

Management System Guideline

Anticorruption



23rd April 2012



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Revision Summary

Sub-Code	Date	Revision	Description of Revision	Process Owner	Approved
COR-LEGA-002	23/04/2012	01	Issue	P. Galizzi ALEG	P. F. Tali CEO

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This MSG has been reviewed and approved by the Board of Directors of Saipem SpA the 23rd of April 2012 and its adoption and enforcement is mandatory for Saipem SpA and all its Subsidiaries.

This MSG abrogates and substitutes the “Anti Corruption Compliance Guidelines” issued on 10th of February 2010.

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1. INTRODUCTION

1.1 SCOPE

One of the key factors of Saipem's reputation is its ability to conduct business with loyalty, fairness, transparency, honesty and integrity and in compliance with the laws, regulations, similar mandatory requirements and international standards and guidelines, both domestic and foreign, that apply to its business.

This Management System Guideline ("MSG") is being adopted for the purpose of providing a systematic framework to the long-established anti-corruption related regulations that Saipem has designed and implemented over time.

Generally speaking, the Anti-Corruption Laws make it unlawful for Saipem Personnel, Saipem SpA and its Subsidiaries, their Business Partners and anyone performing services for or on behalf of Saipem to promise, offer, pay or accept, directly or indirectly, money or other benefit for the purpose of obtaining or retaining business or securing an unfair business advantage. This MSG is inspired by the behaviour principles described in the Code of Ethics and is designed to provide to all Saipem Personnel and to all those who work, in Italy and abroad, for or on behalf of Saipem, the principles and rules to be met in order to ensure compliance with Anti-Corruption Laws.

1.2 APPLICATION

Saipem will use its influence, to the extent reasonable under the circumstances, to cause companies and entities in which Saipem has a non-controlling interest and Covered Business Partners to meet the standards set out in this MSG by adopting and maintaining an adequate internal control system which is consistent with the requirements established by the Anti-Corruption Laws. In any case, the representatives indicated by Saipem in such companies and entities shall use their best efforts to cause the standards set out in this MSG to be adopted. The circumstances which are significant for the adoption these standards include the degree of Saipem's ownership or interest in the company or entity (i.e. joint venture, consortium) and the laws and regulations governing the business operations in the country in which the company or entity is located or the activities are based.

1.3 IMPLEMENTATION MODALITIES

This MSG is for immediate application to Saipem SpA and to all its Subsidiaries in Italy and abroad.

Moreover each Subsidiary shall adopt this MSG by a board of directors' resolution (or the corresponding body/structure/role, when the governance of the Subsidiary does not provide such board) promptly.

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2. REFERENCE

2.1 THE ANTI-CORRUPTION LAWS

Almost all countries have laws prohibiting corruption of their Public Officials, and many countries have laws criminalizing corruption of other countries' Public Officials. Many countries also have laws that prohibit commercial bribery among private parties.

Because Saipem SpA is headquartered in Italy, Saipem and Saipem Personnel are subject to the Italian law and, in particular, to the provisions of Legislative Decree 231. As a multinational organization doing business in more than 70 countries and jurisdictions around the world, Saipem and Saipem Personnel may be also subject to the laws of many other countries, including those laws ratifying international conventions, prohibiting corruption of Public Officials and private parties, such as:

- OECD Convention on Combating Bribery of Foreign Officials in International Business Transactions;
- United Nations Convention Against Corruption;
- Foreign Corrupt Practices Act (FCPA) issued in the United States;
- UK Bribery Act issued in the United Kingdom;

all of them as amended from time to time.

Considering also that the provision of the UK Bribery Act could apply, in some circumstances, to Saipem Group Companies, Saipem has decided to introduce some self-discipline procedures, like this MSG, the prohibition of the corruption among private parties, other than Public Officials.

Anti-Corruption Laws:

- prohibit both direct and indirect payments – including payments to anyone while knowing the payment will be shared with a Public Official or private party – as well as offers or promises to pay or give anything of value, or other advantages to a Public Official or to a private party for a corrupt purpose. Under the Anti-Corruption Laws, Saipem and/or Saipem Personnel may be held responsible for a corrupt offer or payment made by anyone acting on behalf of the company in connection with Saipem business and when Saipem and/or Saipem Personnel knew or reasonably should have known this offer or payment was improper,
- require companies to make and keep books, records and accounts which, in reasonable detail, accurately and fairly reflect its transactions, expenses (even if not “material” in an accounting sense) and acquisitions and disposals of its assets¹,
- even inaccuracies in the reporting of non-corrupt payments constitute violations. False records may trigger tax and other legal liabilities. In particular, where applicable, the recordkeeping provisions of the FCPA require issuers of stock registered under U.S. securities laws, such as Saipem, to maintain adequate internal accounting standards and controls, and keep accurate books and records.

¹ Government enforcement agencies are particularly concerned with accounting books and records that: (i) fail to record transactions at all; (ii) have been falsified to disguise aspects of transactions otherwise correctly recorded; or (iii) correctly set forth the quantitative aspects of transactions but fail to record the qualitative aspects that would have revealed the transactions' illegality or impropriety. However, the recordkeeping provisions are broader in application than the area of these concerns.

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2.2 CONSEQUENCES OF NON COMPLIANCE WITH ANTI-CORRUPTION LAWS

In recent years, enforcement of Anti-Corruption Laws has become more intensive and the penalties significantly more severe. The adverse consequences for individuals and corporations who violate Anti-Corruption Laws include economic sanctions, while individuals may be sentenced to prison terms or suffer other penalties. Other legal consequences may derive from such violations including debarment from contracting with public entities, confiscation/disgorgement of money made or damages claims. Even more importantly, such events cause a material adverse effect on a company's reputation.

Note also that, in order to maximize the effectiveness of the penalties, companies are usually prevented from indemnifying their personnel against liability under Anti-Corruption Laws.

2.3 SUPPORT

Contents of applicable laws and Anti-Corruption Laws may change at any time, so it is important to obtain up-to-date legal advice before making any commitment of behalf of Saipem. To this purpose:

- questions with respect to the content of Anti-Corruption Laws, the Code of Ethics, or any of the matters discussed in this MSG, or their application to specific situations, and/or
- questions with respect to internal controls provisions of the Anti-Corruption Laws, or any of the matters discussed in this MSG, or their application to specific situations

must be directed to the Saipem Anti-Corruption Legal Support Unit.

3. STATEMENT OF POLICY

In accordance with Section II, 1 of the Saipem Code of Ethics, **Saipem prohibits bribery without any exception**. In particular, Saipem prohibits:

- offering, promising, giving, paying or authorising anyone to give or pay, directly or indirectly, a financial or other advantage to a Public Official or private party (**Active Bribe**);
- accepting the request from, or solicitation by, or authorising anyone to accept the request from, or solicitation by, directly or indirectly, a Public Official or private parties of a financial or other advantage (**Passive Bribe**);

when the intention is:

- to induce a Public Official or private party to perform improperly any function of a public nature or any activity connected with a business or reward them for the improper performance of such a function or activity;
- to influence any official act (or failure to act) by a Public Official or any decision in violation of any lawful duty;
- to obtain, secure or retain business or an improper advantage in the conduct of business; or
- in any case, to violate the applicable laws.

The prohibited conduct includes financial or other advantage offered or received by Saipem Personnel (Direct Bribery) or by anyone acting on behalf of Saipem (Indirect Bribery) in connection with Saipem business.

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This prohibition is not limited to cash payments, and includes corrupt:

- gifts,
- entertainment, meals and travel,
- in-kind contributions, such as sponsorships,
- business, employment or investment opportunities,
- insider information that could be used to trade in regulated securities or commodities,
- personal discounts or credits,
- Facilitation Payments,
- assistance to or support of family members, and
- other benefits or advantages.

Saipem prohibits any forms of bribery, including but not limited to those described above, to any person. A person subject to this MSG will be deemed to "know" that the payment or other advantage will benefit a Public Official or private party or his/her Family Members or designees if he/she has acted with conscious disregard or avoidance of warning signs or grounds for suspicion ("Red Flags") or with gross negligence, e.g., a failure to conduct the appropriate level of due diligence under the circumstances.

Compliance with Anti-Corruption Laws and this MSG is mandatory for all Saipem Personnel, At Risk Personnel, and Covered Business Partners. Consequently:

- (i) all of Saipem's dealings with, or related to, or involving a Public Official must be conducted in compliance with this MSG and all related Saipem Anti-Corruption Regulations;
- (ii) all of Saipem's dealings with, or related to, private parties must be conducted in compliance with this MSG and all related Saipem Anti-Corruption Regulations;
- (iii) Saipem Personnel are responsible, each for their own area of competence, to be in compliance with the MSG and the Saipem Anti-Corruption Regulations. In particular, managers are responsible for supervising the compliance by their staff of the MSG and the Saipem Anti-Corruption Regulations and for taking steps to prevent, detect and report potential violations;
- (iv) no questionable or illegal practice (including Facilitation Payments) can ever be justified or tolerated because it is "customary" in the business or in the countries where Saipem operates. No performance goal should be imposed or accepted if it can be achieved only by compromising our ethical standards;
- (v) Saipem Personnel who violate this MSG and/or Anti-Corruption Laws will be subject to discipline, up to and including termination and to any other legal actions to the extent necessary to protect Saipem's interests. Covered Business Partners who violate this MSG and/or Anti-Corruption Laws will be subject to contractual remedies, including suspension of the execution and up to termination of the agreement, debarment from doing business with Saipem and damage claims;
- (vi) no Saipem Personnel will be subjected to demotion, penalty or any other adverse consequence for refusing to make a prohibited payment, even if such refusal results in a loss of business or other adverse consequence to the business.

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4. FACILITATION PAYMENTS

In line with the Saipem Code of Ethics, Facilitation Payments are expressly prohibited. It is not acceptable for any Saipem Personnel, or any of its Subsidiaries, or Covered Business Partners, to make these sorts of payments in any circumstances.

5. GIFTS, EXPENSES AND HOSPITALITY – OFFERED AND RECEIVED

In line with Section II, 1 of the Code of Ethics, gifts or any other financial or other benefits can be either made or received where it is in the context of a commercial courtesy, and it does not compromise the integrity and/or reputation of either party, and can not be construed by an impartial observer as aimed at creating an indebtedness or obtaining undue advantages.

Gifts and other financial advantages or other benefits made or received must therefore be *reasonable and bona fide* in all circumstances. In any case all gifts and financial advantages or other benefits made or received must be in accordance with Saipem's internal rules, must be recorded and supported by appropriated documentation.

Any gift, financial advantage or other benefit must have all the following characteristics. It must:

- a) not be a cash payment;
- b) be provided in connection with a bona fide and legitimate business purpose;
- c) not be motivated by a desire to exert improper influence, or the expectation of reciprocity;
- d) be reasonable under the circumstances;
- e) be tasteful and commensurate with generally accepted standards for professional courtesy; and
- f) comply with the local laws and regulations that apply to the Public Official and private party.

5.1 GIFTS, FINANCIAL ADVANTAGES OR OTHER BENEFITS OFFERED TO, OR RECEIVED BY, SAIPEM PERSONNEL

As stated above in Section 5, any gifts, financial advantage or other benefit offered to, or received by, Saipem Personnel must, from an objective viewpoint, *be reasonable and bona fide*.

Anyone who receives offers of gifts or hospitality treatment or financial advantage or other benefit that cannot be considered as commercial courtesy of small value, shall reject them and immediately inform: (i) the direct supervisor or the Business Partner's primary contact at Saipem; and/or (ii) the Saipem Anti-Corruption Legal Support Unit.

A gift or any financial advantage or other benefit offered to, or received by, Saipem Personnel, when its actual or estimated value exceeds (or is likely to exceed):

1. singularly, the "singular threshold" figure set out in the Saipem Anti-Corruption Regulation concerning gifts and other benefits, or
2. cumulatively, when received from or offered by the same entity in a calendar year, the "cumulative threshold" figure set out in the Saipem Anti-Corruption Regulation concerning gifts and other benefits (corresponding to four times the "singular threshold"), even when singularly each gift or advantage does not exceed the "singular threshold" indicated in point 1 above,

must be reported to the Saipem Personnel direct supervisor and, in any case, recorded (even if refused) accurately and transparently in a register set out for that purpose.

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Such register shall be maintained at a company level by the Human Resources Department and include the following information:

- name of the employee who was offered or received the gift or other financial advantage or other benefit (beneficiary);
- name of the company and of the person who made the offer or provided the gift or other financial advantage or other benefit;
- brief description of the gift or other financial advantage or other benefit;
- date of offer of the gift to the employee;
- actual or estimated value;
- indication of the eventual acceptance or refusal and related reasons.

In the case of Subsidiaries based outside Italy, the “singular threshold” defined above may be reduced by the Managing Director taking into consideration the characteristics of the pertaining country (average cost of life, economics, etc.), and in such a case the “cumulative threshold” must be reduced accordingly. The Managing Director shall immediately communicate to the Saipem Anti-Corruption Legal Support Unit as well as to the Saipem Human Resources, Organisation and ICT Function, the amounts of the reduced thresholds to be applied in its Subsidiary.

5.2 GIFTS, FINANCIAL ADVANTAGES OR OTHER BENEFITS PROVIDED TO THIRD PARTIES (INCLUDING PUBLIC OFFICIALS)

As stated above in Section 5, any gifts, financial advantage or other benefit provided by any Saipem Personnel to a Public Official or any private party must, from an objective viewpoint, *be reasonable and bona fide*.

Any gifts, financial advantage or other benefit is *reasonable and bona fide expenditure* when it is an expense, such as transportation and lodging, that is directly related to:

- (i) the promotion, demonstration, or explanation of products or services; or
- (ii) the execution or performance of a contract with a government or governmental agency;
- (iii) the attendance at educational seminars or workshops; or
- (iv) in furtherance of developing or maintaining cordial business relationships.

Reasonable and *bona fide* expenditures must be approved pursuant to the Saipem Anti-Corruption Regulations concerning gifts and other benefits, and entertainment expenses. These expenditures must be recorded accurately and transparently in the company’s financial information with sufficient detail and supporting documentation to identify each recipient’s name and title, the name and title of each beneficiary and the purpose of the payment or other benefit.

Any gift, hospitality or other benefit for a Family Member or designee of a Business Partner or of Public Official or of private party that was proposed at the request of a Business Partner or Public Official or as a result of the recipient’s relationship to a Business Partner or Public Official must be treated as a benefit to that Business Partner or Public Official and is therefore subject to the restrictions provided by this MSG and the relevant Anti-Corruption regulatory documents.

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6. POLITICAL CONTRIBUTIONS

Political contributions could constitute corruption offences and therefore present a risk of consequent liability. The risks arising from political contributions are that they may be used by a company as an improper means for bribery to retain or obtain a business advantage such as to win a contract, obtain a permit or licence, or shape legislation favourable to the business.

Because of these risks, as provided for under Section II, 3.2 of the Code of Ethics, Saipem does not permit any direct or indirect contributions in whatever form to political parties, movements, committees, political organizations and trade unions, nor to their representatives and candidates (altogether, "Political Contributions"), except those specifically mandated by applicable laws and regulations. In case of any doubts as to the mandatory nature of the contribution, the Saipem Anti-Corruption Legal Support Unit shall be consulted.

Political Contributions must be compliant with the following minimum standards:

- a) all contributions must be approved by Saipem SpA function responsible of external communication activities.
- b) contributions shall be made only in favour of beneficiaries well-known, reliable and with outstanding reputation for honesty;
- c) the beneficiary must show that it is an officially recognized entity in accordance with the applicable laws;
- d) an adequate due diligence review on the beneficiary entity shall be carried out, to be subject to the evaluation of Saipem Anti-Corruption Legal Support Unit;
- e) legal opinion on the legitimacy and mandatory nature of the contribution under the applicable laws shall be forwarded to the Saipem Anti-Corruption Legal Support Unit;
- f) in line with the provisions of the relevant laws and Saipem's regulations, payments to the beneficiary entity must be made exclusively on the account registered in the name of the beneficiary entity; it is not permitted to make payments to numbered accounts or in cash, or to a party other than the beneficiary entity or to a third country other than the beneficiary entity's country;
- g) contributions must be properly and transparently recorded in the company's books and records;
- h) the beneficiary entity shall undertake to record properly and transparently the contributions received in its own books and records;
- i) the original documentation related to the approval of the contribution and the controls of compliance with the relevant internal regulations must be kept for at least 10 years.

7. CHARITABLE CONTRIBUTIONS/DONATIONS

Donations to charities, government agencies and government instrumentalities present the risk of funds or something of value being diverted for the personal use or benefit of a Public Official or private party.

Even if a Public Official or private party does not receive a direct economic benefit, a legitimate charitable contribution made in exchange for obtaining or retaining business or to secure an improper advantage could be construed as an unlawful payment under the Anti-Corruption Laws.

All charitable contributions must be approved for anti-corruption compliance purposes and in compliance with the provisions of the Saipem Anti-Corruption Regulation concerning no-profit initiatives.

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Any internal Anti-Corruption Regulation on charitable contributions or donations must be compliant with the following minimum standards:

- a) all contributions shall be made in accordance with the approved budget;
- b) contributions shall be made only in favour of entities not recently incorporated, well-known, reliable and with outstanding reputation for honesty and correct business practices;
- c) the beneficiary entity must show that it has all the certifications and has satisfied all the requirements for operating in compliance with applicable laws;
- d) an appropriate internal regulation must be implemented which shall set out an approval process of contributions and, for the aim of such approval, shall provide for an adequate description of the nature and the scope of the single contribution, a due diligence review on the beneficiary entity and a check on the legitimacy of the contribution under the applicable laws;
- e) in line with the provisions of the relevant laws and Saipem's regulations, payments to the beneficiary entity must be made exclusively on the account registered in the name of the beneficiary entity; it is not permitted to make payments to numbered accounts or in cash, or to a party other than the beneficiary entity or to a third country other than the beneficiary entity's country;
- f) contributions must be properly and transparently recorded in the company's books and records;
- g) the beneficiary entity shall undertake to record properly and transparently the contributions received in its own books and records;
- h) the original documentation related to the approval of the contribution and the controls of compliance with the related policy must be kept for at least 10 years.

8. SPONSORSHIP ACTIVITIES

Sponsorship activities may also raise anti-corruption issues. All sponsorship activities must be approved for anti-corruption compliance purposes in accordance with the Saipem's Anti Corruption Regulation concerning the request, authorization, stipulation and management or sponsorship agreements.

Any internal Anti-Corruption Regulation on sponsorship activities must be compliant with the following minimum standards:

- a) all sponsorship activities shall be made in accordance with the approved budget;
- b) partners under sponsorship agreements shall only be entities or individuals who are well-known and reliable;
- c) in the case of companies, a sponsorship agreement partner must prove that it has all the certifications and has satisfied all requirements for operating in compliance with applicable laws;
- d) an appropriate internal regulation must be implemented which shall set out an approval process of sponsorship initiatives and, for the aim of such approval, shall provide for an adequate description of the nature and the scope of the single initiative, a due diligence review on the potential partner of the sponsorship agreement and a check on the legitimacy of the initiative under the applicable laws ;
- e) the sponsorship agreement must be in writing and must contain:
 - (i) a declaration from the counterparty that the amount paid by Saipem shall solely be used as payment for the counterparty's services and that these sums shall never be given to a Public Official or a private party for corrupt purposes or transferred, either directly or indirectly, to members of the corporate bodies, directors, or employees of Saipem;
 - (ii) a declaration from the counterparty that at the signing of the agreement and during the implementation of it, neither the counterparty, nor, in case of a company, the company itself, or its owners, directors or employees are or will be Public Officials;
 - (iii) the currency and the amount paid pursuant to the sponsorship agreement;

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- (iv) the billing terms (or methods of payment) and payment terms, taking into account - in line with the provisions of the relevant laws and Saipem's regulations - that such payments can be made exclusively to the counterparty and in the country of counterparty's incorporation, exclusively on the account registered to the counterparty as indicated in the agreement and never to numbered accounts or in cash;
 - (v) the commitment of the counterparty to comply with the applicable laws, the Anti-Corruption Laws and the anti-corruption provisions of the relevant sponsorship agreement and to record properly and transparently in its own books and records the amount received;
 - (vi) the clause entitled "Administrative Responsibility" that Saipem SpA and its Subsidiaries are required to insert in contracts bearing their signature;
 - (vii) Saipem's right to terminate the agreement and to interrupt payments and receive compensation for damages in case of the counterparty's breach of the obligations, representations and warranties referred to above or violation of the Anti-Corruption Laws or of the relevant internal regulation on sponsorship agreement; and
 - (viii) Saipem's right to carry out audit on the counterparty in the event that Saipem has a reasonable belief that the counterparty may have violated the compliance-related provisions of the relevant policy and/or of the agreement;
- f) in line with the provisions of the relevant laws and Saipem's regulations, the amount paid according to the sponsorship agreement must be properly and transparently recorded in Saipem's books and records;
 - g) Saipem must ensure that payments are made exclusively as indicated in the sponsorship agreement, subject to the verification that the service has been rendered; and
 - h) the original documentation related to the approval internal regulation and the controls of compliance with the relevant policy must to be kept for at least 10 years.

9. CONTRACTORS

In order to avoid that, in some particular circumstances, Saipem may be held liable for corrupt activities committed by contractors performing services for or on behalf of Saipem and their sub-contractors it is mandatory for Saipem vendors to comply with the ethics standards and qualification requirements established by Saipem.

The process concerning procurement and the pertaining activities is regulated by Saipem's Procurement MSG, which set out roles and responsibilities of the main parties involved in the procurement process and define general rules for key activities that cut across the procurement process, such as vendors management, procurement reporting and control and document management.

The MSG Procurement and the other relevant internal regulations are set out in accordance with the Anti-Corruption principles described in this MSG, with particular reference, *inter alia*, to the vendors' selection and qualification process, contract award, post-award contract management, contract standard protection clauses, including undertakings of compliance with anti-corruption laws and monitoring of contractors' ethical requirements. Furthermore, when a contractor is a Covered Business Partner, the principles under Section 10 shall also apply.

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10. COVERED BUSINESS PARTNERS

10.1 REQUIREMENTS FOR AGREEMENTS WITH COVERED BUSINESS PARTNERS

Saipem expects all of its Business Partners to comply with all applicable laws, including the Anti-Corruption Laws, in connection with Saipem's business.

In order to avoid that, in some particular circumstances, Saipem may be held liable for corrupt activities on the part of its Covered Business Partners it is mandatory for them to comply with the Anti-Corruption Laws and the Model (that include the Code of Ethics). In particular, Saipem Personnel must comply with the provisions set out in this MSG and the other relevant Saipem regulations in connection with the selection, retention and use of Covered Business Partners as detailed below.

Covered Business Partners must enter into written agreements before doing any work for or on behalf of Saipem, and may be paid only in accordance with the terms of such agreement. All written agreements with Covered Business Partners must include reasonable and appropriate compensation and compliance terms.

Saipem requires that contracts with Covered Business Partners include provisions requiring the Covered Business Partners, among other things, to:

- a) comply with the relevant Anti-Corruption Laws and this MSG and, for at high risk Covered Business Partners (such as Intermediaries and Joint Ventures), have in place, and maintain throughout the term of the contract, their own regulations to ensure compliance;
- b) in case of sub-contracting:
 - obtain Saipem's prior approval of any sub-contractor (such as sub-agent, sub-representative, sub-Consultant or any other similar third party) in accordance with Saipem's internal rules;
 - ensure that any sub-contractor performing services in connection with the contract does so only on the basis of a written contract which imposes on and secures from such party terms equivalent to those imposed on the Covered Business Partner;
- c) promptly report to Saipem any request or demand for any undue financial or other advantage of any kind received by the Covered Business Partner in connection with the performance of the contract;
- d) in the event that Saipem has a reasonable belief that the Covered Business Partner may have violated the compliance-related provisions of the contract, allow Saipem to have an audit carried out over the Covered Business Partner;
- e) Saipem's right to terminate or suspend the execution of the agreement and to receive compensation of damages in case of breach of the obligations, representations and warranties referred to above and/or violation of the Anti-Corruption Laws.

When the Covered Business Partner is:

- a Joint Venture partner, the provisions of Section 10.2 shall apply;
- an Intermediary, the provisions of Section 10.3 shall apply;
- a Consultant, the provisions of Section 10.4 shall apply.

In relation to the other Covered Business Partner, upon the detailed written request of the interested Saipem business unit, the Saipem Anti-Corruption Legal Support Unit will consider and, if appropriate, advise the Saipem business unit which exceptions may be authorized in respect of the provisions of the Anti-Corruption Regulation with reference to due diligence and the approval process of Covered Business Partners.

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10.2 JOINT VENTURES

In order to avoid that, in some particular circumstances Saipem may be held liable for corrupt activities committed by its partners in Joint Ventures Saipem must take steps to cause even Joint Ventures in which it is not the controlling partner to implement adequate internal control policies.

Before Saipem SpA or any of its Subsidiaries enter into a new Joint Venture, they must follow the due diligence and approval internal processes set out in Saipem's Anti-Corruption Regulations concerning Joint Venture agreements.

All Joint Ventures Agreements must be negotiated, entered into and managed in compliance with Saipem's Anti-Corruption Regulations on Joint Ventures Agreements.

Any internal Anti-Corruption Regulation on Joint Ventures must be compliant with the following minimum standards:

- a) the partners of the Joint Venture shall be only entities who are well-known, reliable and with outstanding reputation for honesty and correct business practices;
- b) an approval internal regulation must be implemented providing for a documented and an appropriate level of due diligence review on each of the partners of the Joint Venture and on the contractual arrangements for the operations of the Joint Venture;
- c) in cases where Saipem does not control the Joint Venture, Saipem representatives acting within the Joint Venture shall use their best efforts to cause the Joint Venture to operate in compliance with the principles described in this MSG.
- d) Saipem Personnel, in negotiating the Joint Venture agreement, shall use best efforts to include in such agreement the following provisions:
 - (i) the commitment by the Joint Venture's operator to adopt and the commitment by each partner to cause the Joint Venture to adopt an effective and appropriate internal control system and a compliance program for the prevention of corruption and money laundering;
 - (ii) the commitment by the Joint Venture's operator to act and the commitment by each partner to cause the Joint Venture to act in compliance with the Anti-Corruption Laws, the internal control system and the compliance program;
 - (iii) the commitment by each partner that in all activities directly or indirectly related to the Joint Venture, the partners and the Joint Venture shall never pay bribes to Public Officials or to any other private party or their Family Members or to directors or members of the corporate bodies or to employees of the counterparty with which the Joint Venture proposes to operate;
 - (iv) Saipem's right to have an audit carried out on the Joint Venture or on the Joint Venture's operator in the event that Saipem has a reasonable belief that the Joint Venture or the Joint Venture's operator (in its activities directly or indirectly related to the Joint Venture) may have violated the Anti-Corruption Laws or paid bribes to Public Officials or to any other private party or their Family Members or to directors or members of the corporate bodies or employees of the counterparty with which the Joint Venture proposes to operate;
 - (v) the clause entitled "Administrative Responsibility" that Saipem SpA and its Subsidiaries are required to insert in contracts bearing their signature;
 - (vi) Saipem's right to terminate the Joint Venture and to receive compensation for damages in case of breach of the anti-corruption obligation of the Joint Venture agreement or in case of the violations of the Anti-Corruption Laws or of the related policy in the joint venture;
- e) the original documentation related to the selection and approval of the partners, the Joint Venture agreement and the controls for verifying compliance with this MSG must be kept for at least 10 years;

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- f) the activities of each Joint Venture and Joint Venture's operator must be constantly monitored. Saipem's representative in the Joint Venture must promptly inform the Saipem Anti-Corruption Legal Support Unit in relation of any news concerning an investigation or ascertained violation of Anti-Corruption Laws by the operator of the Joint Venture, the Joint Venture partners, their owners, members of their corporate bodies or their representatives in the Joint Venture.

10.3 INTERMEDIARIES

Agreements with Intermediaries may raise anti-corruption issues and must be negotiated, entered into and managed in compliance with the Saipem Anti-Corruption Regulation concerning Intermediary agreements.

Any internal Anti-Corruption Regulation on agreements with Intermediaries must be compliant with the following minimum standards:

- a) the Intermediary shall be of outstanding reputation for honesty and correct business practices and high ethical standing and, when the Intermediary is a company, not recently incorporated;
- b) an Intermediary selection internal regulation providing for an appropriate level of due diligence on the potential Intermediary must be implemented;
- c) the selection of the Intermediary and the stipulation of the Intermediary agreement must be approved in compliance with an approval proceedings;
- d) the Intermediary agreement must be in writing and must also contain:
 - (i) a description of the service to be provided by the Intermediary;
 - (ii) a requirement that the Intermediary shall at all times comply with the Anti-Corruption Laws and this MSG and shall have and maintain in place throughout the duration of the Intermediary agreement its own regulations to ensure compliance;
 - (iii) a requirement to promptly report to Saipem any request or demand for any undue financial or other advantage of any kind received by the Intermediary in connection with the performance of the Intermediary agreement;
 - (iv) a requirement that the Intermediary shall ensure that any person associated with the Intermediary and who is performing services in connection with the Intermediary agreement does so only on the basis of a written contract with imposes on and secures from such persons terms equivalent to those imposed on the Intermediary;
 - (v) the currency and amount of the compensation, which must be proportional to the subject matter of the agreement, to the experience of the Intermediary and to the country where the services will be carried out;
 - (vi) the representation and covenant of the Intermediary that the compensation payable pursuant to the Intermediary agreement shall be used solely as payment for its professional services and that no part thereof shall be given to a Public Official or private party or to any of his/her Family Members, for corrupt purposes or to the counterparty with which Saipem wishes to conclude the deal, in each case through the Intermediary service in violation of applicable laws;
 - (vii) a prohibition on the Intermediary transferring, either directly or indirectly, the compensation to directors, officers, members of the corporate bodies, or employees of Saipem or to any of their Family Members;

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(viii) the billing terms (or methods for payment) and payment terms, taking into account that:

- payment shall not be made to a party other than the Intermediary or to a country other than the country of one of the parties or where the agreement shall be implemented;
- payment shall be subject to collection by Saipem when the services to be provided by the Intermediary are aimed at the conclusion of a deal that will bring earning of money for Saipem or, in all other cases, to the conclusion of the contract to which the Intermediary's service refers to;
- payment shall be made directly and exclusively on the registered account of the intermediary and never to numbered accounts or in cash;

(ix) the commitment of the Intermediary to notify the Contract Holder of any changes that have occurred in its ownership and/or in respect of the representations provided to Saipem during the selection phase and/or in respect of anything that could have a bearing on the ability of the Intermediary to conduct activities pursuant to the contract;

(x) Saipem's right to carry out audit on the Intermediary and to terminate the agreement in case of a change of control of the Intermediary;

(xi) a clause providing for the non-transferability of the agreement;

(xii) the representation and covenant of the Intermediary that, at the time of signing of the agreement and for so long as the agreement is in effect, neither he/she nor his/her Family Members, nor, when the Intermediary is a company, its owners, directors, employees, nor the company itself, are or will be Public Officials;

(xiii) the clause entitled " Administrative Responsibility" that Saipem SpA and its Subsidiaries are required to insert in contracts bearing their signature; and

(xiv) Saipem's right to terminate the agreement and to interrupt the payment and to receive compensation for damages in case of breach of the obligations, representations and warranties referred to above and/or violation of the Anti-Corruption Laws or the internal regulation on Intermediary Agreements;

- e) performance of the agreement by the Intermediary to be continuously and appropriately monitored by the Contract Holder, in order to assure that the Intermediary always acts in compliance with the Anti-Corruption Laws, this MSG and the relevant internal regulation on Intermediary Agreement;
- f) the amount paid according to the Intermediary agreement must be properly and transparently recorded in Saipem's books and records;
- g) payments are made exclusively subject to the control that the service has been rendered and/or that the conditions foreseen in the agreement concerning payment of the fees have been met; and
- h) the original documentation related to the selection and approval of the Intermediary and the Intermediary agreement and the controls for verifying compliance with the relevant internal regulation must to be kept for at least 10 years.

10.4 CONSULTANTS

Saipem expects all its Consultants to comply with all applicable laws, including the Anti-Corruption Laws.

In order to avoid that, in some particular circumstances, Saipem may be held liable for corrupt activities committed by its Consultants it is mandatory for them to comply with the Anti-Corruption Laws and Saipem Ethics standards and the Model (that include the Code of Ethics). Saipem, moreover, imposes special requirements to be adopted in connection with Consultants.

In particular, contracts with Consultants must be negotiated, entered into and managed in compliance with the Saipem Procurement MSG and any other regulations on Saipem's appointment of external consultancy services.

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Any internal Anti-Corruption Regulation on Consultants must be compliant with the following minimum standards:

- a) the Consultant shall be of outstanding reputation for honesty and correct business practices and high ethical standing;
- b) a Consultant selection process providing for an appropriate level of due diligence on the potential Consultant must be implemented. The due diligence should at least comprise what follows:
 - (i) establishing the identity of the Consultant;
 - (ii) confirming the scope of services;
 - (iii) establishing whether the Consultant has any links to Public Officials;
 - (iv) establishing whether the Consultant has been subject to any allegations, investigations and/or convictions relating to bribery or corruption, or to other criminal activities;
- c) the selection of the Consultant and the stipulation of the consulting agreement must be approved in compliance with an approval proceedings;
- d) the consulting agreement must be in writing and must also contain:
 - (i) the Consultant's declaration that the amount paid is only the payment for the performance of the activities described in the contract and provided that these sums will never be transmitted or used for bribing purposes;
 - (ii) the billing (or methods of payment) and payment terms, taking into account that (i) such payments may be made only in favour of the Consultant and to the consultant's country of incorporation, only to the registered account of the Consultant as indicated in the contract and never on numbered accounts or in cash, and (ii) the early payment of the fee (before the complete execution of the contract terms) may be allowed only in specific cases (properly motivated and stated in the contract) and, in any event, only for a part of the entire amount;
 - (iii) the commitment of the consultant to comply with the applicable laws, and in particular the Anti-Corruption Laws, and this MSG, to register in its books and records fairly and transparently the amount received and, based on the level of risk of Consultants, to have in place and maintain throughout the term of the contract its own regulations to ensure compliance;
 - (iv) a requirement to promptly report to Saipem any request or demand for any undue financial or other advantage of any kind received by the Consultant in connection with the performance of the contract;
 - (v) the right for Saipem to carry out audits on the Consultant in the case where Saipem has a reasonable suspicion that the Consultant may have violated the provisions of the contract referred to above;
 - (vi) the clause entitled "Administrative Responsibility" that Saipem SpA and its Subsidiaries are required to insert in contracts bearing their signature;
 - (vii) Saipem's right to terminate the agreement and to interrupt the payment and to receive compensation of damages in case of breach of the obligations, representations and warranties referred to above and/or violation of the Anti-Corruption Laws.

10.5 PRELIMINARY EVALUATION OF DEVIATIONS

Any deviation, for specific cases, from the terms set out in this Section 10, must be subject to the preliminary evaluation by the Anti-Corruption Legal Support Unit on the basis of a written and detailed note submitted by the relevant business unit.

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11. SELECTION OF PERSONNEL

Before Saipem appoints any new member of board of directors or hires, appoints, transfers or promotes any new employee (i) who is likely to have Relevant Contact with a Public Official in connection with that member's or employee's work, (ii) who will supervise employees or Business Partners likely to have such contact, or (iii) who will be involved with financial controls issues or other activities covered by the Anti-Corruption Laws, Saipem must inquire about the individual's relevant background to the extent permissible under the applicable laws, in compliance with the anti-corruption provisions on selection and recruitment contained in Human Resources MSG and related regulations.

Any internal Anti-Corruption Regulation on the selection of personnel must at a minimum provide for reference checks and include in applications for employment appropriate questions regarding (a) any criminal record or indictment of the individual and (b) any civil or administrative penalty or pending investigation relating to unethical or illegal activities of the individual, in accordance with and as permitted by applicable laws and (c) any personal relationships with Public Officials.

12. ACQUISITIONS AND DISPOSALS

Saipem maintains regulations governing Saipem's acquisitions and disposals. In particular, regard should be had to the Saipem Anti-Corruption Regulations concerning the authorization and control of sales and acquisitions.

External (in the case of acquisitions) or internal (in the case of disposals) due diligence (including with respect to compliance with the Anti-Corruption Laws) is an important aspect of any proposed acquisition or disposals.

In relation to any proposed acquisition or disposals, Saipem's Legal Department must be consulted as far in advance as possible. Saipem's Legal Department and other counsel working on each such transaction will assist, with the support of the Saipem Anti-Corruption Legal Support Unit (according to the monitoring function pursuant to Section 18 of this MSG), in identifying key risk factors and Red Flags to look for in acquisitions and in helping a Subsidiary that may be disposed of to prepare anti-bribery compliance information that a prospective purchaser may require, and in drafting anti-corruption representations and warranties for their inclusion in the relevant sale/purchase/merger agreement.

Whenever an acquisition is made by Saipem, a plan to comply with this MSG must be part of Saipem's post-acquisition integration plan. In addition, external or internal legal counsel working on an acquisition must advise the Saipem Anti-Corruption Legal Support Unit of any new or increased existing corruption risk to which the acquisition may expose Saipem, so that this MSG and related process, internal regulations and forms may be revised appropriately to protect Saipem from the anticipated new risk.

13. ACCOUNTING POLICIES

Applicable laws, financial reporting and tax laws and regulations all require Saipem to keep accurate and complete accounting records of each business transaction. Saipem's records must conform to applicable accounting standards, and must completely and transparently reflect the facts of each transaction. All costs and charges, revenues and proceeds, receipts and payments and commitments have to be entered into the financial information in timely, complete and accurate form and have adequate support documents issued in conformity with any applicable legislation and the relevant internal control system provisions. All the book entries and related informative documentation have to be at disposal of the external auditor for the audit activities.

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Consistently with the above requirements, it is Saipem's policy, as provided in Section III, 1.1.2 of the Code of Ethics, that all payments by, and transactions of, Saipem, must be recorded accurately in the relevant company's books and records, such that Saipem's books, records and accounts accurately and fairly reflect its transactions and the sales and acquisitions of its assets, in reasonable detail. This requirement applies to all transactions and expenses, whether or not they are material in an accounting sense. To this purpose, as provided for by the Administration and financial reporting MSG, Saipem shall adopt, and keep updated, the relevant books, registers and accounting entries; Saipem's accounting handbooks define accounting principles as well as the accounts details to be adopted for such accounting entries. The circumstance that all the transactions are entered into the books in a true and fair form and that all the documentations are at disposal of the external auditor are reflected in the representation letter issued by Saipem entities to the external auditor.

14. RECORDKEEPING AND INTERNAL CONTROLS

It is Saipem's policy, as provided in Section III, 1.1.2 of the Code of Ethics, that all payments by, and transactions of, Saipem, must be recorded accurately in the relevant company's books and records, such that Saipem's books, records and accounts accurately and fairly reflect its transactions and the dispositions of its assets, in reasonable detail. This requirement applies to all transactions and expenses, whether or not they are material in an accounting sense.

It is also Saipem's policy, as provided also in Section III, 1 of the Code of Ethics, to establish and maintain adequate internal accounting controls sufficient to provide reasonable assurances that:

- a) transactions are executed in accordance with management's general or specific authorization;
- b) transactions are recorded as necessary:
 - (i) to permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements; and
 - (ii) to maintain accountability for all corporate assets;
- c) access to assets is permitted only in accordance with management's general or specific authorization; and
- d) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

On the basis of a top-down and risk based approach, focused on significant accounts, disclosures, entities and processes, as defined in the Saipem's Internal Control over Corporate Reporting MSG, Saipem maintains a system of internal controls related to financial information designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes, in accordance with generally accepted accounting principles, including those internal regulations that:

- 1) pertain to the regular maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the issuer;
- 2) provide reasonable assurance that transactions are recorded as necessary to permit the preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the issuer are being made only in accordance with relevant authorizations; and
- 3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisitions, use or dispositions of issuer's assets that could have a material effect on the financial statements.

The system of internal controls is intended to provide the reasonable assurance that the reduction to a low (remote) level of the risk that misstatements, caused by errors or fraud in amounts that would be material in relation to the annual financial statements or interim reports, may occur and not be detected on a timely basis.

The system of internal controls related to financial information consists of specific controls and pervasive controls, as defined below, at the different organizational levels, with different implementation methods.

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Specific controls are performed during the normal course of operations to prevent, identify and correct errors and frauds. Typically, these controls include: accounting records documentation checks, authorizations issuance, reconciliation between internal and external information, consistency checks, etc. Considering their interrelations with operational activities, specific controls are also referred to as process-level controls.

Pervasive controls regard structural elements of the internal control system, constituting the general framework designed to ensure that process activities are performed and controlled in accordance with the objectives set by management. Usually, they encompass different regulations within the organization or specifically related to one or more of them. The principal types of pervasive controls include:

- the assignment of powers and tasks at different levels, in keeping with the required degrees of responsibility, with special emphasis on key tasks and their assignment to qualified people;
- the identification and segregation of incompatible activities/duties. This type of control involves the separation among the individuals that perform tasks, those who control them and those who authorize them. The segregation of duties (which sometimes requires the separation of functions) can be implemented not only through organizational tools, but also by separating physical areas (e.g. limited access to trading rooms) and defining profiles to access systems and data consistent with pre-established roles;
- management control system, representing the set of organizational and methodological financial and non financial (budgeting and reporting) measurement instruments, by means of which the management quantifies and address, organization unit results, depending on specific targets.

15. TRAINING OF SAIPEM PERSONNEL

Saipem Personnel shall be informed about the applicable Anti-Corruption Laws and the importance of compliance with those laws and this MSG, so that they can clearly understand and be aware of the different crimes, the risks, the relevant personal and corporate responsibilities and the actions to implement in order to contrast bribery and the potential penalties in case of violation of this MSG and Anti-Corruption Laws (both to the individuals concerned and Saipem).

In particular, all At-Risk Personnel are subject to a mandatory anti-corruption training program. To this purpose:

- At-Risk Personnel shall receive a copy of this MSG and training on this MSG and relevant Anti-Corruption Laws when hired or given new responsibilities, or if it is not practicable for some reason, as soon as reasonably possible.
- At-Risk Personnel should receive periodic refresher training:
 - each At-Risk Personnel shall be responsible of completing the defined training activities;
 - each manager is responsible for ensuring that all At-Risk Personnel under his supervision complete training periodically.
- The Human Resources Department, in coordination with the Saipem Anti-Corruption Support Unit, is responsible for planning and providing training identifying the recipients of the training and the kind of training to be provided.
- The Human Resources Department collects the attendance records, the names and titles of participants, the results of self-testing, the copies of training materials and the dates of the training. It is responsible also for keeping all records in compliance with the applicable labour, privacy or other laws.

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- In defining and implementing the anti-corruption training program, the Human Resources Department must consult with the Saipem Anti-Corruption Legal Support Unit for appropriate support and guidance in terms of the contents of the training materials and the carrying out of the training. The training program shall provide the necessary knowledge of the Anti-Corruption Laws and the instructions to recognize “Red Flags” and avoid ethically questionable actions. The program will assist the participants through the presentation of practical questions and scenarios that may occur in the course of the company operations.

16. REPORTING

16.1 REPORTING REQUESTS

Any direct or indirect request by a Public Official or private parties for a payment (including a Facilitation Payment), gift, travel, meals or entertainment, employment, investment opportunities, personal discounts or other personal benefits other than reasonable and *bona fide* expenditures for the Public Official or private party or a Family Member or designee must be immediately reported to the direct supervisor (and to the Compliance Committee) by the Saipem Personnel or the Covered Business Partner who has received such request.

The direct supervisor will be responsible for advising Saipem Personnel or the interested Covered Business Partner on the proper course of action, which shall be in compliance with Anti-Corruption Laws and this MSG. To this purpose, the direct supervisor must consult with the Saipem Anti-Corruption Legal Support Unit.

16.2 REPORTING VIOLATIONS

Any suspected or known violation of the Anti-Corruption Laws or of this MSG must be reported immediately to one or more of the following:

- the employee’s direct supervisor or to the Business Partner’s primary contact at Saipem;
- the Manager of Administration, Finance and Control Function;
- the Compliance Committee, in compliance with Section 3.2.2 of the Model;
- Saipem’s Anti-Corruption Legal Support Unit,

and in any case, through the dedicated channels indicated in the Saipem Anti-Corruption Regulation concerning whistleblowing reports, including the anonymous ones, received by Saipem.

The direct supervisor, the Saipem Anti-Corruption Legal Support Unit and the Human Resources Department will consult with each other to identify the proper course of action and they will assure the maintenance of the communication channels, the monitoring of received documents and the reporting of the results of the denunciations to the corporate control functions and bodies. Any disciplinary measure which will be implemented shall be in compliance with the Anti-Corruption Laws and this MSG.

Saipem Personnel will not be discharged, demoted, suspended, threatened, harassed or discriminated against, in any manner in the terms or conditions of employment, based upon any lawful and made in good faith reporting activity of such employee with respect to reporting of concerns regarding compliance with this MSG and/or the Anti-Corruption Laws.

17. DISCIPLINARY ACTIONS AND CONTRACTUAL REMEDIES

Saipem shall use every reasonable effort in order to prevent any conduct in violation of Anti-Corruption Laws and/or this MSG and to interrupt and sanction any contrary conduct by Saipem Personnel.

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Saipem will take appropriate disciplinary actions against any Saipem Personnel (i) whose actions are found to violate the Anti-Corruption Laws or this MSG, according to the Model and collective employment agreements or other applicable national regulations, (ii) who fail to conduct or complete adequate training, and/or (iii) who unreasonably fail to detect or fail to report such violations or who retaliate against others who report such violations. Disciplinary actions may include the immediate termination of employment.

Saipem will take appropriate measures, including but not limited to termination of contract and claim for damages against Business Partners whose actions are found to violate the Anti-Corruption Laws or this MSG. Contracts entered into by Saipem with Business Partners will include specific provisions to ensure compliance by Business Partners of the Anti-Corruption Laws and this MSG and to allow Saipem to take appropriate remedies, according to the Saipem Anti-Corruption Regulation concerning standard contractual clauses on Administrative Responsibility deriving from criminal offences.

18. MONITORING AND ENHANCEMENTS

Saipem Internal Audit will independently review and evaluate the internal control system to help verify the compliance with the requirements of this MSG, on the basis of its annual audit program approved by the Board of Directors of Saipem. The Internal Audit auditors must be trained on the Anti-Corruption Laws, recordkeeping and the internal control system. Their reviews and other activities will refer to global anti-corruption compliance, including compliance with this MSG.

The Saipem Anti-Corruption Legal Support Unit shall monitor the adoption of this MSG and oversight the training of Saipem Personnel.

The Saipem Anti-Corruption Legal Support Unit must periodically review this MSG to ensure that it remains maximally effective. In addition, the business units, the Compliance Committee, the Internal Audit and the company's independent auditors should recommend enhancements to this MSG on the basis of emerging "best practices" or if gaps or weaknesses are identified.

If a violation is found, the Saipem Anti-Corruption Legal Support Unit will evaluate whether MSG revisions or internal regulations enhancements would help prevent recurrence of the violation. In addition, each Subsidiary must respond appropriately to remedy any weakness in its compliance program.

The Saipem Anti-Corruption Legal Support Unit will submit a six monthly report on its monitoring activity to (i) the Saipem SpA's Compliance Committee, (ii) the Saipem SpA's Board of Statutory Auditors; (iii) the Saipem SpA's Internal Control Committee and (iv) the Saipem SpA's Chief Financial Officer.

The Saipem Anti-Corruption Legal Support Unit will submit a six monthly report to the corresponding eni Function.

19. ROLES AND RESPONSIBILITIES

Anti-Corruption Legal Support Unit – the specific Unit set up within the Saipem Legal Department. In the case of Subsidiaries, references to the Anti-Corruption Legal Support Unit contained in this Corporate Standard Procedure are intended to refer to the anti-corruption Legal Support Unit established by the relevant Subsidiary if present, or to the Anti-Corruption Legal Support Unit of the relevant controlling company where an Anti-Corruption Legal Support Unit is present.

Internal Audit Department – Saipem SpA department responsible for the examination and independent evaluation of the internal control system, in order to verify the compliance with the requirements of this MSG, on the basis of its annual audit plan approved by the Board of Directors of Saipem SpA

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Human Resources Department – human resources departments of Saipem responsible, according to the present MSG, for the activities provided under Section 15.

Compliance Committee – the supervisory body (*Organismo di Vigilanza*) of Saipem SpA, as defined in Saipem SpA Model 231 and appointed pursuant to the Legislative Decree 231 or the Compliance Committee of Saipem Subsidiaries pursuant each Subsidiary Organization, Management and Control Model.

20. DEFINITIONS, ABBREVIATIONS AND ACRONYMS

When used in this MSG, the following terms have the meanings set forth below:

Anti-Corruption Laws – the Italian Criminal Code, the Legislative Decree 231 and other applicable provisions, the FCPA, the UK Bribery Act, other public and commercial anti-bribery laws in effect around the world, and international anti-corruption treaties such as the Organization for Economic Cooperation and Development Convention on Combating Bribery of Foreign Officials in International Business Transactions, and the United Nations Convention against Corruption.

At-Risk Personnel – any Saipem employee or manager, who:

- a) is likely to have Relevant Contact with a Public Official, in connection with his/her work;
- b) supervises employees or Business Partners likely to have such Relevant Contact; or
- c) is able to enter into contracts with third parties on Saipem's behalf or have any significant influence over the decision making in relation to the awarding of those contracts; or
- d) is involved with internal controls issues or other activities covered by the Anti-Corruption Laws; and
- e) any Saipem's employee identified as at-risk by a manager in one of the above categories.

Business Partner – any non-employee party receiving and/or providing products or services from/for Saipem or from/for Saipem's Covered Business Partner.

Code of Ethics – Saipem's Code of Ethics.

Consultant – an independent individual or a company working on Saipem's behalf with the aim of providing intellectual expert advice or services, used by Saipem to support management decisions.

Contractor – independent entity (individual, legal person or joint ventures) which provides goods or services to another entity under terms specified in a contract, in accordance with the terms of the MSG Procurement.

Contract Holder – person responsible for the correct execution of the contract and for the technical, operational and financial control of goods, works and services. He is the reference person for the contracts for which he has been appointed, both within Saipem and towards third parties.

The contract holder role is accepted by virtue of the contract holder's organizational position.

Covered Business Partners – any Business Partner: i) which acts on behalf of Saipem, or ii) is likely to have Relevant Contact with a Public Official in the course or its work for or on behalf of Saipem (i.e. Joint Ventures, Intermediaries, Consultants, distributors, dealers, agents, franchisees, etc.)

If it is not clear whether a specific Business Partner is a Covered Business Partner, the Anti-Corruption Legal Support Unit must be consulted. The substance of the activities of a Business Partner or proposed Business Partner will serve to determine whether or not it is a Covered Business Partner.

Saipem – Saipem SpA and its Subsidiaries.

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Saipem Anti-Corruption Regulations – Saipem MSG, procedures and/or operating instructions finalized to prevent bribery related risks, included those regulating the following subjects :

1. whistleblowing reports (including the anonymous ones) (STD-COR-ORGA-006);
2. gifts and other benefits (STD-COR-FINA-004);
3. entertainment expenses (STD-COR-FINA-004);
4. Joint Venture agreements (STD-COR-LEGA-007);
5. Intermediary agreements (STD-COR-LEGA-001);
6. standard contractual clauses concerning administrative liability of the company deriving from criminal offences (STD-COR-LEGA-002);
7. anti-corruption provisions contained in the Saipem regulations concerning sales and acquisitions (STD-COR-STRA-002);
8. no profit initiatives (STD-COR-HR-022);
9. appointment of external lawyers (STD-COR-LEGA-008);
10. procurement of consulting and professional services (STD-COR-ORGA-004);
11. sponsorship agreements (STD-COR-HR-022);
12. anti-corruption provisions contained in the Saipem regulations concerning selection of personnel;
13. travel expenses (STD-COR-HR-002 - STD-COR-HR-019);
14. anti-corruption provisions contained in the Saipem accounting regulations;
15. anti-corruption provisions contained in the Saipem regulations concerning Covered Business Partners;

It is responsibility of each single Process Owner to update the regulations (or to issue new regulations) concerning the subjects listed above, also to ensure compliance with this MSG. In defining such regulations, the Saipem Anti-Corruption Legal Support Unit must be consulted.

Saipem Personnel – the directors, officers, members of corporate bodies, managers and employees of Saipem.

Facilitation Payments – unofficial payments made to Public Official in order to expedite, to facilitate or to secure the performance of routine governmental action or necessary action by the Public official. They are sometimes referred to as ‘speed’ or ‘grease’ payments.

Family Member – the Public Official’s spouse; the Public Official’s and the spouse’s grandparents, parents, siblings, children, nieces, nephews, aunts, uncles, and first cousins; the spouse of any of these people; and any other individuals who share the same household; and the private party’s spouse; the private party’s and the spouse’s grandparents, parents, siblings, children, nieces, nephews, aunts, uncles, and first cousins; the spouse of any of these people; and any other individuals who share the same household.

FCPA – U.S. Foreign Corrupt Practices Act 1977, as amended from time to time.

Intermediary – an independent individual or a company that Saipem proposes to retain to: (i) promote the commercial interests of Saipem and/or any of its Subsidiaries in relation to a single transaction/project; (ii) facilitate the stipulation and/or execution of contracts with a third parties; and/or (iii) put in contact/introduce Saipem SpA and/or any of its Subsidiaries to one or more other parties for the purpose of bringing/generating or retaining a business.

Joint Ventures – contracts aimed at establishing joint ventures, *consortia*, temporary associations of companies (ATI), associations, cooperation agreements or other entities with or without legal status, in which Saipem holds an interest.

Legislative Decree 231 – Italian Legislative Decree June 8, 2001, No. 231, as amended from time to time.

Model – the Model 231 concerning the organization, management and controlling activities of Saipem (ex Legislative Decree 231 of 2001) approved by the Board of Directors of Saipem SpA the 27th of October 2010 or the Organization Management and Control Model adopted by Saipem Subsidiaries.

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Public Official –

1. anyone who performs public functions in a legislative, judicial or administrative capacity,
2. anyone acting in an official capacity for or on behalf of (i) a national, regional or local government, (ii) an agency, department or instrumentality of the European Union or of an Italian or a non-Italian national, regional or local government, (iii) an Italian or a non-Italian government-owned or government-controlled or government-participated company, (iv) a public international organization such as the European Bank for Reconstruction and Development, the International Bank for Reconstruction and Development, the International Monetary Fund, the World Bank, the United Nations or the World Trade Organization, or (v) an Italian or a non-Italian political party, member of a political party official or candidate for political office;
3. anyone in charge of providing a public service, *i.e.* whoever performs a public service for whatever reason, where public service means an activity that is governed in the same way as a public function, except that the power vested in the latter is absent. The performance of basic ordinary tasks and exclusively manual work is excluded.

Relevant Contact – any direct or indirect contact related to:

- a) influencing any legislative, executive, administrative judicial or other public policy body or personnel or any political party or public international organization;
- b) any governmental inquiry, inspection, audit, assessment, licensing, permitting, registration or similar administrative, regulatory or enforcement action;
- c) any potential or actual government contract or other transaction or business involving a governmental body or corporation owned or controlled by a government, a political party or a public international organization;
- d) entertainment, training, reimbursement of expenses or gifts for a Public Official;
- e) any other negotiation, settlement or consultation with a government body or public international organization or Public Official, other than consultation that does not involve advocating any position if such consultation is with a Public Official acting in a ministerial, administrative or legal capacity and solely for the purpose of seeking an interpretation or advisory opinion regarding application of as, explanation of procedures for filing documents with the government, or legal aspects of a private transaction; and
- f) similar activities.

Subsidiary – any entity that is directly or indirectly controlled by Saipem SpA² in Italy and abroad.

UK Bribery Act – the United Kingdom Bribery Act 2010 (and all associated secondary legislation), as amended from time to time.

² The list of these companies is that included in the appendix “Controlled subsidiaries” of the most recent approved consolidated financial statement.