Consob's fine, he pointed out that page 144 of the Annual Report provides a description of the proceedings launched by Consob on account of an alleged delay in the profit warning of January 29, 2013. This case only concerns Saipem, which appealed and is awaiting judgement by the Court of Cassation.

The suit launched by some investors in 2015 is based only partly on the profit warning delay. However, it is still in its initial stages and is detailed on page 144 of the Annual Report. Once a judgement is issued by the Judiciary, the Company shall assess any measures required to protect the Company and its assets.

In reply to the Shareholder Radaelli, he reminded the meeting that the nominal value of shares was eliminated by the Shareholders' Meeting on December 2, 2015. He maintained that the opportunity to issue new shares at a lower price than the pre-existing accounting par value, or implicit par value, was confirmed by the positions expressed by the Board of Notaries of Milan, and explicitly in the Notary Rule no. 36, which confirms the full legitimacy of the recent share capital increase operation.

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He therefore reiterated that both old and new shares do not have par value; their new accounting par value can be calculated by dividing the value of the share capital by the number of shares issued and is the same for all share categories.

This accounting value, pursuant to art. 2348 of the Italian Civil Code, is the same for both ordinary and savings shares, and all shares in the same category enjoy the same rights, in compliance with the Civil Code, which means that the Shareholder Eni has one voting right per ordinary share owned, exactly like all other Shareholders.

Sebastiano Corato took the floor and stressed that he wished to know if Saipem took the decision to increase the share capital autonomously, or if the decision was taken by Eni; also, the reasons for the banks to have opted for the timing of the increase, which proved damaging to the Company and its Shareholders.

With respect to the EMTN programme, he stated that the interests of institutional investors shall result in the Company paying between 5% and 7% for the next share issues, whereas were this programme to be open to small Shareholders, the cost may be limited to 2.5%.

The **CEO** replied to the Shareholder by stating that as soon as he came back last year, he agreed with the Chairman to submit to the Board of Directors a series of immediate actions: first of all re-opening the recently approved industrial plan, which was reviewed in light of contingent events and the progressive deterioration of the oil price, increasing difficulties with clients, the business prospects for additional work becoming very limited due to the aforementioned factors. Many successful years linked to the market trend caused the debt to increase beyond a reasonable level, so a very aggressive programme of cost cutting was launched, which was further increased to reach €1.7 billion.

At the same time we reviewed the balance sheet as it no longer seemed sustainable; it was necessary to curb the debt to adequate levels to be compatible to Saipem's business. There was nothing else to do but opt for an extraordinary operation: consultations were opened with banks, and an implementation programme was outlined for Saipem.

The Chairman added that the decision was taken exclusively by the Board of Directors in autonomy and that it was aware of its responsibilities; the Board also decided its timing based on market trends, as it did not want to wait and then realize it could not close the operation.

The Shareholder **Dario Radaelli** took the floor again and asked for his speech to be recorded verbatim and appended to these minutes (Annex E).

Davide Crippa on behalf of the Shareholder Giulio Melegari stated that 7 months have passed since they promised to publish naval certifications on the website. He hoped that the Company would take steps to implement this quickly.

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He reminded all present that European Regulations provide that sulphur emissions will have to be curbed by 2020; therefore, costs will increase for de-sulphureted fuel or for cutting-down mechanisms. For these reasons, many companies are moving towards alternative fuel sources.

He pointed out that Exxon Mobil estimated costs deriving from the application of the Obama rules to be in excess of USD 25 million, and, as European Regulations may emulate the US rules, it is important to make provisions in this respect.

He stated that an answer had not been provided to the question of whether the Company launched a penal suit against former managers or, following settlements, the Company launched actions to recover damages, by assuming the settlement as admission of guilt. Having received unconvincing answers he stated his intention to vote against.

The CEO, at the request of **Giorgio Gola**, confirmed that orders in the backlog on Eni's behalf amount to 10% of the total, and stated that Eni is Saipem's third largest client after Saudi Aramco and Total.

Before moving on to voting, **the Chairman** reminded all present that the Annual Report states that the Company cannot bring lawsuits, as the previous Board of Directors decided to defend itself and therefore Saipem is a party in the proceedings.

When the final judgement is issued, the Board shall evaluate the outcomes.

Finally he stated that the legal team is closely monitoring the specific case of the settlement highlighted by Davide Crippa.

The Chairman informed the meeting that the answers to the questions received prior to the Shareholders' Meeting, pursuant to art. 127-ter of Legislative Decree 58/1998, had been made available in writing, together with the relevant questions, at the entrance to the meeting room and are appended to these minutes (Annex F).

Nobody else having asked leave to speak, the Chairman informed that no. 988 Shareholders were in attendance, either on their own behalf or by proxy, representing a total of 6,586,912,800 ordinary shares, equal to 65.15% of the ordinary share capital.

He put to the vote the proposal to approve the Financial Statements of Saipem S.p.A. for the year ended on December 31, 2015 (Statutory Financial Statements of Saipem S.p.A. at December 31, 2015 comprising: Balance Sheet, Income Statement, Explanatory Notes and Directors' Report).

He invited Shareholders to use the remote controls, having reminded them that votes could be cast within one minute from the opening of each vote, and that after one minute voting would close.

The proposal was approved by a majority of votes, with no. 6,583,737,006 votes in favour, no. 279,125 votes against, no. 2,855,614 votes abstained and no. 41,055 non-voting shares, as per detailed list appended to these minutes (Annex B).

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He put to the vote the aforementioned proposal to cover the loss for 2015.

The Chairman informed that no. 987 Shareholders were in attendance, either on their own behalf or by proxy, representing a total of 6,586,540,800 ordinary shares, equal to 65.15% of the ordinary share capital. The proposal was approved by a majority of votes, with no. 6,583,416,016 votes in favour, no. 235,125 votes against, and no. 2,889,614 votes abstained, as per detailed list appended to these minutes (Annex B).

He moved on to address **item 2 on the agenda**. The Chairman read out the explanatory report by the Board of Directors:

“Messrs. Shareholders,

on January 21, 2016, Mr Stefano Siragusa resigned from the office of Board Director of Saipem S.p.A. He had been elected – as a non-independent Director pursuant to the Corporate Governance Code of listed companies - from the majority list presented by the shareholder Eni, and voted in by the Shareholders on April 30, 2015.

The Board of Directors, on January 21, 2016, resolved to reconstitute the Board by co-opting Mr Leone Pattofatto, a candidate put forward by Fondo Strategico Italiano S.p.A., having ascertained that he met the necessary requirements.

The Shareholders' Meeting is called to appoint a new Board Director, whose mandate shall expire concurrently with that of the current Directors, i.e. on the day of the Shareholders' meeting called to approve the Financial Statements as at December 31, 2017.

List-based voting shall not apply in this instance, as it only applies in the case of the renewal of the entire Board of Directors; hence, the Shareholders' meeting shall resolve this appointment through a legal majority.

Candidates may be put forward for the office of Director, if they have presented, by the date of the Shareholders' meeting, all the relevant documentation stating that they meet the requirements provided by the Articles of Association and current legislation”.

He also read out the resolution proposal:

“Messrs. Shareholders,

you are called to appoint a Board Director based on proposals put forward at the Shareholders' meeting, pursuant to art. 19 of the Articles of Association.

Shareholders putting forward candidates should ensure that there are no grounds for ineligibility and/or incompatibility, and that candidates meet the relevant requirements under the law, the Articles of Association and/or other applicable regulations. You are also invited to provide sufficient information on the personal and professional characteristics of candidates and to supply a list of directorships and/or audit positions they may hold in other companies”.

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He opened the discussion.

Nicola Dell'Anno representing the Shareholder CDP Equity SpA proposed to appoint Leone Pattofatto, whose mandate shall expire at the Shareholders' meeting called to approve the Financial Statements at December 31, 2017.

Nobody else having asked leave to speak, the Chairman informed the meeting that no. 986 Shareholders were in attendance, either on their own behalf or by proxy, representing a total of 6,586,539,800 ordinary shares, equal to 65.15% of the ordinary share capital.

He put to the vote the appointment proposed by the Shareholder CDP Equity SpA, by means of the remote controls.

The proposal was approved by a majority of votes, with no. 6,555,990,241 votes in favour, no. 7,351,512 votes against, no. 23,083,047 votes abstained, and no. 115,000 shares which did not vote, as per detailed list appended to these minutes (Annex B).

He moved on to address **item 3 on the agenda**. The Chairman handed over to the Chairman of the Board of Statutory Auditors, who, with the consent of all present, forewent the reading of the reasoned opinion, and provided a summary of the main points and its conclusions.

The introductory part of the Report details all additional activities carried out by the external auditors: the first is the work required by Consob on the share capital increase operation amounting to a total of €870,000, relating entirely to this year. Additional activities amounting to €652,000 relate to last year and the 2014 Financial Statements, which were submitted too late to be approved at last year's General Shareholders' Meeting.

In total, additional fees amount to approximately €1.5 million and relate to extraordinary operations for the previous two years.

The Board of Statutory Auditors reviewed the requests received during the year, both in terms of type of service and man-hours worked; this is part of a framework agreement that the external auditors signed with the parent company in 2010, when their nine-year mandate started, detailing the hourly rates by professional category (partner, manager, senior and junior staff) structured as a pyramid, providing for a certain incidence of hours for the various professional categories.

The Board of Statutory Auditors ascertained that each request applied the same rates, that the work had actually been carried out and that the pyramids for each category had been applied.

He pointed out that some small differences in the use of pyramids related to extraordinary operations, specifically the share capital increase, an extremely significant operation in terms of technical and professional content, for which the time spent by partners and managers was greater than the original proposal.

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The Board of Statutory Auditors ascertained that the aforementioned fees requested by the external audit firm:

- resulted from professional activities carried out on behalf of the company;
- were in line with the provisions of the Frame Agreement no. 1437/2010/APR-CCT-C between Eni SpA and Reconta Ernst & Young SpA dated May 10, 2010, and agreements between Saipem SpA and Reconta Ernst & Young SpA, specifically:

(i) with regard to the use of standard hourly rates by professional category and their professional mix, amounting to a total of €2,043,334;

(ii) with regard to the use of standard hourly rates by professional category and their suitable professional mix vis-à-vis the work complexity, amounting to a total of €1,200.457;

- these conditions apply to all actual man-hours worked.

The Board of Statutory Auditors proposed that the Shareholders' meeting approve the payment of additional fees to the company Reconta Ernst & Young amounting to a total of €3,243,791.

The Chairman opened the discussion.

Donato Pinto complained about the request for additional fees by the external auditors, because it bucks the trend of recent years in terms of price for this type of contract. He deemed that broader market research was necessary to obtain better conditions. He also complained that last year additional fees were requested and Saipem should ask for cash back amounting to €630,000 because this was not included in the 2014 budget. He advised that he shall vote against the request for additional fees of €870,000 in connection with the share capital increase.

Sebastiano Corato acknowledged that the Chairman and the whole Board of Statutory Auditors may have ascertained that the charges were correct. However, he deemed a check of man-hours worked, based on the time sheet provided, to be impossible and that Saipem may have been billed for audit hours performed in the interests of Eni.

As Saipem is now independent, it should review, in total autonomy, the contractual conditions applicable to the external auditors.

At the Chairman's proposal, **the Chairman of the Board of Statutory Auditors** replied to the questions posed by the Shareholders.

The fee reductions applied by external auditors to which the Shareholder was referring relate to companies operating in totally different sectors and are not comparable.

Over the last three years the Group experienced very difficult conditions; the events that took place between the end of 2012 and the beginning of 2013 required additional services by the auditors to support the activities of the Board of Statutory Auditors in order to launch all necessary control measures: this very specific occurrence – which we hope will never happen again – justifies the

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number of additional man-hours, for which we exclude that we were billed for activities carried out on Eni's behalf.

The Board and the CEO shall review the opportunity to renegotiate auditors' fees. However, this issue is not on the meeting agenda, which is called to approve fees for work already carried out and verified, which the Group absolutely required.

Nobody having asked leave to speak, the Chairman informed that no. 986 Shareholders were in attendance, either on their own behalf or by proxy, representing a total of 6,586,539,800 ordinary shares, equal to 65.15% of the ordinary share capital.

He put to the vote the proposal by the Board of Statutory Auditors, by means of the remote controls.

The proposal was approved by a majority of votes, with no. 6,539,031,956 votes in favour, no. 25,609,989 votes against, and no. 21,897,855 votes abstained, as per detailed list appended to these minutes (Annex B).

He moved on to address **item 4 on the agenda**. The Chairman read out the explanatory report by the Board of Directors:

Explanatory Report

"Messrs. Shareholders,

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

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

Resolution Proposal

"Messrs. Shareholders,

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

He handed over to the Director **Maria Elena Cappello**, Chairman of the Compensation and Nomination Committee, who summarized the first part of the Report "Remuneration Policy 2016"

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upon which the Shareholders' Meeting is called to express a non-binding vote, and the main points of the second part dedicated to the implementation of the 2015 policy.

The Chairman opened the discussion.

Nobody having asked leave to speak, the Chairman informed that no. 986 Shareholders were in attendance, either on their own behalf or by proxy, representing a total of 6,586,539,800 ordinary shares, equal to 65.15% of the ordinary share capital.

He put to the vote the proposal to express a consultative vote in favour of the first part of the Remuneration Report, by means of the remote controls.

The proposal was approved by a majority of votes, with no. 6,492,491,519 votes in favour, no. 78,008,524 votes against, and no. 16,039,757 votes abstained, as per detailed list appended to these minutes (Annex B).

He moved on to address **item 5 on the agenda**. The Chairman handed back to the Director **Maria Elena Cappello**, Chairman of the Compensation and Nomination Committee, who read out the explanatory report by the Board of Directors:

Explanatory Report

“Messrs. Shareholders,

the Board of Directors of Saipem S.p.A. resolved to submit for approval of the Shareholders' meeting the adoption of a new Long-Term Incentive Plan for the years 2016-2018 (the “Plan”), prepared at the proposal of the Compensation and Nomination Committee, which is comprised exclusively of non-executive independent Directors.

The Plan, based on the free allocation of Saipem ordinary shares, replaces the deferred monetary incentive plans currently applied by Saipem.

The Plan provides for the free allocation of ordinary shares of Saipem S.p.A. (so called Performance Shares) from July 2016 in three annual tranches, all subject to a three-year vesting period. The shares shall be given to assignees after a three-year vesting period, subject to the attainment of two performance targets over the vesting period: a business target which measures the medium-long term financial performance (the Net Financial Position shall be the target of the first allocation) and a Total Shareholder Return target measured against a peer group panel of 11 major international competitors.

Assignees of the Plan are the CEO and all Saipem managerial resources. Beneficiaries shall be identified by name by the CEO from the top management positions responsible for business results, on account of their performance and competencies. The Plan provides that the attainment of the maximum target level shall result in the allocation of 100% of shares, while the attainment of the minimum target level shall result in the allocation of 50% of shares. Performance targets are

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independent of each other, each contributing 50% of the share premium on offer; therefore, should at least one target perform adequately, a quota of the premium shall mature independently from the performance achieved by the other target.

The maximum entity of the incentives allocated each year shall be a percentage of the fixed remuneration at the time of allocation, based on the beneficiary's position.

To further improve alignment with shareholders' interests in the long term and achieve sustainable results, the Plan provides that 25% of the CEO's shares that may have accrued by the end of the vesting period, subject to the achievement of the aforementioned targets, be locked for a period of two years, during which they shall not be accessible to the CEO.

The Plan also provides that, for strategic management resources, 25% of shares that may have matured by the end of the vesting period, subject to the achievement of the aforementioned targets, be invested in a co-investment scheme for a period of two years. During this period beneficiaries shall not be able to access these shares; however, at the end of the period they shall receive an additional share for each share invested (hence the term co-investment), should they still be employed by the Company.

The conditions and aims of the Plan are detailed in the Information Document prepared in compliance with art. 114-bis of Law Decree 58/98 and art. 84-bis of Consob Issuers' Regulations, made available with this report".

The **Chairman** read out and asked the meeting to approve the following resolution proposal:

"Pursuant to art. 114-bis of Leg. Decree 58/98, the Ordinary Shareholders' Meeting

resolves:

to approve the Long-Term Incentive Plan 2016-2018, whose terms and conditions are detailed in the Information Document, made available together with the Report, and grant the Board of Directors all the necessary powers to implement the Plan, using proxies if necessary. Powers include: (i) granting the annual incentive to the CEO; (ii) approve the Regulations for each annual allocation; (iii) identify Beneficiaries based on the set criteria; (iv) set all other terms and conditions for the implementation of the Plan, in so far that it does not contrast with this resolution".

The Chairman opened the discussion.

Sebastiano Corato asked if the proposed incentive plans have change of control clauses according to which the shares could be blocked.

The Chairman replied that not such clause is contemplated and that the Committee may evaluate its expediency.

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Nobody having asked leave to speak, the Chairman informed that no. 986 Shareholders were in attendance, either on their own behalf or by proxy, representing a total of 6,586,539,800 ordinary shares, equal to 65.15% of the ordinary share capital.

He put to the vote the above proposal, by means of the remote controls.

The proposal was approved by a majority of votes, with no. 6,195,951,840 votes in favour, no. 386,379,763 votes against, no. 4,093,197 votes abstained, and no. 115,000 non-voting shares, as per detailed list appended to these minutes (Annex B).

He moved on to address **item 6 on the agenda**. With the consent of the meeting, the Chairman forwent the reading of the explanatory report by the Board of Directors and read out the following resolution proposal:

“The Ordinary Shareholders' Meeting

resolves

1) to authorise the Board of Directors, pursuant to art. 2357 of the Italian Civil Code, to buy back for the 2016 Plan allocation, on the Computerized Trading Market – in one or more tranches within 18 months from the date of this resolution – up to a maximum of 85,000,000 Saipem ordinary shares for a total not exceeding €42,500,000, at a unitary price equal to the reference price of shares recorded on the computerised trading market on the day prior to each buy-back, plus or minus 5% for the maximum and minimum price respectively, in accordance with the methods and operational procedures as governed by Borsa Italiana S.p.A. regulations. In compliance with paragraph 3 of art. 2357 of the Italian Civil Code, the number of shares to be bought back shall take into account the number of treasury shares already held by the Company;

2) to grant the Board of Directors all the necessary powers to implement this resolution, using proxies if necessary, including intermediaries authorised by law, as gradually as deemed in the interest of the Company, in compliance with current legislation, with the methods detailed in art. 144-bis, paragraph 1, letter b) of Issuers' Regulations, taking into account the relevant buy-back market practices, ensured by Consob, in compliance with art. 180, paragraph 1, letter c), of Leg. Decree 58/98, through resolution no. 16839 dated March 19, 2009, and by EC Regulation no. 2273/2003 dated December 22, 2003, where applicable”.

The Chairman opened the discussion.

Nobody having asked leave to speak, the Chairman informed that no. 986 Shareholders were in attendance, either on their own behalf or by proxy, representing a total of 6,586,539,800 ordinary shares, equal to 65.15% of the ordinary share capital.

He put to the vote the above proposal, by means of the remote controls.

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The proposal was approved by a majority of votes, with no. 6,192,792,174 votes in favour, no. 389,508,747 votes against, no. 4,091,879 votes abstained, and no. 147,000 non-voting shares, as per detailed list appended to these minutes (Annex B).

He moved on to address **item 7 on the agenda**. The Chairman read out the explanatory report by the Board of Directors and puts to the vote the subsequent resolution proposal:

Explanatory Report

“Messrs Shareholders,

in order to implement the Long-Term Incentive Plan 2016-2018, the Board of Directors proposes that the Shareholders' meeting grant the power, pursuant to art. 2357-ter of the Italian Civil Code, to allocate treasury shares to service the aforementioned Plan”.

Resolution Proposal

“Messrs Shareholders,

you are invited to

- grant the Board of Directors authorisation, pursuant to art. 2357-ter of the Italian Civil Code:
 - to allocate, for the purposes of the Long-Term Incentive Plan 2016-2018, up to a maximum of 85,000,000 treasury shares to be granted, free of charge, for the 2016 allocation, to the CEO and Senior Managers of Saipem S.p.A. and subsidiary companies identified by name at each annual Plan allocation from the Senior Managers directly responsible for business results or holding strategic positions;
- grant the Board of Directors all powers to approve the Regulations of the Long-Term Incentive Plan and identify its beneficiaries;
- grant the Chairman and the CEO all powers to implement this resolution, using proxies if necessary”.

The Chairman opened the discussion.

Nobody having asked leave to speak, the Chairman informed that no. 986 Shareholders were in attendance, either on their own behalf or by proxy, representing a total of 6,586,539,800 ordinary shares, equal to 65.15% of the ordinary share capital.

He put to the vote the above proposal, by means of the remote controls.

The proposal was approved by a majority of votes, with no. 6,193,665,041 votes in favour, no. 388,635,880 votes against, no. 4,091,879 votes abstained, and no. 147,000 non-voting shares, as per detailed list appended to these minutes (Annex B).

There being no further business to discuss, the Chairman thanked all present and declared the meeting adjourned at 14.40 hrs.

THE CHAIRMAN

THE SECRETARY

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Prof. Paolo Andrea Colombo

Dr. Francesco Guasti