

saipem



Corporate Governance and Shareholding Structure Report 2011

Pursuant to Article 123-*bis* of Law 58/1998, approved by the Board of Directors on March 13, 2012

(Traditional Management and Control Model)

Mission

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

Our skilled and multi-local teams create sustainable growth for our Company and the communities in which we operate.

Our core values

Commitment to safety, integrity, openness, flexibility, integration, innovation, quality, competitiveness, teamwork, humility, internationalization

Countries in which Saipem operates

EUROPE

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

AMERICAS

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

CIS

Azerbaijan, Kazakhstan, Russia, Turkmenistan, Ukraine

AFRICA

Algeria, Angola, Cameroon, Congo, Egypt, Gabon, Ivory Coast, Libya, Mauritania, Morocco, Mozambique, Nigeria, South Africa, Tunisia

MIDDLE EAST

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

FAR EAST AND OCEANIA

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

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The Corporate Governance Report is published on Saipem's website www.saipem.com,
in the 'Corporate Governance' section.

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Glossary

Corporate Governance Code/Code: the Corporate Governance Code for listed Companies approved in March 2006 (and amended in March 2010) by the Corporate Governance Committee and endorsed by Borsa Italiana SpA. Unless stated otherwise, references are intended to Principles, Criteria and Comments of the 2006 Code.

2011 Corporate Governance Code/Code: the Corporate Governance Code for listed Companies approved in December 2011 by the Corporate Governance Committee and endorsed by Borsa Italiana SpA, ABI, Ania, Assogestioni, Assonime and Confindustria.

Civil Code: Italian Civil Code.

Board of Directors: the Board of Directors of the Issuer.

CoSO Report: Internal control system model issued by the Committee of Sponsoring Organizations of the Treadway Commission - 1992.

Issuer: issuer of stocks and shares referred to in this Report.

Year: financial year 2011, object of this Report.

Consob Issuers' Regulations: Regulations issued by Consob through Resolution No. 11971 of 1999 (and subsequent amendments).

Consob Market Regulations: Regulations issued by Consob through Resolution No. 16191 of March 12, 2007 (and subsequent amendments).

Consob Related Parties' Regulations: Regulations issued by Consob through Resolution No. 17221 of March 12, 2010.

Report: Corporate Governance and Shareholding Structure Report, which companies are required to issue in compliance with Article 123-*bis* TUF.

TUF: Legislative Decree No. 58 (Testo Unico della Finanza), issued on February 24, 1998.

Corporate Governance Report and Shareholding Structure

This Report is designed to provide a general and complete overview of Saipem SpA ('Saipem') corporate governance system. In order to comply with applicable laws and stock market listing standards, in keeping with the recommendations of Borsa Italiana SpA and of the relevant business associations, the Report also furnishes information regarding Saipem's shareholding, its compliance with the corporate governance codes¹ established by institutional bodies and the relevant commitments to observe them, as well as the choices that the Company has made in implementing its governance. This Report is available at Saipem's headquarters, published on Saipem's website, and sent to Borsa Italiana SpA in accordance with set rules and deadlines.

The information contained in this Report relates to the financial year 2011 and has been updated, with respect to certain matters, as of March 13, 2012, the date of the Board of Directors' meeting that approved it, together with the Annual Financial Report 2011.

Issuer profile

The Saipem Group is a world leader in the provision of engineering, procurement, project management and construction services with distinctive capabilities in the design and execution of large-scale offshore and onshore projects, and technological competences such as gas monetization and heavy oil exploitation, with a strong international bias towards operations in remote areas, ultra-deep waters and challenging environmental conditions.

Compared to its major global competitors offering turnkey solutions in the Oil & Gas industry, Saipem represents one of the most balanced groups in terms of core businesses (Onshore and Offshore Engineering & Construction in addition to Drilling), the markets in which it operates (strong geographical diversification) and client base (mainly major national and international oil companies).

Saipem enjoys a competitive position of excellence in the provision of EPIC ('Engineering, Procurement, Installation and Construction') and EPC ('Engineering, Procurement and Construction') services to the oil industry both Onshore and Offshore. In the Drilling sector, Saipem performs in some of the most complex areas in the oil industry (North Sea and ultra-deep water) often creating positive synergies with Onshore and Offshore operations.

In 2011 Saipem was organized into two business units: Engineering & Construction and Drilling, headed by Chief

Operating Officers Pietro Varone and Giuseppe Caselli respectively. From a geographical standpoint, Saipem has a heavy international bias, with approximately 95% of revenues generated out with Italy and approximately 80% out with Europe. The global spread of its reference markets, its growth in size and the complexity of its core businesses have created the need, on the one hand, to pursue a delocalization policy of its operational hubs towards the relevant geographical areas, namely Northern Europe, West and North Africa, the Middle East, the Caspian region, South East Asia, Australia, Canada, the Gulf of Mexico and South America, and on the other, to develop, in specific areas of competence, specialized know-how at certain Group companies involved in specific operations.

Alongside the major European hubs (Milan, Paris, Fano and London), the majority of Saipem's 41,000-strong workforce is comprised of more than 110 nationalities. The fleet of vessels, logistical bases, construction and fabrication yards and engineering centres in host countries are staffed by a significant number of expatriate resources from developing countries (mainly India and South East Asia) alongside strong local content. Furthermore, Saipem has important service hubs in India, Croatia, Romania and Indonesia. Saipem's activities are focused on clients and resources, with particular importance being placed on their health and safety. Saipem's QHSE systems, namely the 'Health & Safety Environment Management System' and the 'Quality Management System' have obtained Lloyd's Register International Standard certification ISO 9001:2000.

Principles

Saipem undertakes to maintain and strengthen a governance system in line with international best practice and standards. The complexity of the situations in which Saipem operates, the challenges of sustainable development and the need to take into consideration the interests of all those having a legitimate stake in the corporate business ('Stakeholders'), increase the importance of clearly defining the values and responsibilities that Saipem recognizes.

Compliance with the law, regulations, statutory provisions, self-regulatory codes, ethical integrity and fairness, is a constant commitment and duty for all Saipem personnel, and characterises the conduct of Saipem's entire organization.

All personnel working for Saipem, without distinction and/or exceptions, are committed to observing and enforcing the aforementioned principles, within their own function and responsibilities, in addition to the values and principles in matters

[1] Reference is made to the Corporate Governance Code 2006 Edition issued by Borsa Italiana SpA, as amended in March 2010, which is posted on the following website <http://www.borsaitaliana.it/borsaitaliana/ufficio-stampa/comunicati-stampa/2006/codiceautodisciplina.en.pdf.htm>. The latest edition of the Code was issued in December 2011 and is available at <http://www.borsaitaliana.it/borsaitaliana/regolamenti/corporategovernance/corporategovdec2011.en.pdf.htm>.

of transparency, energy efficiency and sustainable development, as stated by Institutions and International Conventions. The belief of acting in Saipem's interests cannot in any way justify the adoption of practices contravening these principles.

Business ethics

Saipem's business and corporate activities must be carried out in a transparent, honest and fair way, in good faith, and in full compliance with competition protection rules. Specifically, Saipem applies the OECD (Organization for Economic Co-operation and Development) guidelines for multinational companies.

Stakeholders

Saipem is committed to respecting all stakeholders with whom it interacts in business, as it believes that they are an important asset to the Company.

Labour protection and equal opportunities

Saipem respects the universally recognized core labour standards contained in the Fundamental Conventions of ILO (International Labour Organization); it guarantees the freedom to form an union and the right of collective bargaining; it repudiates any form of forced or juvenile labour and/or discrimination. In addition, Saipem is an equal opportunity employer and guarantees its employees equal treatment based on merit.

Development of professional skills

Saipem values and promotes the development of skills and competencies of each employee in addition to team work, so that the energy and creativity of an individual can realize their full potential.

Diversity

Saipem's business conduct is inspired by the respect it affords to cultures, religions, traditions, ethnic diversity and the communities in which it operates, and strives to preserve their biological, environmental, social, cultural and economic identities.

Cooperation

Saipem is committed to promoting the quality of life and the social and economic development of the communities in which the Group operates.

Regulatory system and policies

The Regulatory System is part of Saipem's Corporate Governance, the organizational structure and the internal control system and is one of the tools that Saipem SpA, as part of Eni's direction, coordination and control activities, uses to exercise direction over its subsidiaries, both in Italy and abroad, ensuring consistency with:

- the general framework comprising: legal provisions, the Articles of Association, the Corporate Governance Code issued by Borsa Italiana, the CoSo Report, the principles of Model 231 – specifically the Code of Ethics – and the internal control system on company information;
- other Saipem management tools: the organizational structure,

the system of power allocation and proxies and the strategic plan.

In general terms, the Regulatory System is structured around four hierarchical levels, each consisting of a type of regulatory tool:

- the first level comprises the Policies, i.e. documents that define general principles and conduct rules applicable to all actions aimed at safeguarding the achievement of corporate objectives, taking into account risks and opportunities. They are enforced at Saipem SpA and all subsidiaries, subject to their adoption having been approved by the Boards of Directors of each company;
- the other levels comprise documents which regulate compliance and governance processes, identifying, for each specific level, guidelines (Management Systems Guidelines), operative processes, responsibilities and information flows (Corporate Standards and Corporate regulatory documents).

To rationalize and improve the efficiency of the body of documents that define general principles and conduct rules that must inspire all actions carried out by Saipem and its subsidiaries, and to ensure the achievement of corporate objectives, the Board of Directors in 2010 approved the following Policies:

- Our people;
- Our Partners in the value chain;
- Global Compliance;
- Corporate Governance;
- Operational Excellence;
- Our Institutional Partners;
- Information Management.

Specifically, the first Policy deals with the importance of the human factor, the culture of plurality, the valorization of people, the knowledge and training systems, remuneration, communication and organizational well-being; the second Policy, the promotion of long-term relations, client satisfaction, the selection process (control chain) and the competition; the third Policy, compliance, effectiveness of compliance regulations and continuous improvement; the fourth Policy, integrity and transparency, the practice of excellence, the system of control, direction and co-ordination; the fifth Policy, the culture and achievement of operational excellence; the sixth Policy, the promotion of long-term relations; the seventh Policy, information, IT systems and communication.

In 2011, the Board of Directors approved the following additional policies:

- Our Tangible and Intangible Assets;
- Sustainability;
- The Integrity of our Operations.

The first Policy focuses on the appreciation of the Company's tangible and intangible assets, vital to the establishment and protection of Saipem's competitive advantage, the achievement of strategic targets, the creation of value through investment aimed at corporate growth and increased value for stakeholders. The second policy enhances the principles of fairness, transparency, honesty, integrity, protection of the Individual and his/her rights, the environment and the general interests of the communities in which it operates, by adopting the highest international standards and guidelines, and making sustainability

the driving force towards continuous improvement in the achievement of goals and towards strengthening of financial performance and Company standing, without forgetting the commitment towards sustainable development towards the people and the companies in countries in which Saipem operates. The third policy concerns the adoption and implementation of the principles underlying international best practices required to safeguard people, partners, corporate assets and the environment during operations, and to obtain national and international standard certifications for operational processes. Saipem organizes specific training initiatives to promote preventive and precautionary conduct and practices.

Health and safety

Saipem ensures the highest health and safety standards for its employees and those of its subcontractors in all geographical areas of operations, and faces all challenges by applying the safety vision: 'To be winners through passion for Health and Safety'. Saipem's vision stresses how being safe and healthy equates to being more efficient in terms of business performance. In 2007, Saipem began implementing the programme 'Leadership in Health and Safety - LiHS', aimed at creating a strong safety culture throughout the Company by turning its leaders into safety leaders. A series of LiHS workshops were held involving the Company's management and innovative tools created to achieve this goal. Specifically, in 2011, the 'Leading Behaviours' campaign was launched, describing a series of simple rules to adopt by personnel, which would enable Saipem to achieve excellent Health and Safety standards.

The 'LHS' (Leadership in Health and Safety) Foundation, set up in September 2010 to further strengthen health and safety behaviours, has closed its first full year in operation with the promotion of various initiatives both within Saipem and outside the Group.

With the aim of becoming a global knowledge centre, the Foundation promotes studies, research, training, information and propagation of health and safety material, contributing to the growth in 'culture and awareness of health and safety at work', which could also extend into the social milieu, and in particular into both the Italian and international Oil & Gas industrial worlds. Saipem places particular emphasis on Health and Safety training as it deems it one of the main tools of accident prevention. Saipem's Health and Safety system complies with both international standards and the strictest legislation. It has attained OHSAS 18001 Certification for the Engineering and Construction Business Unit and for Integrated Project activities. This ensures the structured management of health and safety issues for Saipem's employees through health protocols, training and audits.

Environmental protection

Saipem is committed to protecting the environment and ecosystems affected by its business operations, through the

implementation of a management system which complies with best international safety standards.

Saipem has also adopted procedures to ensure compliance in terms of environmental legislation, with specific reference to waste disposal, discharges, atmospheric emissions and reinstatement. Saipem's environmental protection system attained ISO 14001 Certification for the Engineering and Construction Business Unit and for Integrated Project activities.

The Code of Ethics

At the meeting of July 14, 2008, the Board of Directors of Saipem SpA approved the new organizational, management and control Model pursuant to Legislative Decree No. 231 of 2001 (Model 231)² and the document 'Sensitive activities and specific control standards', which forms part of Model 231.

Model 231 includes the new Code of Ethics which replaces the Code of Practice and is a compulsory general principle of Model 231 itself.

The Code of Ethics clearly defines, in compliance with the provisions of law, the values that Saipem recognizes and accepts, as well as the responsibilities the Company assumes both internally and externally. It imposes fairness, honesty, integrity and transparency on operations, conduct, working practices and relations both internal and external to the Group; the Board of Directors ensures adherence to the Code through the annual report of the Guarantor of the Code of Ethics, whose responsibilities have been delegated to the Compliance Committee of Saipem SpA and which, pursuant to Article 6, paragraph 1, letter *b*) of Law Decree 231 of 2001 has been granted 'independent powers of initiative and control'. Saipem sent the current Model 231 (updated through a Board of Directors' resolution on October 27, 2010) together with an accompanying letter, to all Italian and foreign companies in which it has a holding, underlining the fundamental importance that they adopt their own Code of Ethics and organizational, management and control model defining, in compliance with local legislation, the values recognized, accepted and shared by Saipem, as well as the responsibility it assumes towards stakeholders in both in Italy and worldwide.

In compliance with Confindustria (Italian Manufacturing Companies Association) guidelines and the latest court decisions, the Board of Directors, at the Audit Committee's proposal, resolved, at their meeting of July 14, 2008, to appoint two external members to the Compliance Committee, to further guarantee its independence. These additional members were selected from among academics and professionals with proven expertise, one of whom took on the role of Chairman of the Committee.

The Compliance Committee is supported by the Technical Secretariat of the Compliance Committee, a team responsible for receiving information and documents sent by Saipem offices to the Compliance Committee, ensuring their proper collation and review. The Technical Secretariat is also responsible for delivering

[2] Model 231, comprising the Code of Ethics, is published on Saipem's website www.saipem.com in the 'Corporate Governance' section.

the decisions taken by the Committee to the relevant parties and monitoring their implementation.

To update Model 231 and ensure its effectiveness over time, amending it in accordance with new legislation and adapting it to the significant changes in the Company's organizational structure or business units, the CEO of Saipem SpA, on March 1, 2010, created 'Team 231', a multifunctional team responsible for arranging the implementation of the aforementioned changes – 'Implementation Programme', in compliance with Chapter 7 of Model 231. On November 30, 2011, the team composition was reviewed and the Implementation Programme launched for the environmental offences introduced into Legislative Decree 231/2001 by Law 121/2011. The team is also working on the update of the document 'Sensitive Activities and Specific Control Standards' to comply with the new legislative provisions introduced in 2009.

One of the duties contained in Model 231 of Saipem SpA is the promotion and dissemination of the principles that make up Saipem's Code of Ethics. This is carried out by a specific multifunctional team reporting to the Compliance Committee, the 'Code of Ethics Promotion Team', set up on October 6, 2008, and renewed on March 23, 2010. The Team consists of 8 members from several internal departments (Legal, Investor Relations, Italian Industrial Relations and Social Activities, Human Resources, Secretary's Office, Personnel Development, Training and Compensation, Organization, Communication and Sustainability Departments). In 2010 the Team resolved to have the Code of Ethics translated into 12 languages for publication on the Company's intranet and website, and promoted its dissemination at Saipem Group's overseas companies. These activities were continued and further developed in 2011.

With these initiatives, the Board of Directors further strengthened the internal control system, with the firm conviction that the Company's business activities, whose aim is the creation of value for its Shareholders, must be founded on the principle of fair conduct towards all stakeholders (comprising, besides the Shareholders, employees, suppliers, clients, commercial and financial partners, in addition to the communities the Group comes into contact with in the countries where it is present) and that this including the promotion of important social initiatives, in a continuous effort to foster amongst stakeholders an awareness that only a business approach that seizes the opportunities and manages the risks resulting from economic, environmental and social development generates long-term value for all parties involved.

Sustainability Report

Saipem's approach to Sustainability is based on principles, policies and processes that are governed by certified management systems and a decentralised organization best suited to Saipem's business as a global contractor to the energy industry. Saipem's Sustainability Model is designed to support and integrate into the business consistently and responsibly so as to ensure the creation of stakeholder value through safe, reliable and

innovative behaviour and solutions applicable in the management of human resources and assets and the cooperation with local communities, based on the contribution to the territorial development through policies and strategies based on local content.

The Sustainability Model is based primarily on values and principles: Saipem's Code of Ethics includes the general principles underpinning the sustainability policy, recently confirmed by Saipem (Board of Directors of July 26, 2011). An engaging dialogue with Stakeholders is one of the fundamental principles of Saipem's policy which is typically, albeit not exclusively, represented in the strategies, initiatives and performance included in the 'Sustainability Report'³. This document is prepared in compliance with GRI International Standards (Global Reporting Initiative), which have been adapted to suit Saipem's business requirements; it is certified by an external entity and has been published annually since 2006. In addition to the usual chapter in the Director's Report of the Annual Report 2011, an addendum shall be published in the Annual Report detailing the Key Performance Indicators utilized in the Sustainability reporting system. Saipem shall also publish an additional stand-alone document providing in-depth and qualitative descriptions of main sustainability themes, focusing specifically on local content and Saipem's contribution in terms of socio-economic development in areas of operations. Another tool that provides information and disclosure to stakeholders on Saipem's initiatives and performance in countries of greater exposure are Case Studies: these attest to the growing commitment undertaken by all Group companies and major projects to improve local, cultural and economic environment of operations.

Saipem's organizational structure

Saipem's organizational structure is based on the traditional administration and control model whereby the Board of Directors is the central body, solely responsible for the Company's management.

Supervisory and control duties are the responsibility of the Board of Statutory Auditors, whereas the External Auditors are responsible for the legal auditing of accounts.

The Shareholders' Meeting manifests the will of the Shareholders, through resolutions adopted in compliance with the law and the Company's Articles of Association.

The Shareholders' Meeting appoints the Board of Directors for a maximum term of three years.

The Board of Directors has appointed the Chairman, a Deputy Chairman - CEO (Chief Executive Officer), to whom report the COOs (Chief Operating Officers) who head the various Business Units, and a Managing Director for Business Support and Transversal Activities - Deputy CEO. The following departments report directly to Deputy Chairman - CEO: Administration, Finance and Control; Human Resources, Organization and Systems; Company's Secretary's Office; Legal department.

The Chairman has the power to represent the Company, pursuant to Article 21 of the Company's Articles of Association, together

[3] The Sustainability Report is published on Saipem's website www.saipem.com in the 'Sustainability' section under 'Sustainability Report'.

with those Directors vested with executive powers (pursuant to Article 26 of Articles of Association).

The Board of Directors, at their meeting of February 13, 2012, resolved to set up:

- the Compensation and Nomination Committee: previously identified as the Compensation Committee, shall also propose and consult the Board in relation to appointments;
- the Audit and Risk Committee: previously identified as the existing Audit Committee, shall consult and support the Board of Directors in matters relating to the internal control and risk management systems.

The Board of Directors, having received the opinion of the Board of Statutory Auditors and at the Chairman's proposal, appointed the Company's CFO as the Senior Manager responsible for the preparation of financial reports, in compliance with Article 21 of the Articles of Association.

Shareholding structure

(pursuant to Article 123-bis, paragraph 1, of Law 58/1998 as at December 31, 2011)

Share capital distribution

- At December 31, 2011, the share capital of Saipem SpA amounted to €441,410,900, fully paid-up and comprising No. 441,275,452 ordinary shares, equal to 99.97% of the share capital, with a nominal value of €1 each, and No. 135,448 savings shares, equal to 0.03% of the share capital, with a nominal value of €1 each, both of which are listed on the Computerized Share Trading Market (Mercato Telematico Azionario) managed by Borsa Italiana SpA. Shares cannot be divided and each share carries the entitlement of one vote. Saipem's Shareholders enjoy, and are limited by, all relevant rights afforded by law. Savings shares are convertible at par

with ordinary shares, without charges or time restrictions; they enjoy a higher dividend than ordinary shares equal to 3% of the nominal share value. On January 14, 2010, the Savings Shareholders' Meeting appointed Mr Roberto Ramorini as their collective representative for the following three years (see Table 1).

No other financial instruments have been issued by the Company that allocate the right to subscribe newly-issued shares.

Restrictions on the transfer of shares

- No restrictions exist on the transfer of shares.

Relevant shareholdings

- Based on information available and notifications received pursuant to Article 120 of Law 58/1998, Shareholders owning a stake in Saipem SpA in excess of 2% at December 31, 2011, are detailed in the table below (also see Table 1, page 29).

Special shareholders rights

- All Shareholders enjoy the same rights.

Shareholding of employees: exercise of voting rights

- Employees holding Saipem's shares enjoy the same voting rights as ordinary shareholders.

Voting rights restrictions

- No restrictions exist on voting rights.

Shareholders agreements as per Article 122 of Law 58/1998

- No known agreements exist amongst Shareholders, as per Article 122 of Law 58/1998.

Shareholders	Shares held	% of capital
Eni SpA	189,423,307	42.910
Capital Research and Management Co	21,656,293	4.908
FMR Llc	15,223,856	3.450
Blackrock Inc	12,421,763	2.815
FIL Ltd	8,898,844	2.016

Shareholders by geographical area based on 2010 dividend payments

Shareholders	Number of shareholders	Shares held	% of capital
Italy	25,379	232,593,720 ^(*)	52.69
Other EU Member States	1,116	63,630,089	14.42
Americas	814	78,136,061	17.70
UK and Ireland	348	34,169,372	7.74
Other European States	106	7,474,871	1.69
Rest of the World	277	25,406,787	5.76
Total	28,040	441,410,900	100.00

(*) Includes No. 3,143,472 treasury shares with no dividend entitlement.

Shareholders by amount of shares held based on 2010 dividend payments

Shareholders	Number of shareholders	Shares held	% of capital
> 10%	1	189,423,307	42.91
> 2%	4	58,200,756	13.18
1% - 2%	6	36,813,204	8.34
0.5% - 1%	9	27,831,897	6.31
0.3% - 0.5%	14	25,383,620	5.75
0.1% - 0.3%	66	46,439,124	10.52
≤ 0.1%	27,940	57,318,992	12.99
Total	28,040	441,410,900	100.00

Change of control clauses (pursuant to Article 123-bis, paragraph 1, letter h), of Law 58/1998) and statutory provisions for takeover bids (Article 104, paragraph 1-ter and Article 104-bis, paragraph 1)

- Saipem and its subsidiaries are not parties to any significant agreements that would become effective, be modified or be extinguished in the event of a change in the identity of the shareholders who currently control Saipem, except from the following:

- financing currently held with third-party credit institutions or with Eni, which, at December 31, 2011, amounted to a total of €3,386 million.

Should there be a change of control, Saipem may be requested to repay the loaned capital and related interests in advance of the contractual terms and conditions.

Replacing the aforementioned financing on the market and taking into account the adjustment in the risk profile of the Company, would result in an increased annual financial outlay estimated at approximately €29.5 million;

- bank guarantees amounting to a total of €5,427 million. Should there be a change of control, Saipem may be requested to release all Eni lines of credit currently utilized against bank guarantees.

Replacing existing lines of credit on the market, taking into account the adjustment in the risk profile of the Company, would result in an increased annual financial outlay estimated at approximately €7.2 million.

- In terms of takeover bids, Saipem's Articles of Association complies with the provisions of Passivity Rule set forth in Article 104, paragraphs 1 and 2 of Law 58/1998, and does not provide for the application of the breakthrough provisions set forth in Article 104-bis, paragraphs 2 and 3 of Law 58/1998.

Indemnification for Directors in case of dismissal (without just cause), resignation or termination following a public purchase offer

- There are no agreements indemnifying Directors in case of dismissal/revocation of their appointment without just cause, resignation or termination following a public purchase offer. Current Stock Option Plans provide that, in cases of consensual employment termination, or termination of the Assignee by the company for reasons relating to the company's operations, for 'objective just cause', the Assignee retains the right to exercise

the options within the constraints set forth in Stock Option Regulations and for reduced quantities.

In the event of employment being terminated unilaterally by the Assignee or dismissal by the Company for 'subjective just cause' or for 'just cause' before the end of the vesting period, the Options become null and void. Additional information is provided in the Compensation Report, issued pursuant to Article 123-ter of Law 58/1998.

Directors' appointment or replacement, and modifications to the Articles of Association

- Procedures regulating the appointment of Board Directors are illustrated under the item 'Board of Directors'. The Board of Directors has the power to amend the Articles of Association to comply with the provisions of law and has all powers granted by Article 2365 of the Italian Civil Code, and Article 20 of Articles of Association (please refer to paragraph 'Responsibilities and Powers of the Board of Directors', page 16).

Succession Plans

In consideration of the nature of the Company's shareholding structure, no provisions have been made for a succession plan of Saipem's Executive Directors.

Share capital increases and buy-back of treasury shares

- The Board of Directors does not have the power to increase the share capital, pursuant to Article 2343 of the Italian Civil Code. The number of treasury shares held by the Company at December 31, 2011 was 3,143,472, equal to 0.71% of the share capital. The Shareholders' Meeting had resolved to buy-back shares for allocation to the Stock Option Plans from 2002 to 2008. This resolution is no longer valid.

Direction and coordination (pursuant to Article 2497 of the Italian Civil Code)

- The Company is subject to the direction and coordination of Eni SpA, pursuant to Article 2497 (and subsequent amendments) of the Italian Civil Code.

Corporate Governance Code

The corporate governance of Saipem SpA is based on international best practice standards and, in particular, on the principles of the Corporate Governance Code (hereafter Code) of listed companies approved by the Corporate Governance Committee and promoted by Borsa Italiana SpA⁴, in addition to all relevant provisions of regulations issued by Consob (Italy's Securities and Exchange Commission).

Following the publication of the updated version of the Corporate Governance Code in December 2011, Saipem is committed to ensuring that the modifications introduced with the new version are implemented by the end of 2012, and to inform the Market in next year's Corporate Governance Report.

The Board of Directors at their meeting of February 13, 2012 resolved to set up the Compensation and Nomination Committee, previously identified as the Compensation Committee, and the Audit and Risk Committee, previously identified as the Audit Committee.

The structure of these Committees, comprised entirely of independent non-executive Directors, complies with the requirements of the Corporate Governance Code.

At their meeting of December 13, 2010, the Board of Directors resolved on the implementation of Article 6 of the Corporate Governance Code, as modified in March 2010.

At their meeting of December 14, 2006, the Board of Directors moved to adopt the recommendations and principles of the current Code, in compliance with a similar resolution taken on November 9, 2000, and to monitor its actual implementation. The Board of Directors also approved a number of resolutions implementing and specifying the provisions it contains. In particular: (i) the functions of the Board of Directors have been redefined. The Board maintains an absolutely central position with respect to the corporate governance system of the Company and retains wide-ranging responsibilities, particularly in terms of Company and Group organization and the internal control and risk management system; (ii) the most significant transactions of the Company and the Group have been defined and presented for approval by the Board; (iii) the Board of Directors also has a key role in defining sustainability policies and approving the Sustainability Report, which are also submitted to the Shareholders' Meeting; (iv) the guidelines on the maximum number of offices held by Directors in other Companies have been defined; (v) the Board of Directors is responsible for transactions with related parties of greater importance, pursuant to the relevant Consob Regulation, granting independent Directors a pivotal role and providing that the Board be informed of transactions with related parties, even if of lesser importance; (vi) a threshold has been identified for the cumulation of offices that Directors are allowed to hold in other companies, so as to ensure that they have the necessary time required to fulfil their role; (vii) pursuant to the new Corporate Governance Code of

December 2011, the following Committees were set up: the Compensation and Nomination Committee, previously identified as the Compensation Committee, and the Audit and Risk Committee, previously identified as the Audit Committee. This annual corporate governance report was prepared, as in previous years, utilizing the format of Borsa Italiana SpA (3rd Edition - February 2012)⁵. The Company strived to provide correct, exhaustive and effective information consistent with the characteristics of its business activities and corporate objectives, and in line with market requirements.

Saipem SpA and its subsidiaries are not subject to any non-Italian legal requirement that may influence the Corporate Governance of the Issuer.

Risk management system and internal control over financial reporting

Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability⁶, accuracy, fairness and timeliness of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

In accordance with the provisions of the law, the Officer in charge of preparing financial reports (AO) is responsible for the internal control system with regard to financial reporting and, to this aim, establishes the necessary administrative and accounting procedures for drafting the periodic accounting documentation and any other financial notification; moreover, he/she certifies, together with the Deputy Chairman & CEO, their adequacy and actual implementation during the period to which the aforementioned accounting documents refer, by means of an appropriate report on the annual financial statements, on the half-yearly financial statements and on the consolidated annual financial statements. Pursuant to the aforementioned Article 154-bis, the Board of Directors supervises whether the AO has appropriate powers and means to perform the assigned duties, in addition to supervising the actual conformity to these procedures. The guidelines on internal controls over financial reporting approved by the Board of Directors on October 29, 2007, and later amended by the Management System Guideline 'Internal Control System over Financial Reporting - Rules and Procedures' approved by the Board of Directors on December 13, 2011, are aimed at achieving healthy and fair business management; they define rules and methodologies on the design, implementation and maintenance of the internal control system over Saipem's financial reporting, as well as on the evaluation of the system's effectiveness.

These guidelines have been designed in accordance with the provisions of the aforementioned Article 154-bis of Law 58/1998 and of the US law Sarbanes-Oxley Act of 2002 (SOA) which Saipem is required to comply with as a subsidiary of Eni whose securities

(4) Reference is made to the Corporate Governance Code 2006 Edition issued by Borsa Italiana SpA, as amended in March 2010.

(5) The Corporate Governance Report format of Borsa Italiana SpA, 3rd Edition (February 2012), is available to the public at www.borsaitaliana.it.

(6) Reliability (of reporting): ensuring that reporting is correct, in accordance with generally accepted accounting principles and in compliance with current laws and regulations.

are listed on the New York Stock Exchange (NYSE), and based on the CoSo Report ('Internal Control - Integrated Framework' published by the Committee of Sponsoring Organizations of the Treadway Commission - 1992).

In accordance with international accounting principles, these guidelines are applicable to Saipem SpA and its direct and indirect subsidiaries, in consideration of their relevance for the preparation of financial reporting. All controlled companies, regardless of their relevance with respect to Saipem's internal control system, use these guidelines as a reference for the design and implementation of their own internal control system in order to ensure its adequacy in relation to the size of the company and the nature of its business.

Main features of the risk assessment and internal control systems for the purposes of financial reporting

The internal control system was designed in accordance with two fundamental principles: to extend control to all levels of the organizational structure, consistent with operating responsibilities; and the sustainability of controls in the long-term, so as to ensure that the performance of controls is increasingly integrated and compatible with operational requirements.

The design, implementation and maintenance of the internal control system are ensured through: risk assessment, control identification, evaluation and reporting.

The risk assessment process has a top-down approach aimed at identifying those organizational departments, processes and specific activities that bear the risk of unintentional errors and/or fraud, which could have a material impact on the financial statements.

The identification of companies that fall within the scope of the internal controls system is based both on their contribution to the consolidated financial statements (turnover, net revenues, profits before taxation) and their relevance in terms of processes and specific risks⁷. Among the companies identified as relevant for the purposes of internal controls, significant processes are then identified based on an analysis of quantitative factors (processes involved in the preparation of financial statements items greater than a certain percentage of profits before taxation) as well as qualitative factors (for instance: complexity of the accounting treatment used for an item; new items or significant changes in business conditions).

Risks are assessed for relevant processes and activities, i.e. potential events whose occurrence could compromise the achievement of the control objectives for financial reporting (for instance financial statements assertions). These risks are prioritised in terms of their potential impact and likelihood of occurrence, based on quantitative and qualitative parameters and assuming no controls. Saipem carries out a specific assessment on risks of fraud⁸, using a methodology based on the 'Anti-fraud Programmes and Controls' included in the guidelines on internal controls over financial reporting.

Controls are defined for the individual company, processes and associated risks deemed relevant. The control system comprises of entity level controls, which operate across the relevant entity (Group/individual company) and process level controls.

A checklist based on the model adopted in the CoSo Report divides entity level controls into five components (control environment, risk assessment, control activities, IT systems and information flows, and monitoring activities). The 'control environment' component includes all activities relating to the definition of time-frames for the preparation and publication of financial results (interim and annual financial statements and associated financial calendars); the 'control activities' component covers organizational and regulatory structures that guarantee the achievement of financial reporting objectives (for instance the review and updating by specific departments of rules relating to the preparation of financial statements and charts of accounts); the component 'IT systems and information flows' includes management controls over the consolidation process (Mastro). Process level controls are divided into specific controls, which are all activities, both manual and automated, aimed at preventing, identifying and correcting errors and irregularities occurring during operating activities; and pervasive controls, which are structural elements of the internal control system aimed at establishing a general environment which promotes the correct execution and control of operational activities (for instance segregation of incompatible duties and general IT controls). Specific controls are detailed in ad-hoc procedures which define company processes and the 'key controls', whose absence or non-implementation entails the risk of significant error/fraud in the financial statements which cannot be detected by other controls.

Entity level controls and Process Level Controls are constantly monitored to evaluate their design and operating effectiveness; this is done by means of ongoing monitoring activities carried out by the managers in charge of the relevant processes/activities, and through separate evaluations carried out by the Internal Audit Department in accordance with an audit plan provided by the Chief Financial Officer/Manager responsible for preparing financial reports⁹ which defines the audit scope and objectives to be implemented through agreed-upon audit procedures.

Monitoring activities highlight possible deficiencies in the control system; these are evaluated in terms of probability of occurrence and impact on Saipem's financial reporting and, based on their significance, are classed as 'deficiencies', 'significant weaknesses' and 'material weaknesses'.

The findings of monitoring activities regarding the state of the internal control system are periodically reported using IT tools that ensure the traceability of information relating to the adequacy of design and the operating effectiveness of controls. The work of the CFO/Manager responsible for preparing financial reports is supported by various departments within Saipem, whose responsibilities and tasks are set forth in the

[7] Companies subject to internal controls include those incorporated under and regulated by non-EU member state legislations, for which the provisions of Article 36 of Consob Market Regulations apply.

[8] Fraud: for the purposes of the Internal Control System, this refers to any intentional act or omission that may result in false representation or misleading reporting.

[9] Additional information on the Chief Financial Officer/Manager responsible for preparing financial reports are provided under its dedicated section.

mentioned guidelines. Specifically, internal controls involve all levels of Saipem's organization, from operations and business managers to function and administrative managers. In this organizational context, a very important figure of the internal control system is the risk owner, who carries out line monitoring activities, evaluating the design and operating effectiveness of specific and pervasive controls and producing reports on monitoring activities.

Internal control and risk management system

Saipem is committed to promoting and maintaining an adequate internal control and risk management system consisting of a set of tools, organizational structures, Company rules and regulations aimed at safeguarding the Company's assets, the efficiency and effectiveness of Company operations, the reliability of financial reporting and compliance with the laws and regulations, of the Articles of Association and Company procedures. The structure of Saipem's internal control system constitutes an integral part of the Company's organizational and management model; it involves – with different roles – administrative bodies, supervisory bodies, control bodies, the management and all personnel, and complies with the principles contained in the Code of Ethics and the Corporate Governance Code, the applicable regulations, the relevant 'CoSO Report' framework and the national and international best practices.

The main responsibilities of the internal control and risk management system are entrusted to Saipem bodies and organs equipped with the necessary powers, tools and structures to pursue its objectives.

Saipem is aware that the adequate process for the identification, measurement, management and monitoring of main risks contributes towards ensuring sound and proper Company management in line with the strategic objectives set out by the Board of Directors. Saipem promotes a preventive approach to risk management whereby the management's decisions and activities aim to reduce the probability of negative events occurring and their relevant impact. To this end, Saipem adopts risk management strategies according to the nature and type of risk, such as mainly financial and industrial risks in addition to certain strategic and operational risk associated with specific nature of the Company's operations.

Saipem is committed to guaranteeing the integrity, transparency, fairness and efficiency of its processes through the adoption of adequate tools, rules and regulations in performing activities and exercising powers, and promotes rules of conduct inspired by the general principles of traceability and segregation of activities. Indeed, Saipem's management – also on the basis of the risks managed – established specific control activities and monitoring processes aimed at ensuring the internal control system's efficacy and efficiency over time. In line with this approach,

Saipem has long been committed to favouring the development and diffusion of awareness towards internal control issues amongst all the Company's personnel. In this context, Saipem – through an appropriate internal regulation and in compliance with the provisions of the Sarbanes-Oxley Act – manages the receipt (through easily accessible information channels), analysis and processing of notifications it receives from its subsidiaries, even in confidential or anonymous form, relating to internal control issues, financial reporting, the Company's administrative responsibility, fraud or other matters (so-called whistleblowing)¹⁰. The internal control system is regularly verified and updated, so as to constantly guarantee its ability to monitor the main risk areas of the Company's activities, in relation to the specific nature of the Company's operational Divisions and organizational structure, and in response to possible changes in the legal and regulatory framework.

The Board of Directors

The Board of Directors plays a key role with regard to internal control matters, as it defines the guidelines of the organizational, management and accounting structure of the Company, its main subsidiaries and the Group as a whole; in this context, after analysing the proposals of the Audit and Risk Committee (formerly the Audit Committee), the Board determines the nature and level of risk commensurate with the Company's strategic objectives and the guidelines for the internal control and risk management system, so as to guarantee that the major risks affecting the Company and its subsidiaries are identified, measured, managed and monitored. In defining these guidelines, the Board applies the sector regulations and takes into due consideration the reference models and national/international best practices. At their meeting of February 13, 2012, the Board of Directors confirmed its role in guiding and evaluating the adequacy of the internal control and risk management system. Lastly, the Board assesses – on an annual basis and with the assistance of the Audit and Risk Committee – the adequacy, effectiveness and actual functioning of the internal control and risk management system as a whole, in relation to Saipem's characteristics. During the meeting held on March 13, 2012, after examining the 2011 Report of the Control and Risk Committee and its findings on Saipem's internal control and risk management system, the Board of Directors assessed Saipem's internal control and management system as being altogether adequate, effective and positively functional, also in the light of the current initiatives.

Director responsible for the internal control system

At their meeting of April 22, 2009, the Board of Directors had appointed the Deputy Chairman - CEO as the officer responsible for implementing and maintaining a functional internal control system, constantly monitoring its adequacy and operating effectiveness, supported by the Audit Committee, the Internal Audit Senior Vice President and the Head of the Internal Audit Department. At their meeting of February 13, 2012, the Board of

[10] Saipem fully guarantees the protection of persons that report any issues in good faith, and submits the results of the preliminary investigation to the Company's management and to the relevant control and supervisory bodies.

Directors confirmed the Deputy Chairman - CEO as the officer responsible for implementing and maintaining a functional internal control and risk management system.

The Deputy Chairman - CEO identified the Company's main business risks, taking into account the characteristics of the activities carried out by the Issuer and its subsidiaries and periodically reporting his findings for review by the Board of Directors; implemented the guidelines for the internal control and risk management system approved by the Board; and was responsible for amending this system to suit the dynamics of the operating conditions and legislative and regulatory framework; provided the Board of Directors with the necessary information to fulfil its responsibilities, explaining the system for the identification, monitoring and management of risks, the relevant procedures, standards and Company departments.

The Board of Statutory Auditors

The Board of Statutory Auditors, given its role of 'Committee for internal control and auditing' pursuant to Italian Legislative Decree No. 39/2010, supervises:

- compliance with the law and Articles of Association;
- adherence to fair management principles;
- the adequacy of the Company's organizational structure within each area of competence, the suitability of the internal control and risk management system, and the administrative/accounting system, as well as the keeping of accurate accounting records of the Company's operations;
- the implementation of corporate governance regulations contained in the Codes of Borsa Italiana to which the Company adheres;
- the adequacy of directions given by the Company to its subsidiaries to ensure full compliance with legal reporting requirements;
- the process of financial reporting;
- the efficiency of the internal control, internal audit and risk management systems;
- the legal audit of annual statutory and consolidated accounts;
- the independence of the external auditors, specifically for the provision of non-audit services to the audited company.

Audit and Risk Committee

The Audit and Risk Committee assists the Board of Directors in fulfilling its responsibilities vis-à-vis the internal control and risk management system. Specifically, it assists in setting guidelines for the internal control and risk management system and periodically checks that it is adequate and operates effectively. The Committee oversees Internal Audit activities and reviews any problems emerging from the internal control and risk management system, with the support of the functions, departments and bodies involved in managing and/or ensuring compliance with the system itself. It also supervises activities related to the approval of periodic financial reports.

Senior Vice President responsible for the Internal Audit department

The Senior Vice President of Internal Audit, formerly the Officer in charge of the internal control system, Mr Alessandro Riva, was

confirmed by the Board of Directors, at their meeting of February 13, 2012, at the Deputy Chairman and CEO's proposal, having received the opinion of the Audit and Risk Committee and of the Board of Statutory Auditors. The Board of Directors entrusted the Deputy Chairman - CEO with the task of setting the remuneration of the Internal Audit Senior Vice President, in line with Company policy and at the proposal of the Audit and Risk Committee, having also consulted the Board of Statutory Auditors. The Internal Audit Senior Vice President is responsible for ensuring that the internal control and risk management system is adequate, fully operational and effective at all times. He is not responsible for any operative area and reports to the Board of Directors, the Deputy Chairman - CEO, the Audit and Risk Committee and the Board of Statutory Auditors on the adequacy of the internal control and risk management system to achieve an acceptable overall risk profile. The Internal Audit Senior Vice President has the powers to enter into contracts for consultancy and professional services, having access to adequate funds (up to €750,000 per transaction for contracts with juridical persons and up to €500,000 per transaction for contracts with physical persons – with no budget restrictions).

On March 13, 2012, the Internal Audit Senior Vice President released the annual report on the internal control and risk management system (covering the period January 1-December 31, 2011, containing information up to the date of issue) and expressed his opinion on its adequacy based on the monitoring activities carried out during the reference period.

In line with the 'Standards for the Professional Practice of Internal Audit' issued by the 'Institute of Internal Auditors', the Internal Audit department is responsible for providing independent and objective activities aimed at promoting efficiency and effectiveness improving measures in the internal control and risk management system and the Company's organization.

The Internal Audit Department assists the Board of Directors, the Audit and Risk Committee and the Company's management in pursuing the objectives of the organization through a systematic professional approach, aimed at reviewing and improving processes of control, risk management and corporate governance. Main responsibilities of the Internal Audit Department are:

- (i) ensuring compliance with national and international regulations vis-à-vis: Law Decree 231/2001, independent monitoring of SAO, operational, financial, IT and fraud audit for the entire Saipem Group; (ii) updating the system for the assessment, classification and evaluation of risk areas (integrated risk assessment) in order to plan control measures; (iii) implementing planned and unplanned control audits, identifying gaps in existing models, proposing corrective measures and ensuring that follow-up activities are properly monitored; (iv) maintaining relations with the external audit company; (v) maintaining relations and ensuring proper information flows with the Compliance Committee, the Audit and Risk Committee and the Board of Statutory Auditors; (vi) managing employee notifications, including anonymous ones, in compliance with current corporate procedures, and providing support in their evaluation by the relevant corporate bodies.

During the year, the Internal Audit department carried out the Audit Plan approved by the Board of Directors and reported its

progress to the Audit and Risk Committee and the Board of Statutory Auditors on a quarterly basis.

The Internal Audit Senior Vice President and the Internal Audit department have full access to data, documents and information required to carry out their duties.

Organizational model, pursuant to Law Decree 231/2001

On March 22, 2004, the Board of Directors approved the Organizational, managerial and control model, pursuant to Law 231/2001 and established a Compliance Committee. The Model comprises a comprehensive set of procedures and control processes aimed at preventing the offences detailed in the aforementioned law decree, and subsequent amendments. The current scope of application of the Saipem Model, compliant with Legislative Decree No. 231 of 2001, provides for the following:

(i) offences against public authorities and public faith, (ii) corporate crimes, (iii) crimes associated with the subversion of public order, and financing of terrorism, (iv) offences against the person, (v) market abuse ('abuse of confidential information' and 'market manipulation'), (vi) offences against individuals, Law No. 7 of 2006, (vii) transnational crimes, (viii) manslaughter and serious or very serious personal injury committed in violation of industrial accident laws and of the protection of industrial hygiene and health, (ix) crimes related to receiving stolen goods, recycling, and unlawful usage of money and properties of illegal origins, (x) computer crimes and unlawful data processing.

The Chairman is responsible for devising and implementing initial activities, updating and upgrading the Model.

In May 2008, the Deputy Chairman - CEO started the process to align Model 231 to the new corporate organization, which led to the Board of Directors approving the new Organizational, managerial and control Model 231/2001 on July 14, 2008.

The new Organizational, managerial and control Model denominated 'Model 231/2001 (includes the Code of Ethics)' now encloses the Code of Ethics, which replaces the Code of Practice and is a mandatory general principle of Model 231 itself¹¹.

In 2010, Saipem SpA and the Compliance Committee completed 'Project 231' aimed at updating all documentation supporting the Model and associated control procedures in terms of health and safety in the workplace, pursuant to the provisions of Law Decree 81/2008.

On October 27, 2010, pursuant to Article 7, paragraph 4 of Law Decree 231/2001, the Board of Directors of Saipem SpA updated the Model in order to be compliant with the new legal provisions introduced by Article 24-*bis* relating to computer crimes.

In 2010 and 2011, the Boards of Directors of all subsidiaries have managed to adopt their own Models, containing the Code of Ethics.

The three-year mandate of the Compliance Committee, originally set up in 2008, expired in 2011 and was renewed by the Board of Directors on July 27, 2011. At the proposal of the Audit Committee,

the Committee is now comprised of: two external members, one of whom is appointed Chairman of the Committee, and three internal members, from the Company's Legal, Human Resources and Internal Audit departments.

The current members of the Compliance Committee are Mr Luigi Rinaldi - Chairman (external member), Mr Marco Elefanti (external member), Mr Francesco Del Giudice (Legal), Mr Roberto D'Onofrio (HR) and Alessandro Riva (Internal Audit). The Compliance Committee's independence is safeguarded by the position afforded to the aforementioned functions within the Company's organization and their reporting lines, pursuant to Article 6, paragraph 1, letter *b*), of Law 231/2001.

The Compliance Committee, also in his capacity as Guarantor of the Code of Ethics, reports on the implementation of Model 231 and/or critical issues that may have arisen and informs on the outcome of activities carried out as part of their remit. The Compliance Committee reports as follows: on an ongoing basis to the Deputy Chairman - CEO, who informs the Board of Directors as part of the duty of disclosure of delegate powers; six-monthly to the Audit and Risk Committee and to the Board of Statutory Auditors; in this case a Six-Monthly Report is produced detailing activities and audits carried out during the period as well as new legislative provisions in matters concerning the administrative liability of legal entities; dedicated meetings are also arranged with the Audit and Risk Committee and the Board of Statutory Auditors; the Six-Monthly Report is also submitted to the attention of the Chairman and Deputy Chairman - CEO.

In 2011, the Compliance Committee convened on fifteen occasions and: promoted and monitored all initiatives aimed at Saipem SpA employees to ensure adequate knowledge of the Model; it defined the Compliance Programme for the year and ensured that it was implemented alongside the scheduled and ad-hoc control activities; contributed to updating the new Model; coordinated and maintained communication channels with the Compliance Committee.

Anti-corruption procedures

In line with the values that underpin Saipem's activities, namely its ability to conduct business ethically, with loyalty, fairness, transparency, honesty and integrity and its respect for, and compliance with the laws, the Board of Directors on February 10, 2010 approved the adoption of procedures aimed at preventing the corruption of both Italian and foreign public officials, by improving the current compliance system. Specifically, the Board of Directors approved the 'Anti-Corruption Compliance Guideline' and associated procedure entitled 'Intermediary Agreements' and 'Joint Venture Agreements - Prevention of Illegal Activity'. These documents are in line with international Best Practices. Furthermore, an Anti-corruption Legal Support Unit was created to provide Saipem employees with legal support in matters of Anti-corruption. In 2010, it updated the corporate standard procedure for administrative liability, called 'Standard Contractual

[11] The document 'Model 231/2001 (includes the Code of Ethics)' is published on Saipem's website www.saipem.com in the 'Corporate Governance' section.

Clauses Concerning the Administrative Liability of the Company for Unlawful Administrative Acts deriving from an offence’.

In 2011 the following ancillary procedures were issued: ‘Entertainment expenses’, ‘Authorization and Control of Sales or Acquisitions of Participations’, and ‘Charity donations and sponsorship’.

Audit Firm

The legal audit of Saipem’s financial statements is entrusted – pursuant to the law – to an Audit Firm registered in the Consob special registry and appointed by the Shareholders’ Meeting, upon a reasoned proposal by the Board of Statutory Auditors. The current audit firm is Reconta Ernst & Young SpA, whose mandate was approved by the Shareholders’ Meeting of April 26, 2010, for the financial years 2010-2018.

The financial statements of subsidiary companies are also subject to audit; these are carried out mostly by Ernst & Young.

With regard to the opinion on the consolidated financial statements, Ernst & Young is responsible for the audits carried out at subsidiary companies by other external auditors, which are immaterial in terms of consolidated assets and turnover.

The audit firm has full access to data, documents and information required to carry out their duties.

Officer in charge of preparing the Company’s financial reports

Pursuant to Article 21 of Articles of Association and Article 154-*bis* of Law 58/1998, the Board of Directors, having heard the opinion of the Board of Statutory Auditors and at the Chairman’s proposal, appoints an Officer in charge of preparing the Company’s financial reports, selected from individuals who have carried out the following for at least three years:

- a) administrative and control activities in a managerial capacity at listed companies with a share capital exceeding € 1 million, in Italy, in other European Union or OCSE member states; or
- b) legal audits at the companies, under letter a) or
- c) having had a professional position in the field of or a university professor teaching finances or accounting; or
- d) a management position at public or private companies with financial, accounting or control responsibilities.

The Board of Directors ensures that the Officer in charge of preparing the Company’s financial reports is granted adequate powers and has sufficient means to carry out his/her duties; the Board also ascertains that the administrative and accounting procedures are adhered to. The Officer in charge of preparing the Company’s financial reports has the power to sign contracts, should he deem it necessary, for the provision of intellectual work and professional services up to the sum of €750,000 per contract, without budget restrictions.

Saipem’s CFO Mr Giulio Bozzini is the Officer in charge of preparing the Company’s financial reports, pursuant to Article 154-*bis* of Law 58/1998.

He was appointed by the Board of Directors on July 29, 2008, having first ascertained that he met the criteria of professional competence and good repute required by the Articles of Association, which are reviewed annually.

The Shareholders’ Meeting

The Shareholders’ Meeting represents the institutional meeting point of the Company’s management and its Shareholders. At these meetings, Shareholders may ask questions pertaining to items on the agenda or the Company’s management at large. The information provided shall comply with the provisions applicable to inside information.

The functions of the ordinary Shareholders’ Meeting are regulated by Article 2364 of the Italian Civil Code; these are: (i) approving the Annual Financial Report; (ii) appointing and dismissing Board Directors, and determining their number within the limits set forth in the Articles of Association; (iii) appointing the Statutory Auditors and the Chairman of the Board of Statutory Auditors; (iv) appointing the audit firm, at the reasoned proposal of the Board of Statutory Auditors; (v) setting the remuneration of Board Directors and Statutory Auditors according to the law; (vi) deliberating on the responsibility of Board Directors and Statutory Auditors; (vii) deliberating on any other issues ascribed to it by the law; (viii) approving the Shareholders’ Meeting Regulations. The functions of the extraordinary Shareholders’ Meeting are regulated by Article 2365, paragraph 2, of the Italian Civil Code; these are: deliberating on amendments to the Articles of Association and on extraordinary transactions such as, for example, capital increases, mergers and demergers, excluding the matters for which the Board of Directors is responsible in accordance with Article 20 of the Articles of Association.

To promote Shareholder attendance, a notice of Shareholders’ Meeting is also published on the Company’s website. The Shareholders’ Meeting of January 30, 2001 approved the Shareholders’ meetings regulations (posted on Saipem’s website www.saipem.com) to ensure smooth and effective meetings proceedings and, specifically, to safeguard every Shareholder’s right to intervene on items under discussion.

The Extraordinary Shareholders’ Meeting of April 30, 2007 had approved the amendments to the Company’s Articles of Association in order to comply with the provisions of Law 262/2005 on protection of investors and had granted the Board of Directors the power to approve amendments to the Articles of Association if required by law.

On December 13, 2010, the Board of Directors approved amendments to the Articles of Association in compliance with the new provisions of law in terms of Shareholders’ rights (Law Decree 27 of January 27, 2010).

Specifically, they provide that the Annual General Meeting be called through publication on the Company’s website in addition to all other methods set forth in Consob Regulations and in compliance with the law and current legislation.

The legitimate attendance at Shareholders’ meetings and the exercise of voting rights is confirmed by a statement to the Company from the accredited intermediary in compliance with his/her accounting records, on behalf of the Shareholder entitled to vote.

This statement is based on the intermediary accounting records registered at the end of the seventh trading day prior to the date of the Shareholders’ Meeting on first call. Credit and debit records after this deadline shall not be considered for the purpose of

legitimising the exercise of voting rights at the Shareholders' Meeting. Statements issued by the intermediaries must reach the Company by the end of the third trading day prior to the Shareholders' Meeting on first call.

Shareholders who, solely or jointly, represent at least one fortieth of the share capital may request, within ten days from publication of the calling of the Shareholders' Meeting, detailing items they wish to be added to the meeting agenda.

Shareholders entitled to vote may delegate others to represent them at the Shareholders' Meeting pursuant to the law; to do so, they must present a request either in writing or electronically. The electronic proxy can be filled in on Saipem's website and sent via certified e-mail, under the terms advised in the notice of Shareholders' Meeting and in compliance with current legislation and regulations.

At the proposal of the Board of Directors put forward at their meeting of March 8, 2011, the Extraordinary Shareholders' Meeting on May 4, 2011 approved amendments to the Articles of Association relating to Shareholders' rights, i.e. amendments of a non-normative nature pursuant to Law Decree 27 of January 27, 2010, which assign the Company a right of choice.

Specifically, these amendments concern the opportunity to hold ordinary and extraordinary Shareholders' meetings in single call [Article 12, 13 and 19 of Articles of Association], the opportunity to provide in the notice of meeting the option to participate in the Shareholders' Meeting remotely and cast votes electronically [Article 13 of Articles of Association], and the power to appoint a Shareholders' representative [Article 13 of Articles of Association], upon whom shareholders may confer a proxy, with voting instructions on all or a number of items on the agenda, by the second trading day prior to the date established on first call of the Shareholders' Meeting. The proxy is conferred by signing a proxy form, the content of which is governed by Consob regulation.

Pursuant to Article 135-*undecies* of Law 59/1998, for the 2012 Ordinary and Extraordinary General Meeting, the Company appointed Mr Dario Trevisan as Shareholders' Representative, whom the shareholders may confer a proxy free of charge with voting instructions on one or more proposal on the agenda. At the Shareholders' Meeting called to approve the financial statements, the Board of Directors reports on activities that occurred during the year, both through reports in the financial statements, made public prior to the meeting through methods as provided by the Law and current regulations, and by answering questions and requests for clarification posed by the Shareholders.

At the Shareholders' Meeting, votes are cast using remote controls, which facilitate the Shareholders in exercising their rights and ensure that the voting results are immediately available.

The Board of Directors at their meeting of March 13, 2012 called an Extraordinary Shareholders' Meeting to approve amendments to the Company's Articles of Association required to comply with new regulations aimed at promoting gender balance in Boards of Directors and Control Bodies of listed companies.

Management and Control Bodies, and Committees

The Board of Directors

Responsibilities and powers of the Board of Directors

The Board of Directors is the central body within the Corporate Governance system of Saipem SpA and the Saipem Group. Article 20 of the Articles of Association states that the management of the Company is the exclusive responsibility of the Board of Directors.

Article 2365 of the Italian Civil Code and Article 20 of the Articles of Association grant the Board the power, normally the responsibility of the Extraordinary Shareholders' Meeting, to resolve on motions concerning:

- mergers by incorporation of companies whose shares or stakes are owned entirely by the Company, pursuant to Article 2505 of the Italian Civil Code;
- merger by incorporation of companies whose shares or stakes are at least 90% (ninety per cent) owned by the Company, pursuant to Article 2505-*bis* of the Italian Civil Code;
- the proportional de-merger of companies whose shares or stakes are entirely or at least 90% (ninety per cent) owned by the Company, pursuant to Article 2506-*ter* of the Italian Civil Code;
- transfer of the Company's headquarters within Italy;
- incorporation, transfer and closure of secondary offices;
- share capital reductions in case of Shareholder's withdrawals;
- the issue of corporate bonds and other debentures, barring the issue of bonds convertible into Company's shares;
- the adoption of modifications to the Articles of Association to comply with the provisions of law.

In addition to the powers granted by Article 2381 of the Italian Civil Code and taking into account the instructions of the Corporate Governance Code of listed companies, the Board of Directors is responsible for:

- setting a corporate governance system and regulations for the Company and the Group. Specifically, having sought the opinion of the Audit and Risk Committee, it implements procedures to ensure that the following operations are carried out in a transparent and correct manner, both in terms of procedure and substance: operations with related parties and operations where a Director has an interest, either directly or through a third party. The Board also adopts procedures for the management and release of Company information in general, and sensitive information in particular;
- establishing internal Board Committees with consultative and advisory functions, appointing their members, defining their responsibilities, approving their regulations and setting their remuneration;
- granting and revoking powers to Board Directors, setting their limitations and methods of exercise; having reviewed the proposals put forward by the Compensation Committee and following consultation with the Board of Statutory Auditors, setting the compensation commensurate with the powers granted. The Board has the power to issue directives to delegated bodies and carry out operations within its remit;

- setting the guidelines for the organizational, administrative and accounting structure of the Company and main Group subsidiaries;
- annual evaluation of the adequacy of the organizational, administrative and accounting model, placing particular emphasis on the internal control system and the management of risks, based on the reports/information received from the CFO, the Audit and Risk Committee and the Internal Audit department;
- defining, based on indications provided by the Audit and Risk Committee, guidelines for the internal control and risk management system, defining the nature and level of risk consistent with the Company's strategic objectives, ensuring that main business risks for the Company and its subsidiaries are identified, measured, monitored and properly managed. It ascertains annually the adequacy, effectiveness and operation of the internal audit and risk management system;
- defining strategies and objectives for the Company and the Group, including sustainability policies. The Board reviews and approves industrial and financial strategic plans for the Company and the Group, as well as all the Company's strategic agreements;
- reviewing and approving the preliminary financial statements, the budget, interim and six-monthly reports, and preliminary results for the Company and the Group. The Board reviews and approves the sustainability report;
- receiving information from Directors with executive powers at Board Meetings, at least quarterly, regarding: activities within their responsibility, Group activities and major operations carried out by the Company or its subsidiaries;
- approving, having received a reasoned opinion from the Audit and Risk Committee, transactions of greater importance with related parties, in compliance with the procedure 'Transactions involving interests held by Board Directors and Statutory Auditors and transactions with related parties'; it receives at least quarterly from the Deputy Chairman - CEO a report detailing transactions of greater and lesser importance, in line with the provisions of the aforementioned procedure;
- reviewing and granting preliminary approval to transactions that involve interests held by Board Directors and Statutory Auditors, pursuant to Article 2391 of the Italian Civil Code and the provisions of the aforementioned procedure 'Transactions involving interests held by Board Directors and Statutory Auditors and transactions with related parties';
- approving possible joint venture agreements, following the due diligence report on potential partners having been obtained by the Anti-corruption Legal Support Unit;
- receiving information from internal corporate Committees every six months;
- evaluating the general management and performance of the Company and the Group, based on the information received from Directors with executive powers, comparing actual interim and yearly results against budget forecasts;
- resolving on the most significant and strategic economic and/or financial Company operations, reviewing the most relevant Group industrial and financial operations, focusing specifically on those transactions in which one or more

Directors may have a vested interest, on their own or third party's behalf, and transactions with related parties.

The following are considered to be significant operations:

- a) purchase or sale of goods and services other than investments, exceeding €1 billion and those whose duration is greater than 20 years;
 - b) acquisition, disposal or transfer of holdings exceeding €25 million;
 - c) acquisition, sale or financial leasing of land and/or buildings exceeding €2.5 million;
 - d) capital expenditure on technical assets differing from previous ones exceeding €300 million, or of a lower amount but of strategic importance or posing a particular risk;
 - e) issue of financing to companies where the share held is not a controlling stake for amounts exceeding €200 million if the loan is proportional to the share of the holding, or of any amount if the loan is not proportional to the share of the holding;
 - f) issue of personal or other guarantees for amounts exceeding €200 million, or of any amount if in favour of companies where the share held is not a controlling stake and the loan is not proportional to the share of the holding;
 - g) incorporation of subsidiaries or company branches;
 - appointment and dismissal of General Managers, granting them the relevant powers;
 - appointment and dismissal, having consulted the opinion of the Board of Statutory Auditors, of the Officer in charge of preparing the Company's financial reports, granting him adequate powers;
 - appointment and dismissal, having consulted the opinion of the Audit and Risk Committee, of the Head of the Internal Audit Department;
 - appointing the Compliance Committee, pursuant to Law 231/2001;
 - ensuring the appointment of managers in charge of the departments responsible for dealing with Shareholders and investors;
 - having heard the proposals of the relevant Committee, setting the criteria for the remuneration of the management of the Company and the Group; implementing incentive plans based on stock or other financial instruments approved by the Shareholders' Meeting;
 - approving the proposals to be submitted for approval to the Shareholders' meetings;
 - reviewing and resolving on all other matters that Directors with executive powers deem appropriate for the Board to assess, due to their sensitivity and/or importance;
 - approving and entering into agency agreements;
 - approving all donations.
- The Shareholders' Meeting endorsed the competition ban provided for in Article 2390 of the Italian Civil Code.
- Pursuant to Article 2391 of the Italian Civil Code, Directors shall inform the other Directors and the Statutory Auditors of interests they may have, on their own behalf and on behalf of third parties, in any specific Company operation.
- At Board Meetings, the Chairman reminds the Board of Directors that, pursuant to Article 2391 of the Italian Civil Code, Board Directors must voice any interests they may have, directly or

through a third party, related to any items on the Agenda before they are discussed. Directors have to state the nature, origin and relevance of these interests, if any.

The Chairman organizes the activities of the Board of Directors and ensures that the Directors and Statutory Auditors are provided with the necessary documentation and information in a timely manner to enable them to make decisions. To improve the Board's knowledge of the Company's operations and dynamics, the Board of Directors' meetings where financial reports are approved are attended by the managers of the various Business Units, who illustrate the most significant projects, strategies and market conditions in their respective areas.

Board Review

Saipem's Board of Directors carried out, for the sixth time, the annual review of its size, composition, level of operation and efficiency of the Board itself and its Committees, taking into account the members' professional skills, competencies and experience, managerial and otherwise, their length of service, following the guidelines of the Corporate Governance Code issued in December 2011.

As the Board composition changed significantly in 2011, it was deemed appropriate for the first review of this mandate to encompass out a wide-ranging analysis of the Board's characteristics, based on individual interviews carried out by the specialized independent external consultant Crisci & Partners, utilizing, *inter alia*, a detailed questionnaire.

The results of this review were presented to the Board and were discussed at their meeting of March 13, 2012.

The current composition of Saipem' Board of Directors was deemed by the Directors themselves to be appropriate both in terms of size and competencies. The Board, comprising two executive Directors, two non-executive Directors and five independent Directors, three of whom were elected by Institutional Investors, appears to be well balanced. The previous experience brought by the Independent Directors is mostly managerial, with one of their strengths being the high number of 'sitting CEOs'. This is one of the reasons why many Directors maintain that the current Board composition is well suited to provide a meaningful contribution towards general business aspects and enterprise issues.

The Directors share a widespread appreciation for the way the Chairman and the Deputy Chairman - CEO interpret their roles at Board meeting, and, in view of the clear separation of the offices between Chairman and Deputy Chairman - CEO and the climate of constructive openness and transparency experienced by the Board, no Director deems it expedient to introduce the figure of Senior Director.

According to a high number of Directors, the strong points of this Board of Directors' operations are:

- Board of excellent level, prepared, professional, efficient and reliable;
- the Board's performance is deemed highly satisfactory, even when compared to other skills held by the Board;
- positively good climate during Board activities;
- appropriate number and length of Board meetings;
- meeting agendas are deemed adequate in terms of choice of

topics, density, relevance, and priority of issues under discussion;

- arguments at meetings are presented in a highly exhaustive way;
- management provides immediate responses to questions and/or suitable in-depth analyses at the following Board meeting;
- information provided to Directors is always detailed and well structured;
- documentation is always sent ahead of meetings to allow the Directors to prepare;
- documentation is exhaustive and easy to consult.

The Directors were given a thorough grounding on certain Saipem business specific themes through an induction, which was widely appreciated.

Several in-depth studies were also carried out at Audit Committee (now Audit and Risk Committee) and Compensation Committee (now Compensation and Nomination Committee) level. The audit activity continued with a site visit in the Arab Emirates; this initiative is soon to be repeated to enable the Directors to gain further insight into Saipem's strategic and operational issues.

In view of the particular complexity of Saipem's business, several directors deem it expedient to further extend the business induction. Furthermore, in order to increase the level of integration of this new Board and strengthen their induction process, some Directors suggested that additional meeting be arranged, either individual or group gatherings with the Chairman, the Deputy Chairman and CEO and the management at large.

The Directors deem the two Committees to be efficient and effective, able to carry out all responsibilities. The Board is updated in a precise and thorough manner.

Specifically, the Compensation Committee functions adequately, its composition being appropriate in terms of size and competencies; the Committee Chairman is highly respected by its members, and the latter have all had previous experience in this role and possess the relevant functional and method skills to perform their duties in a reliable and effective manner.

The Audit Committee is considered to be intense, exacting and highly operational.

The Company's macro-functions were audited, in addition to the main projects and several Group companies; specific audits were carried out on suppliers, intermediaries and Saipem joint venture partners. Meetings were attended by the first and second line of management. From the start of the new mandate, the Audit Committee has already been called twice to provide opinions relating to the procedure 'Transactions with Related Parties'. Finally, at their meeting of March 13, 2012, the Board of Directors acknowledged that there is scope for improvement and reserved to further evaluate and implement accordingly.

Composition, appointment and replacement of Board Directors

The Board of Directors, comprising nine members, was appointed by the Shareholders' Meeting on May 4, 2011 for a three-year period, its mandate expiring at the Shareholders' Meeting called to approve the Financial Statements at December 31, 2013. At their meeting of May 9, 2011, the Board of Directors appointed the

Chairman, the Deputy Chairman and CEO, and the Managing Director for Business Support and Transversal Activities (Deputy CEO). The Chairman is Alberto Meomartini, replacing Marco Mangiagalli; the Deputy Chairman and CEO is Pietro Franco Tali, who was confirmed in this office, the Deputy CEO is Hugh James O'Donnell, who was also confirmed. The appointment of Directors occurs pursuant to Article 19 of Articles of Association, through voting from lists, so as to allow the appointment of minority interest representatives. Lists are filed at the Company's registered headquarters at least twenty-five days prior to the Shareholders' Meeting (first call) and are published in compliance with current legislation and Consob regulations. Voting lists include professional résumés for all candidates, their declaration accepting the nomination, stating that there are no grounds for ineligibility and/or incompatibility, and that they meet the integrity and/or independence requirements. Lists can be presented by Shareholders, who, individually or with others, hold voting shares representing at least 1% of the share capital, as per Consob Resolution No. 18083 of January 25, 2012. Seven tenths of Directors are appointed from the list that has obtained the majority of votes (rounded down if necessary). The remaining Directors will be selected from the other lists, provided they are not in any way, not even indirectly, linked with the shareholders who have presented or voted for the list that has obtained the majority of votes; therefore, votes obtained for each list will be successively divided by one, two, three and so on, until the number of remaining Directors to be appointed has been reached. The ratios obtained will be progressively attributed to candidates of each list, in the order attributed to each candidate within that list. Candidates will be classified in decreasing order according to their respective ratios, and those who have received the higher ratios will be appointed. In the event that more than one candidate obtains the same ratio, the candidate on the list with no Director yet appointed or on the list with the lowest number of Directors appointed will be elected. If these lists have yet to elect a Director, or if they have already appointed an equal number of Directors, the candidate on the list with the highest number of votes will be appointed. In case the vote is still tied, the Shareholders' Meeting will vote again, but only amongst the candidates under ballot, and the candidate who receives the majority of votes will be elected. Should this procedure fail to appoint the minimum number of independent Directors required by the Articles of Association, the ratio of votes is calculated for each candidate from said lists, in compliance with the aforementioned system; candidates who meet the independence requirement and who have obtained the highest ratios will be selected; their number will depend on the regulations set forth in the Articles of Association. These take the place of non-independent Directors who have obtained the lowest ratios. Should the minimum number of independent Directors not be reached, the Shareholders' Meeting resolves through majority vote, as per legal requirements, the replacement of candidates who do not fulfil the independence requirement and have obtained the lowest ratios.

This voting procedure is applicable only when the entire Board of Directors is to be renewed. Should the need arise for one or more Directors to be replaced during their mandate, the procedure as per Article 2386 of the Italian Civil Code is applied. Should the

majority of Directors become unavailable, the entire Board of Directors shall be considered void. A Shareholders' Meeting shall be called by the outgoing Board to elect a new one.

When a new Board is to be elected, two lists of candidates are put forward, one by Eni SpA and the other by Institutional Investors. Directors shall meet the integrity requirements prescribed by regulations, possess the professional expertise and experience to carry out their mandate efficiently and effectively and be able to dedicate sufficient time and resources to their office. Pursuant to Article 1.c.2 of the Code, information regarding offices of Directors or Auditors held by members of the Board of listed companies, financial or insurance companies or companies of considerable size is provided below under 'Cumulation of offices'.

The Board comprises the Chairman Alberto Meomartini (non-executive and not-independent Director), the Deputy Chairman - CEO Pietro Franco Tali (executive and non-independent Director), the Managing Director Hugh James O'Donnell (executive and non-independent Director), and the Directors Gabriele Galateri di Genola (non-executive and independent Director), Nicola Greco (non-executive and independent Director), Maurizio Montagnese (non-executive and independent Director), Mauro Sacchetto (non-executive and independent Director), Umberto Vergine (non-executive and non-independent Director) already a member of the previous Board, Michele Volpi (non-executive and independent Director).

Alberto Meomartini, Pietro Franco Tali, Hugh James O'Donnell, Gabriele Galateri di Genola, Nicola Greco and Umberto Vergine were proposed as candidates by Eni, whose list obtained 49.05% of voting shares.

Maurizio Montagnese, Mauro Sacchetto and Michele Volpi were proposed as candidates by Institutional Investors – Allianz Global Investors Italia Sgr SpA and others – obtaining 28.30% of voting shares.

Article 19 of Articles of Association has been adjusted to comply with new Article 37, paragraph 1, letter *d*) of Market Regulations, whereby the Board of Directors of a listed subsidiary subject to management and coordination by another listed company shall comprise of a majority of independent Directors, identified as such in compliance with the law and current regulations. This amendment took effect from the appointments made at the Shareholders' Meeting of May 4, 2011.

The current Board of Directors is comprised of nine members, five of whom are non-executive and independent Directors. The remaining four are non-independent Directors, two of whom are executive Directors. The professional résumés of all Directors are posted on the Company's website www.saipem.com under the section 'Corporate Governance'.

Board Directors, following their appointment and periodically thereafter, shall state that they fulfil both the independence and integrity requirements pursuant to current legislation, and the Board of Directors verifies that these subsist.

At their meeting of March 13, 2012, the Board of Directors, based on the declarations provided and on information at the Company's disposal, ascertained that Board Directors meet both the independence and integrity requirements, and that no reasons for ineligibility or incompatibility subsist. The Board of Statutory Auditors verified that the Board correctly applied all the relevant

criteria and procedures to assess the independence of its members.

Induction of the Board of Directors

Immediately after the appointment of the current Board, occurred on May 4, 2011, Saipem drew up a board induction program to enable new Directors to acquire an in-depth knowledge of the Company's activities and organization, its market and relevant sectors. The program, which also involved new members of the Board of Statutory Auditors, comprised of a series of meetings, in which the Company's top management presented Saipem's organization, its various Business Units and main subsidiaries, providing a thorough analysis of the issues of major interest to the Directors and Statutory Auditors. Furthermore in 2011 certain business issues were studied in depth. In this context, for example, it was established that Board meetings may be held in venues other than the company offices – or even abroad – so as to enhance knowledge of the Company's operations. In December 2011, Saipem's Board of Directors meeting was held in Abu Dhabi.

Cumulation of offices

Pursuant to items 1.c.2 and 1.c.3 of the Corporate Governance Code, to ensure that Directors can devote enough time to their office, the Board of Directors on March 28, 2007 expressed the following guideline on the number of offices Directors may hold:

- an executive Director shall not hold: (i) the office of executive Director in other listed companies, either in Italy or abroad, in financial companies, banks, insurance companies or companies with net equity in excess of €1 billion; and (ii) the office of non-executive Director or Statutory Auditor (or member of other control body) in more than three aforementioned companies;
- besides the appointment at this Company, a non-executive Director shall not hold: (i) the office of executive Director in more than one of the aforementioned companies and the office of non-executive Director or Statutory Auditor (or member of other control body) in more than three aforementioned companies; and/or (ii) the office of non-executive Director or Statutory Auditor in more than six of the aforementioned companies.

Offices held at companies of the same Group are excluded from the limit of cumulation.

Should the aforementioned limits be exceeded, Directors shall immediately inform the Board of Directors, who, after assessing the position and, in light of the Company's interests, shall invite the Director to take the relevant decisions.

Based on the information received, listed hereunder are additional directorships or auditor posts held by Saipem's Board Directors in other companies.

Alberto Meomartini

Chairman of 'Assolombarda'; Chairman of 'Istituto di Economia e Politica dell'Energia e dell'Ambiente' (IEFE) of Bocconi University; Chairman of 'Nucleo di valutazione dell'Università LUISS Guido Carli'; Board Director of 'Gruppo Il Sole 24 Ore SpA' (a listed company); Board Director of Bocconi University; Board Director of

'Museo Poldi Pezzoli'; Board Member of 'Giunta di Confindustria' and Chairman of 'Commissione Università'.

Gabriele Galateri di Genola

Chairman of 'Assicurazioni Generali SpA' (a listed company); Chairman of 'TIM Brasil Serviços e Participação SA'; Chairman of 'Istituto Italiano di Tecnologia'; Board Director of 'TIM Participações SA' (a listed company); Board Director of 'Telecom Italia SpA' (a listed company); Board Director of 'Banca CRS SpA'; Board Director of 'Banca CARIGE' (a listed company); Board Director of 'Italmobiliare' (a listed company); Board Director of 'Azimut-Benetti SpA'; Board Director of 'Lavazza SpA'; Board Director of 'Edenred SA' (a listed company); Board Director of 'Fondazione Accademia Nazionale di Santa Cecilia'; Member of the Board of 'Fondazione Giorgio Cini - Onlus'; Member of the Board of 'Confindustria'; Member of the Board of 'Assolombarda'; Member of the International Advisory Board of 'Columbia Business School'.

Nicola Greco

Managing Director of 'Permasteelisa SpA'; Chairman of the Board of Directors of 'Permasteelisa Interiors Srl'; Member of the Supervisory Board of 'Scheldebouw BV'; Member of the Supervisory Board of 'Josef Gartner GmbH'; Legal representative of 'Permasteelisa SpA' in the managing body of 'Permasteelisa SAU'.

Maurizio Montagnese

Chairman of the Board of Directors of 'Sagat SpA - Aeroporto di Torino'; Chairman of the Board of Directors of 'Sagat Handling SpA'; Chairman of the Board of Directors of 'Sagat Engineering SpA'; Chairman of the Board of 'Turismo Torino e Provincia'; Deputy Vice Chairman and Board Director of 'Tecnoinvestimenti Srl'; Vice Chairman and Director of 'GTA - Gruppo Turistico Alberghiero aderente all'Unione Industriale di Torino'; Board Director of 'Aeroporti Holding Srl'; Board Director of 'AdF - Aeroporti di Firenze SpA'; Board Director of 'Orizzonte Sgr'; Board Director of 'Banca d'Alba - Credito Cooperativo Alba, Langhe e Roero'.

Mauro Sacchetto

Managing Director of 'Datalogic SpA' (a listed company); Chairman of the Board of Directors of 'Datalogic Automation Srl'; Chairman of the Board of Directors of 'Datalogic Mobile Srl'; Chairman of the Board of Directors of 'Datalogic Scanning Group Srl'; Chairman of the Board of Directors of 'Datalogic Scanning Holdings Inc'; Chairman of the Board of Directors of 'Datalogic Scanning Inc'; Chairman of the Board of Directors of 'Informatics Holdings Inc'; Chairman of the Board of Directors of 'Evolution Robotics Retail Inc'.

Michele Volpi

Managing Director of 'Betafence SpA'; Board Director of 'Piper Jaffray' (a listed company).

Board of Directors' Meetings

The Company's Articles of Association do not specify how often the Board should meet, although Article 21 states it has to occur at least quarterly as follows: 'The Directors inform the Board of

Directors and the Board of Statutory Auditors promptly or at least every quarter on Company activities, major economic and financial transactions involving the Company or its subsidiaries; in particular they report those operations in which they have an interest, on behalf of themselves or third parties, or those operations that are subject to the influence of the controlling party'.

In 2011, the Board of Directors met on eight occasions, their meetings lasting 2.16 hours on average; three meetings have been scheduled to take place in the first half of 2012, two of which have already been held as of March 13, 2012. The general public is informed of the dates of Board Meetings when periodical statements and reports, required by current legislation, are to be approved.

The Board of Directors sets down the formalities pertaining to the calling of Board Meetings; in particular, meetings are convened by the Chairman, who also prepares the agenda for the meeting, through notices sent by post, fax or e-mail at least five days prior to the date of the meeting; in exceptional circumstances, notice is sent at least 24 hours prior to the time of the meeting. The Articles of Association allow for meetings to be held via video-conference link. Directors and Statutory Auditors are provided in advance with documents pertaining to items to be discussed and/or resolved on at the meeting.

In 2011, an average of 80.5% of Board Directors and 78.38% of independent Directors attended Board Meetings. Saipem's COOs also attended Board of Directors' meetings on a regular basis to report on the status of operations and the strategic prospects for the various business units, in addition to other senior managers involved in specific matters.

The Secretary of the Board of Directors is present at every Board meeting (this office is held by the Company's CFO).

Executive Directors

Consistent with international best practices, which recommend avoiding the concentration of duties in one person, the Board of Directors resolved, at their meeting of July 29, 2008, to separate the roles of Chairman and Chief Executive Officer (CEO), the latter being the administrator who, by virtue of powers granted and their actual exercise, is the principal person responsible for the management of the Company.

The Corporate Governance Committee of Borsa Italiana believes that the separation of the aforementioned roles can strengthen the characteristics of impartiality and balance required of a Chairman of the Board, to whom the law and procedure entrust the tasks of organizing the work of the Board as well as acting as a link between executive and non-executive Directors.

The separation of the roles of Chairman and Chief Executive Officer (CEO) makes the appointment of a lead independent Director unnecessary.

On May 9, 2011, the Board of Directors appointed Alberto Meomartini Chairman, Pietro Franco Tali Deputy Chairman and CEO, and Hugh James O'Donnell Deputy CEO and Managing Director for Business Support and Transversal Activities, and granted them powers commensurate with their positions. Pietro Franco Tali and Hugh James O'Donnell are executive Directors.

The Board vested the Deputy Chairman - CEO with all ordinary and extraordinary powers to manage the Company, except for the undelegable powers and those of the Board itself. The Chairman is a non-executive Director and is vested with all powers granted to him by law and the Company's Articles of Association.

The Deputy Chairman - CEO, whom the COOs (Chief Operating Officers) of the Business Units report to, in addition to the CFO, the Human Resources and Legal Affairs senior managers, is ultimately responsible for the management of the Company, with all the relevant powers barring those of the Board itself.

The Managing Director for Business Support and Transversal Activities - Deputy CEO is responsible for the following areas: Integrated Projects, QHSR, Procurement, Risk Management and Asset planning.

The Chairman chairs the Shareholders' Meeting, convenes and chairs Board of Directors' meetings and ensures the implementation of resolutions carried by the Board itself.

Independent Directors

Consob Resolution No. 17221 of March 12, 2010 (adoption of 'Related Parties' Regulations) amended through Resolution No. 17389 of June 23, 2010, had amended Article 37, paragraph 1, letter *d*) of Market Regulations, providing that the shares of a subsidiary subject to management and coordination by another company may only be admitted to trading if its committees are composed of independent directors. For companies subject to management and coordination by another listed company, as in Saipem's case, the Board of Directors shall also be composed of a majority of independent members.

On December 13, 2010, the Board of Directors amended Article 19 of the Articles of Association, providing that the majority of Directors shall meet the independence requirements set by Consob for Directors of companies subject to management and coordination by another listed company.

Hence, the Shareholders' Meeting of May 4, 2011 elected the new Board of Directors for the period 2011-2013, and, in compliance with Article 37, paragraph 1, letter *d*) of Market Regulations, five out of nine members appointed are independent Directors.

The Board of Directors at their meeting of May 9, 2011, ascertained, utilizing the evaluation criteria of the Corporate Governance Code, that the following Directors Gabriele Galateri di Genola, Nicola Greco, Maurizio Montagnese, Mauro Sacchetto and Michele Volpi comply with the independence and integrity requirements set forth in Article 148, paragraph 3, of Law 58/1998, in Article 3 of the Corporate Governance Code issued by Borsa Italiana, and Article 37, paragraph 1, letter *d*) and paragraph 1-*bis* of Market Regulations.

Directors who do not comply with the independence requirement are executive Directors Pietro Franco Tali and Hugh James O'Donnell, and non-executive Directors Alberto Meomartini and Umberto Vergine.

Following their appointment, the Board of Directors ascertains annually that Board Directors still comply with the independent requirements. The Board of Statutory Auditors has assessed the application of criteria and procedures adopted by the Board of Directors to ascertain the independence of its members and found them to be correct. This evaluation is carried out in

compliance with the criteria set forth in Article 148, paragraph 3 of Law 58/1998 and Criteria 3.C.1 of the Corporate Governance Code. Independent Directors have not deemed it necessary to meet without the other Directors in view of the fact that they take an active part in Committee meetings.

Directors' Remuneration

Article 123-ter of Law 58/1998 has made it compulsory for listed companies to publish a 'Remuneration Report', whose contents and methods of publication are governed by Consob, through Article 84-quarter of Issuers Regulations issued on December 23, 2011.

This Consob resolution took effect on December 31, 2011, making it compulsory to issue this new remuneration report from 2012. For all issues relating to the remuneration of executive Directors, Statutory Auditors and senior managers with strategic responsibilities please refer to the 'Remuneration Report', which will be issued at least 21 days prior to the General Shareholders meeting and will be posted on the Company's website www.saipem.com under the section 'Corporate Governance - Documents'.

Board Committees

In order to carry out its responsibilities more efficiently, the Board has set up two committees: the Audit and Risk Committee (formerly Audit Committee), and the Compensation and Nomination Committee (formerly Compensation Committee), comprised entirely of non-executive independent Board Directors; members of both committees are accounts and finance experts. The Board of Directors, at their meeting of May 9, 2011, made the following appointments:

- Audit and Risk Committee: Mauro Sacchetto (Chairman), Maurizio Montagnese, and Michele Volpi;
- Compensation and Nomination Committee: Gabriele Galateri di Genola (Chairman), Nicola Greco, and Maurizio Montagnese.

On February 13, 2012, the Board of Directors resolved to implement the Audit and Risk Committee, previously identified as the existing Audit Committee, with the duty to consult and support the Board of Directors in matters relating to the internal control and risk management systems, and the approval of the periodic financial reports. The current composition of the Audit and Risk Committee already complies with the requirements of the latest Corporate Governance Code, being comprised entirely of non-executive independent Directors. On the same day, the Board of Directors also resolved the implementation of the Compensation and Nomination Committee, whose responsibilities, in addition to those provided for in the Corporate Governance Code, include propositive and consultative activities towards the Board in relation to: top managerial appointments within the competence of the Board of Directors; annual review of the Board of Directors and its committees; direction on the cumulation of offices held by Directors; assessment of their meeting the legal requirements. The existing Compensation Committee, already compliant with the requirements of the latest Corporate Governance Code, being comprised entirely of non-executive

independent Directors, took over the responsibilities of the Nomination Committee; it was deemed that, in view of its members' professional expertise and experience and the nature of the duties, it is capable of carrying out both functions effectively. Following the introduction of a new procedure 'Transactions involving interests held by Board Directors and Statutory Auditors and transactions with related parties', the Audit and Risk Committee and the Compensation and Nomination Committee provide the Board of Directors with opinions, as per the procedures (please refer to the section 'Directors interests and transactions with related parties', page 26).

Audit and Risk Committee (formerly Audit Committee)

In compliance with the Board resolution of November 9, 2000, the Audit and Risk Committee fulfils a preparatory, consultative and propositive role regarding the general management of the Company. On June 16, 2011, the Board of Directors approved the new 'Regulations of the Audit Committee of Saipem SpA'.

On February 13, 2012, the Board of Directors implemented the Audit and Risk Committee, previously identified as the Audit Committee. On the same day, the Board also approved an updated version of the Regulations of the Audit and Risk Committee, in compliance with the Corporate Governance Code of December 2011. In accordance with the Regulations, the Chairman of the Board of Statutory Auditors, or an Auditor appointed by the Chairman takes part in the Committee's activities; meetings can be attended by Saipem's Deputy Chairman - CEO. The Internal Audit Manager assists the Audit and Risk Committee and carries out duties assigned as part of his/her role. The Internal Audit department, reporting to the Deputy Chairman - CEO, is responsible for the following: (i) assessing the conformity of accounting and non-accounting criteria and principles, the efficiency of administrative procedures and control systems; (ii) ensuring the implementation and updating of the risk assessment, mapping and classification systems for auditing purposes.

The Audit and Risk Committee's responsibilities are: (i) assisting the Board of Directors in the following areas: (a) setting guidelines for the internal control and risk management system; (b) periodically checking that it is adequate and operates effectively; (c) ensuring that major risks facing the Company are adequately measured, properly monitored and managed; (ii) evaluates together with the CFO and the external auditors, the adequacy of accounting principles adopted and their consistency throughout the consolidated financial statements; (iii) assesses together with the external auditors: (a) accounting principles considered 'critical' for the correct financial and economic representation of Saipem's position; (b) alternative accounting standards provided for by the accounting principles and reviewed with the management, the consequences of the application of said alternative standards and related information in addition to the methods considered preferential by the external auditors; (c) contents of every relevant written exchange between the external auditors and the Company's management; (d) issues relating to statutory and consolidated financial statements of major Group companies; (iv) evaluates the work programme prepared by the Internal Audit Manager and receives from the latter reports, at least quarterly, on work performed; (v) evaluates

issues raised through Internal Audit reports, communications from the Board of Auditors or individual Auditors, reports and the management letter issued by the external auditors, the annual report issued by Compliance Committee in its capacity as the Guarantor of the Internal Code of Practice, inquiries and studies by third parties; (vi) assesses audit plans put forward and works carried out by the external auditing firms, also in terms of their independent opinions; (vii) verifies independence of the external auditors; (viii) evaluates requests advanced by departmental managers to utilize the auditing firm appointed to audit the financial statements for non-audit service and presents proposals to the Board of Directors.

The Audit and Risk Committee has access to information and Company departments as required to carry out its duties. Through the Internal Audit Manager, the Audit and Risk Committee can draw on the necessary financial resources to carry out its responsibilities.

The Audit and Risk Committee convened eleven times in 2011, with meetings lasting on average 2 hours and 30 minutes. Main activities consisted of:

- reviewing the Integrated Risk Assessment system aimed at setting up the integrated audit programme of the Internal Audit Department;
- approving the annual audit plan;
- reviewing and evaluating internal audit activities;
- meeting with the Chief Financial Officer, the Chairman of the Board of Statutory Auditors and the partner from the Independent Auditors to examine the main issues pertaining to the 2010 and 2011 financial statements;
- monitoring the development of the operating model of the Internal Audit Department;
- acknowledging Company activities relating to Law Decree 231/2001 particularly those activities relating to compliance, training and the analysis of sensitive processes;
- carrying out an in-depth study of the risk analysis and risk management model of the Saipem Group;
- acknowledging the Company's organizational structure and the powers of attorney and proxy systems at the basis of the Saipem Group decision making mechanism;
- monitoring Company activities related to the implementation of the accounting processes necessary to implement the new International Financial Reporting Standards (IFRS);
- checking that the Internal Audit Manager continues to meet the integrity, professionalism, competence and independence requirements;
- evaluating the performance and adequacy of the fixed and variable remuneration structure of the Internal Audit Manager;
- reviewing the Company's anti-corruption procedures;
- reviewing the Company's procedure regulating related parties' transactions.

All meetings were minuted.

Eleven meetings have been scheduled to take place in 2012, four of which have already been held as of March 13, 2012.

The Audit and Risk Committee reports to the Board of Directors every six months, providing a detailed account of work carried out and the adequacy of the internal control and risk management system.

Compensation and Nomination Committee (formerly Compensation Committee)

The Compensation Committee, which on February 13, 2012 became the Compensation and Nomination Committee, was set up by the Board of Directors on February 22, 1999. In line with the latest recommendations of the Corporate Governance Code, it is currently comprised of three non-executive independent Directors. All members of this Committee have adequate knowledge and experience in matters of finance and compensation, as assessed by the Board at the time of their appointment.

Prior to the Shareholders' Meeting renewal of the Company's management bodies occurred on May 4, 2011, the committee comprised the following non-executive Directors: Salvatore Sardo (non-independent Director) Chairman, Anna Maria Artoni and Pierantonio Nebuloni (independent Directors).

Following the appointment of the new Board of Directors, the members of the committee appointed by the Board on May 9, 2011 are the following non-executive independent Directors: Gabriele Galateri di Genola, Chairman, Nicola Greco and Maurizio Montagnese.

Saipem's Executive Vice President Director for Human Resources, Organization and Systems, or in his stead the Senior Vice President for Development, Organization, Communication and Compensation acts as Secretary of the committee.

Following the adoption of the recommendation of the Corporate Governance Code of Borsa Italiana in terms of Directors' nomination (Article 5) and remuneration (Article 6), the Board of Directors on February 13, 2012 vested the Compensation Committee with the duties of the Nomination Committee, and renamed it 'Compensation and Nomination Committee'. The composition, appointment method, responsibilities and methods of operations of this Committee are governed by its own Regulations, approved by the Board of Directors on March 13, 2012.

The Committee fulfils a propositive and consultative role for the Board of Directors and specifically:

- submits to the approval of the Board of Directors the Remuneration Report and the remuneration policy for executive Directors and senior managers with strategic responsibilities, which will be put forward to the approval of the Shareholders' Meeting called to review the financial statements, as provide by Law;
- periodically assesses the adequacy, consistency and actual operation of the remuneration policy for executive Directors, Directors vested with particular powers and senior managers with strategic responsibilities;
- puts forward proposals for the remuneration of the Chairman and Executive Directors, taking into account the various forms and types of compensation;
- puts forward proposals for the remuneration of Directors, who are members of Board Committees;
- having first reviewed CEO directions, it proposes the general remuneration criteria applicable to senior managers with strategic responsibilities, annual and long-term incentive plans, and stock-based plans; it sets performance targets and reviews the Company's performance results in order to determine the

- variable remuneration of executive Directors and the implementation of incentive plans;
- provides opinions to the Board of Directors regarding its size and composition and expresses recommendations regarding professional profiles who are deemed appropriate in the Board;
 - advises the Board of candidates to the office of Board Directors in the event of co-optation, when independent Directors need to be replaced;
 - provides guidance to the Board, in accordance with the Corporate Governance Code, regarding the maximum number of offices a Director may hold;
 - expresses opinions to the Board regarding the nomination of the Company's senior managers, whose appointment is the responsibility of the Board;
 - oversees the annual Board Review and that of its Committees;
 - provides an evaluation of the independence and integrity requirements that Directors are required to possess.

In fulfilling its duties, the Committee provides opinions, as and when required by the current internal regulation in terms of transactions with related parties.

The Committee can count on the support of the relevant Company Departments in order to fulfil its responsibilities, and it can also have recourse, through the latter, to a first-rate external consultant at both national and international level for remuneration benchmarking purposes, ensuring beforehand that no reasons exist that could compromise their independence of judgement. The meetings of the Compensation and Nomination Committee where remuneration proposals are discussed are not attended by the Directors involved.

The Chairman of the Board of Statutory Auditors (or other Statutory Auditor designated by the latter) is invited to attend Committee meetings.

In 2011, the Committee (in its former and current composition) convened on five occasions, with meetings lasting an average of one hour and 30 minutes and average attendance of 93% of members. Specifically in 2011 the Committee:

- reviewed performance results for the year 2010 and set targets for 2011 for the purposes of the variable incentive plans;
- approved the implementation of variable incentive plans for executive Directors;
- reviewed the proposals for the remuneration of the Chairman, executive Directors and non-executive Directors who are members of Board Committees, and the external members of the Compliance Committee;
- reviewed the 2010 performance results of the Long-term Incentive Plan applicable to senior managers directly responsible for Saipem Group results;
- approved the implementation of the Deferred Monetary Incentive plan for Executive Directors, and approved the Plan Regulations;
- approved the implementation of the Long-term Monetary Incentive plan for Executive Directors and senior managers directly responsible for Saipem Group results.

Furthermore, the evolution of the legal and self-regulatory framework was monitored, in view of the implementation of the Corporate Governance Code recommendations in terms of remuneration, approved in March 2010 and subsequently amended by the December 2011 edition of the Code, with the consequent preparation and approval of Committee Regulations. Five meetings have been scheduled to take place in 2012, two of which have already been held as of March 13, 2012. All meetings were minuted.

The Committee reports, through the Chairman of the Committee, on the methods used to carry out its responsibilities to the Shareholders' Meeting called to approve the Financial Statements, pursuant to the provisions set forth in the Committee's Regulations.

Throughout 2011, the Compensation and Nomination Committee had access to information and company departments as required to carry out its duties.

The Compensation and Nomination Committee has access to the necessary financial resources to carry out its responsibilities, through the relevant Company departments.

Further information on the aforementioned Committee is available, in compliance with Article 123-ter of Law 58/1998, in the Remuneration Report which is posted on the Company's website www.saipem.com under the section 'Corporate Governance'.

The Board of Statutory Auditors¹²

The Board of Statutory Auditors, pursuant to Article 149 of Law Decree 58/1998, monitors: compliance to the law and the Articles of Association; that management principles are correctly adhered to; the adequacy of the Company organizational structure, the internal control system and the administrative/accounting system, and the reliability of the latter to clearly reflect the Company's position, in its capacity as Internal Auditor pursuant to Article 19 of Legislative Decree 39/2010; the implementation of corporate governance regulations contained in the Codes of Practice issued by Stock Exchange management companies and/or professional associations, which the Company has made a public declaration to adhere to; the adequacy of directions given by the Company to its subsidiaries. Pursuant to the Consolidated Law on Finance and Legislative Decree 39/2010, the Board of Statutory Auditors submits a documented proposal to the Shareholders' Meeting concerning the granting of auditing responsibilities as well as compensation for the audit firm, it is consulted in case of revocation of the audit firm mandate by the Shareholders' Meeting, and receives the audit report prepared in compliance with Article 14 of the aforementioned Law Decree. Whenever a Statutory Auditor has a vested interest, on his own or a third party's behalf, in a certain transaction entered into by the Issuer, they shall promptly inform the other Statutory Auditors and the Chairman of the Board of Directors detailing the nature, terms, origin and size of their interests. As part of their remit, Statutory

[12] The professional résumés of Statutory Auditors are published on Saipem's website www.saipem.com under the section 'Corporate Governance'.

Auditors may ask the Internal Audit Department to audit specific areas of business and/or Company operations. The Board of Statutory Auditors and the Audit and Risk Committee exchange can rely on a timely and prompt exchange of information they deem relevant in the fulfilment of their duties.

The Board comprises three Statutory Auditors and two Alternate Auditors, appointed by the Shareholders on May 4, 2011. The term of office for Statutory Auditors is three years and will expire at the Shareholders' Meeting called to approve the Financial Statements at December 31, 2013.

Pursuant to Article 27 of the Articles of Association, Statutory Auditors are appointed from voting lists; one Statutory Auditor and one Alternate Auditor are appointed from the list put forward by the minority Shareholders.

Lists are structured in two sections: the first comprises candidates for the office of Statutory Auditor, the second candidates for the office of Alternate Auditor. Two statutory auditors and one alternate auditor are selected from the list which receives the majority of votes. The remaining statutory auditor and alternate auditor are selected by allocating each candidate a ratio, obtained by dividing the votes received by each list by the progressive number of Statutory Auditors still to be appointed. In the event that more than one candidate obtains the same ratio, the candidate on the list with no Auditors yet appointed or on the list with the lowest number of Auditors appointed will be elected. If these lists have yet to elect a Statutory Auditor, or if they have already appointed an equal number of Auditors, the candidate on the list with the highest number of votes will be appointed. In the case of another tie, the Shareholders' Meeting will vote again, but only amongst the candidates under ballot, and the candidate who receives the majority of votes will be elected.

The Shareholders' Meeting appoints the Chairman of the Board of Statutory Auditors from the list put forward by the minority Shareholders.

In the event of the replacement of an Auditor from the list that has received the majority of votes, the Alternate Auditor from the same list fills the vacant position; in the event of a replacement of an Auditor from other lists, the Alternate Auditor from those lists fills the vacant position.

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

Lists are filed, presented and published in compliance with legal requirements and Consob Regulations.

Pursuant to Consob Resolution No. 18083 of January 25, 2012, lists may be presented by Shareholders who, individually or with others, hold shares amounting at least to 1% of the share capital. Pursuant to Article 27, as amended by the Shareholders' Meeting on April 30, 2007 to comply with Law 262 of December 28, 2005, the Shareholders' Meeting appointed the Chairman of the Board of Statutory Auditors from the minority list. Lists enclose declarations by each candidate stating that they meet the integrity and independence requirements (see Article 148 paragraph 3 of Law 58/1998) provided by law alongside their professional résumé.

The Shareholders' Meeting convened on May 4, 2011, appointed a new Board of Auditors comprising of the Chairman Mario Busso, the Statutory Auditors Fabrizio Gardi and Adriano Propersi and the

Alternate Auditors Giulio Gamba and Paolo Sfameni. On December 6, 2011 the Alternate Auditor Giulio Gamba, following the death of Fabrizio Gardi, took over the office of Statutory Auditor until the next Shareholders' Meeting. The secretary of the Board of Statutory Auditors is the Senior Vice President responsible for the Internal Audit department, Alessandro Riva. The forthcoming Shareholders' Meeting shall resolve on the appointment of a Statutory Auditor and an Alternate Auditor.

Article 27 of the Articles of Association states that Statutory Auditors must be in possession of the requisites as per current legislation, in particular Decree 162/2000; in compliance with the decree, the Articles of Association provide that the following fields are pertinent to the Company's activities: commercial law, business administration and management, the engineering and geology sectors. All of Saipem's Statutory Auditors are members of the Register of Certified Auditors.

In compliance with the provision of the Corporate Governance Code aimed at ensuring that Statutory Auditors meet the independence requirements following their appointment (a similar provision applies also to Board Directors), the Board of Statutory Auditors assesses annually, through their own declarations, that all its members meet the independence requirements.

Statutory Auditors are provided in advance with documents pertaining to items to be discussed and/or resolved on at Board meetings.

The Board of Statutory Auditors ensured the independence of the external audit company, ascertaining that it met all legal requirements and evaluating the nature and size of services other than accounting audits it provided to the Company and its subsidiaries directly, or through associated companies.

The Board of Statutory Auditors liaised closely with the Internal Audit department and the Audit and Risk Committee, attending Committee meetings and inviting the Internal Audit Senior Vice President to its own meetings.

The Chairman of the Board of Statutory Auditors attends the meetings of the Compensation and Nomination Committee. Meetings of the Board of Statutory Auditors may be held via video-conference link.

The Board of Statutory Auditors of Saipem SpA convened 18 times during 2011, with meetings lasting on average 2 hours and 47 minutes. Meetings were attended by an average of 98% of Statutory Auditors, while Board meetings were attended by an average of 83% of Statutory Auditors.

Main activities included:

- review of the Integrated Risk Assessment system organized by the Internal Audit function;
- approval of the annual audit plan;
- review and evaluation of results of Internal Audit activities;
- meeting with the Company's Chief Financial Officer, the partner of the Independent Auditors to review the main items of the 2010 and 2011 financial statements;
- monitoring the development of the Internal Audit operating module;
- acknowledging the measures implemented by the Company to comply with Law Decree 231/2001, paying particular attention to the compliance, training and analysis of sensitive processes;

- in-depth review of the risk assessment and management within the Saipem Group;
- acknowledging the organizational structure and power allocation at the basis of the decision-making process within the Saipem Group;
- monitoring the measures undertaken by the Company to adjust accounting processes in accordance with IFRS;
- checking that the Internal Audit Senior Vice President continues to meet the integrity, professionalism, competence and independence requirements;
- evaluating the performance and adequacy of the fixed and variable remuneration structure of the Internal Audit Senior Vice President;
- analysis, at least quarterly, of reports of issues, even in confidential or anonymous form (whistle blowing), that are received by Saipem, assessing their contents and proposed corrective measures;
- reviewing the Company's anti-corruption procedures;
- reviewing the Company's procedure on related parties' transactions.

18 meetings have been scheduled to take place in 2012, 6 of which have already been held as of March 13, 2012.

Pursuant to Article 27 of the Articles of Association, Statutory Auditors may hold positions as members of administrative and control bodies at other companies; however, these are limited by Consob's Issuers' Regulations, Article 144-terdecies. In any case, pursuant to the aforementioned regulation, candidates already holding the office of Statutory Auditor at five listed companies may not be appointed as Auditors, and if elected, shall forfeit their office.

Fabrizio Gardi, Adriano Propersi (Statutory Auditors) and Giulio Gamba (Alternate Auditor) had been nominated by Eni SpA, obtaining 49.08% of voting capital; Mario Busso (Chairman) and Paolo Sfameni (Alternate Auditor) had been nominated by institutional investors, obtaining 28.44% of voting capital.

Based on information received, we list hereafter the other offices (as Board Directors or Statutory Auditor) held by Saipem's Statutory Auditors in other companies.

Mario Busso (Chairman)

Chairman of the Board of Statutory Auditors of 'Permico SpA', and 'Tubiflex SpA'; Statutory Auditor of 'Milbo SpA', 'Quasar SpA'; 'Banco di Credito P. Azzoaglio SpA'.

Adriano Propersi (Statutory Auditor)

Chairman of the Board of Directors of 'IMI Fabi SpA'; Board Director of 'Banca Popolare di Sondrio' (a listed company), and 'Prisma Srl'; Chairman of the Board of Statutory Auditors of 'Tecnocasa Holding SpA', 'Tecnocasa Franchising SpA', 'Tecnocasa Partecipazioni SpA', 'Kiron Partners SpA', 'Tecnimedia Srl', 'Trade & Partners SpA', 'Family Partner SpA', 'La Ducale SpA', 'Immobiliare Giulini SpA', 'BEA Ingranaggi SpA', and 'Miba Srl'; Member of the Board of Statutory

Auditors of 'Feem Servizi Srl', 'Atlas Copco BLM Srl', 'Immobiliare Santa Caterina Srl', 'Abac Aria Compressa SpA'; and 'LNG Shipping'.

Giulio Gamba (Statutory Auditor)

Chairman of the Board of Statutory Auditors of 'IFM Ferrara SCpA' and 'Servizi Porto Marghera Scarl'; Statutory Auditor of 'Venezia Tecnologie SpA', 'Priolo Servizi SCpA', 'Ravenna Servizi Industriali SCpA', and 'VEGA Parco Scientifico-Tecnologico di Venezia Scarl'.

Paolo Sfameni (Alternate Auditor)

Vice President of the Board of Directors of 'Allianz Global Investors SGR SpA' - Allianz Group; Board Director of 'Allianz Bank Financial Advisors SpA' - Allianz Group, and 'Italmobiliare SpA' (a listed company); Chairman of the Board of Statutory Auditors of 'Cordusio Fiduciaria SpA' - Unicredit Group; Statutory Auditor of 'Equita Sim SpA' (a listed company), 'Banca ITB SpA', 'Pirelli & C SpA' (a listed company), 'Spig SpA', and 'Unimagement Srl'.

Directors' interests and transactions with related parties

In order to implement Article 2391-bis of the Italian Civil Code, Consob approved a Regulation on March 12, 2010 which obliged listed companies to adopt procedures not later than December 1, 2010 aimed at guaranteeing full transparency as well as procedural and effective fairness for transactions with related parties.

Also in light of the recommendations of the Corporate Governance Code, on November 24, 2010, Saipem's Board of Directors unanimously approved the procedure 'Interests held by Board Directors and Statutory Auditors and transactions with related parties'¹³, effective from January 1, 2011. This procedure supersedes the procedure 'Code of Practice Regulating Operations with Related Parties' approved by the Board of Directors on July 7, 2003.

The Audit and Risk Committee, comprised wholly of independent Directors pursuant to the Corporate Governance Code and the aforementioned Regulation, have expressed a preliminary opinion in favour of the adoption of this procedure.

This largely reflects the definitions and provisions of Consob Regulation: transactions with related parties have been divided into transactions of greater importance, transactions of lesser importance, and exempted transactions, with different procedures to be followed based on the type and relevance of transactions. Specifically, the Board of Directors reserves the right to approve transactions of greater importance, subject to the Audit and Risk Committee being in favour, having been involved in negotiations and having received complete and timely information. The Audit and Risk Committee expresses a reasoned, albeit not binding opinion on the interest the Company may have in a transaction and the expedience and substantial fairness of its terms. The Board of Directors, having consulted the Audit and Risk Committee, has also identified Transactions of smaller amounts, which are excluded from the procedure, as well as other types of

[13] The procedure 'Transactions involving interests by Board Directors and Statutory Auditors and transactions with related parties' is published on Saipem's website www.saipem.com under the section 'Corporate Governance'.

transactions, which, due to the nature of the revenue and/or cost, are deemed to be Regular Transactions as they were completed in market-equivalent or standard terms and therefore are excluded from the procedure even if they are not of lesser amounts. This procedure attributes a major role to independent Directors, as members of the Audit and Risk Committee and the Compensation and Nomination Committee, in matters of remuneration. Also in terms of the duty of information to the public, Saipem's procedure reflects the provisions of Consob Regulation in full. On March 13, 2012, the Board of Directors updated the procedure following the first year of application, taking into account the ensuing operational requirements. The new procedure defines timeframes, responsibilities and verification tools by the interested resources, in addition to the flows of information required for the correct application of the procedure. A specific discipline was added for those transactions in which a Director of Statutory Auditor hold a vested interest, on their own or third party's behalf. Specifically, it details the checks and evaluations required in the preparatory and approval stages, as well as the reasons for the transactions involving a vested interest by a Director or a Statutory Auditor, notwithstanding the requirement of a reasoned opinion issued by the Audit and Risk Committee, when a transaction requires approval by the Board of Directors. Board Directors, Statutory Auditors, General Managers and senior managers with strategic responsibilities declare every six months all transactions they may have entered into involving Saipem SpA and/or its subsidiaries, either directly or through a third party, in compliance with IAS 24. They also declare potential significant relations for the purposes of the identification of related parties (for instance, close relatives). Amounts of transactions of a commercial, financial or other nature with related parties, a description of the most relevant types of transaction, their incidence on the balance sheet, income statement and financial flows are detailed in the consolidated and statutory financial statements of Saipem SpA. Board Directors and Statutory Auditors declare, every six months or sooner in the event of changes, any potential interests they may hold towards the Company and the Group. In 2011, the Chairman has provided periodical updates to the Board of Directors and the Board of Statutory Auditors of transactions entered into with related parties.

Investor relations

Saipem has adopted a policy of information supporting constant dialogue with institutional investors, the Shareholders and the market in order to guarantee the timely disclosure of comprehensive information on Company activities, and is limited only by the confidentiality requirements afforded to certain information. Information for investors, the market and the media is disseminated via press releases, and periodic meetings with

institutional investors, the financial community and the press, in addition to the comprehensive information made available and constantly updated on the Company website. Relations with investors and financial analysts are maintained by the Investor Relations Manager. Information of interest is posted on Saipem's website (www.saipem.com) or can be requested via email from: investor.relations@saipem.com. Relations with Shareholders are maintained by the Head of the Secretary's Office. Information of interest to Shareholders is posted on Saipem's website or can be requested via email from: segreteria.societaria@saipem.com. Every January Saipem discloses to the public and publishes on its website its financial calendar detailing the main financial events for the current year. Information pertaining to periodic financial reports, relevant operations and newly-issued corporate governance procedures, is disclosed immediately to the public also via publication on the website www.saipem.com, where all press releases and Shareholders' notices are also posted. Saipem's commitment to providing investors and markets with financial information that is true, comprehensive, transparent, timely and non-selective is stated in the Code of Ethics, which identifies the values it applies in its business operations and the relations with third parties: namely, disclosure of complete and clear information, the formal and essential legitimacy of practices by its employees at all levels, clarity and veracity of its accounting practices in compliance with current legislation and internal procedures. On December 13, 2010, the Board of Directors approved amendments to the Articles of Association to comply with new legislation relating to Shareholders' rights (Law Decree 27 of January 27, 2010) and legal audit of accounts (Law Decree 39 of January 27, 2010). Further amendments to the Articles of Association on which the Company must express a choice were approved by the extraordinary Shareholders' Meeting convened on May 4, 2011. Please refer to the section 'Shareholders' Meeting' on page 15. The documentation relating to the General Shareholders meeting of May 4, 2011 was posted on the Company's website www.saipem.com as well as information on the share capital and the relevant directions on how to exercise the following Shareholders' rights: the right to submit questions prior to the meeting, adding items to the meeting agenda, voting by proxy utilizing either the appropriate section of the Company's website or delegating the designated representative, methods for the presentation of lists for the appointment of the Management Bodies.

Questions received prior to the Shareholders' Meeting were answered during the meeting.

Processing of inside information - Internal Dealing¹⁴

On March 23, 2006, the Board of Directors updated the 'Procedure regulating Market disclosure of inside information'¹⁵, which was

[14] The procedure 'Internal Dealing' is published on Saipem's website www.saipem.com under the section 'Corporate Governance'.

[15] The 'Procedure regulating Market disclosure of inside information' is published on Saipem's website www.saipem.com under the section 'Corporate Governance'.

approved on December 12, 2002. This procedure which implements the provisions contained in the 'Guide on Information to the Market' issued by 'Forum Ref' in June 2002 and the provisions of the European Directive on Market Abuse defines the requirements to be applied to the disclosure of sensitive information to the market (materiality, clarity, homogeneity, symmetry, consistency and timeliness) and regulates the flow of information from controlled companies aimed at obtaining comprehensive and timely information for the Board of Directors and the market on events that may become inside information. This procedure also identifies measures to be taken in case of violation of its provisions, also in light of the penal and administrative sanctions introduced by Law 262/2005. The Code of Ethics also defines the duty of confidentiality that Group employees are required to adhere to, in compliance with data protection legislation.

On March 23, 2006, the Board of Directors approved the procedure for the 'Upkeep and update of the List of persons having access to inside information', in compliance with the provisions of Article 115-*bis* of Law 58/1998, which states that 'Listed issuers and persons in a control relationship with them and persons acting on their behalf or for their account shall draw up, and keep regularly updated, a list of the persons who, in the exercise of their employment, profession or duties, have access to information referred to in Article 114, paragraph 1 (editor's note: inside information)'. This procedure, which contains the provisions of Chapter 1 (Lists of insiders) of Title VII of Consob Regulation No. 11971/1999 implementing the provisions on issuers of Legislative Decree 58/1998, identifies: (i) methods and terms applicable to listing and/or cancellation of personal data relating to persons, who in the exercise of their employment, profession or duties, have regular or occasional access to inside information; (ii) notification to the interested party of their listing and/or cancellation from the List and reasons thereof. This procedure became effective as of April 1, 2006.

The Board of Directors also approved the 'Procedure regulating the identification of relevant parties and operations carried out by them, directly or through third parties, involving shares of Saipem SpA or other associated financial instruments (Internal Dealing Procedure)', which replaces the Internal Dealing Code approved by the Board on December 12, 2002. This procedure complies with the provisions of Article 114 (information to be provided to the public), paragraph 7 of Law 58/1998, according to which 'persons performing administrative, supervisory and management functions in a listed issuer and managers who have regular access to inside information referred to in paragraph 1 and the power to make managerial decisions affecting the future development and prospects of the issuer, persons who hold shares amounting to at least 10% of the share capital, and any other persons who control the issuer must inform Consob and the public of transactions involving the issuer's shares or other financial instruments linked to them that they have carried out directly or through nominees. Such disclosures must also be made by the spouse, unless legally separated, dependent children, including those of the spouse, cohabiting parents and relatives by blood or affinity of the persons referred to above and in the other cases identified by Consob in a regulation implementing Commission Directive 2004/72/EC of April 29, 2004'. This procedure, which contains the provisions of Chapter II (Transactions concluded by relevant persons and persons closely associated with such persons) of Title VII of Consob Regulation No. 11971/1999 implementing the provisions on issuers of Legislative Decree 58/1998: (i) identifies relevant persons; (ii) identifies operations involving shares issued by Saipem or other associated financial instruments; (iii) sets methods and conditions of disclosure involving transactions and their notification to the public; (iv) states sanctions to be applied in case of non-compliance of the provisions stated in the procedure. In addition to legal requirements, this procedure also lists blocking periods, i.e. periods during which relevant parties may not carry out operations.

Table 1. Shareholding structure

Shareholding structure				
	Number of shares	% of share capital	Listed Market / not listed	Rights and obligations
Ordinary shares	441,275,452	99.97%	Computerized Share Trading Market (Mercato Telematico Azionario Italia - MTA)	Dividend / entitled to vote Shareholders' Meeting
Shares with limited vote entitlement (savings shares)	135,448	0.03%	Computerized Share Trading Market (Mercato Telematico Azionario Italia - MTA)	Convertible with ordinary share without time restriction / dividend 3% higher than ordinary shares / not entitled to vote at the Shareholders' Meeting
Shares without vote entitlement				

Relevant shareholdings			
Declarant	Direct shareholder	% of ordinary capital	% of voting capital
FMR Llc	FMR Llc	3.450	3.450
Blackrock Inc	Blackrock (Netherlands) BV	0.088	0.088
	Blackrock (Luxembourg) SA	0.264	0.264
	Blackrock Institutional Trust Co NA	0.734	0.734
	Blackrock Fund Managers Ltd	0.016	0.016
	Blackrock Advisor (UK) Ltd	0.590	0.590
	Blackrock Investment Management (Australia) Ltd	0.002	0.002
	Blackrock Investment Management Llc	0.147	0.147
	Blackrock Financial Management Inc	0.093	0.093
	Blackrock Asset Management Japan Ltd	0.188	0.188
	Blackrock Asset Management Australia Ltd	0.007	0.007
	Blackrock Asset Management Canada Ltd	0.014	0.014
	Blackrock Fund Advisors	0.300	0.300
	Blackrock Advisors Llc	0.037	0.037
	Blackrock Investment Management (UK) Ltd	0.057	0.057
	Blackrock International Ltd	0.278	0.278
	Total	2.815	2.815
FIL Ltd	FIL Ltd	2.016	2.016
Capital Research and Management Co (as manager of the Euro Pacific Growth Fund which holds 2.681%)	Capital Research and Management Co	4.908	4.908
Mnistry of Economy and Finance	Eni SpA	42.91	42.91

Table 2. Structure of the Board of Directors and its Committees

Tab. 2A Board of Directors (until May 4, 2011)

Board of Directors										Audit and Risk Committee		Compensation and Nomination Committee		
Office	Members	In office since	In office until	List (M/m) ⁽¹⁾	Exec.	Non-exec.	Indep. purs to CG Code	Indep. purs to Law 58/98	[%] ⁽²⁾	No. of other offices ⁽³⁾	[4]	[2]	[4]	[2]
Chairman	Mangiagalli Marco	April 28, 2008	Approval of Fin. Stat. 2010	M		X			100	2				
Deputy Chairman - CEO	Tali Pietro Franco	April 28, 2008	Approval of Fin. Stat. 2010	M	X				100	-				
Managing Director	O'Donnell Hugh James	April 28, 2008	Approval of Fin. Stat. 2010	M	X				100	-				
Director	Anderlini Luca	April 28, 2008	Approval of Fin. Stat. 2010	m		X	X	X	100	-	X	100		
Director	Artoni Anna Maria	April 28, 2008	Approval of Fin. Stat. 2010	m		X	X	X	100	1	X	100	X	100
Director	Nebuloni Pierantonio	April 28, 2008	Approval of Fin. Stat. 2010	m		X	X	X	100	-	X	75	X	100
Director	Sardo Salvatore	April 28, 2008	Approval of Fin. Stat. 2010	M		X			33	1			X	-
Director	Vergine Umberto	October 27, 2010	Approval of Fin. Stat. 2010	M		X			66	-				
Director	Wybrew-Bond Ian	April 28, 2008	Approval of Fin. Stat. 2010	M		X	X	X	33	-				
Directors terminated during the year														
Director														
Indicate minimum <i>quorum</i> required for the presentation of lists at the last appointment of the Board: 1%														
Number of meetings held during the year:						BoD: 3			AC: 4			CC: 1		

(1) In this column 'M' denotes a member appointed from the majority list while 'm' denotes a member appointed from the minority list.

(2) This column details the percentage of attendance of Directors to Board and Committee meetings (attendance/number of meetings held during the period of office).

(3) This column details the number of offices of Director or Statutory Auditor held in other companies listed either in Italy or abroad, and/or in financial, banking, insurance or large companies.

(4) In this column, the 'X' denotes membership of a Director to a Committee.

Tab. 2B Board of Directors (from May 4, 2011)

Board of Directors											Audit and Risk Committee		Compensation and Nomination Committee	
Office	Members	In office since	In office until	List (M/m) ⁽¹⁾	Exec.	Non-exec.	Indep. purs to CG Code	Indep. purs to Law 58/98	(%) ⁽²⁾	No. of other offices ⁽³⁾	(4)	(2)	(4)	(2)
Chairman	Meomartini Alberto	May 4, 2011	Approval of Fin. Stat. 2013	M		X			100	1				
Deputy Chairman - CEO	Tali Pietro Franco	May 4, 2011	Approval of Fin. Stat. 2013	M	X				100	-				
Managing Director	O'Donnell Hugh James	May 4, 2011	Approval of Fin. Stat. 2013	M	X				100	-				
Director	Galateri di Genola Gabriele	May 4, 2011	Approval of Fin. Stat. 2013	M		X	X	X	80	6			X	100
Director	Greco Nicola	May 4, 2011	Approval of Fin. Stat. 2013	M		X	X	X	80	-			X	100
Director	Montagnese Maurizio	May 4, 2011	Approval of Fin. Stat. 2013	m		X	X	X	60	-	X	71	X	100
Director	Sacchetto Mauro	May 4, 2011	Approval of Fin. Stat. 2013	m		X	X	X	80	1	X	86		
Director	Vergine Umberto	May 4, 2011	Approval of Fin. Stat. 2013	M		X			40	-				
Director	Volpi Michele	May 4, 2011	Approval of Fin. Stat. 2013	m		X	X	X	80	1	X	100		
Directors terminated during the year														
Director														
Indicate minimum <i>quorum</i> required for the presentation of lists at the last appointment of the Board: 1%														
Number of meetings held during the year:						BoD: 5			AC: 7			CC: 4		

(1) In this column 'M' denotes a member appointed from the majority list while 'm' denotes a member appointed from the minority list.

(2) This column details the percentage of attendance of Directors to Board and Committee meetings (attendance/number of meetings held during the period of office).

(3) This column details the number of offices of Director or Statutory Auditor held in other companies listed either in Italy or abroad, and/or in financial, banking, insurance or large companies.

(4) In this column, the 'X' denotes membership of a Director to a Committee.

TABLE 3. Structure of the Board of Statutory Auditors

Tab. 3A Board of Statutory Auditors (until May 4, 2011)

Office	Members	In office since	In office until	List (M/m) ⁽¹⁾	Independent pursuant to the CG Code	(%) ⁽²⁾	No. of other offices ⁽³⁾
Chairman	Venegoni Fabio	April 28, 2008	Approval of Fin. Stat. 2010	m	X	100	1
Statutory Auditor	Gardi Fabrizio	April 28, 2008	Approval of Fin. Stat. 2010	M	X	100	-
Statutory Auditor	Propersi Adriano	April 28, 2008	Approval of Fin. Stat. 2010	M	X	100	1
Alternate Auditor	Gamba Giulio	April 28, 2008	Approval of Fin. Stat. 2010	M	X		-
Alternate Auditor	De Nigro Alberto	April 28, 2008	Approval of Fin. Stat. 2010	m	X		1
Statutory Auditors terminated during the year							

Indicate minimum *quorum* required for the presentation of lists at the last appointment: 1%

Number of meetings held during the year: 6

Tab. 3B Board of Statutory Auditors (from May 4, 2011)

Office	Members	In office since	In office until	List (M/m) ⁽¹⁾	Independent pursuant to the CG Code	(%) ⁽²⁾	No. of other offices ⁽³⁾
Chairman	Busso Mario	May 4, 2011	Approval of Fin. Stat. 2013	m	X	100	-
Statutory Auditor	Gamba Giulio	May 4, 2011	Approval of Fin. Stat. 2013	M	X	100	-
Statutory Auditor	Propersi Adriano	May 4, 2011	Approval of Fin. Stat. 2013	M	X	92	1
Alternate Auditor	Sfameni Paolo	May 4, 2011	Approval of Fin. Stat. 2013	m	X	-	3
Statutory Auditors terminated during the year							
Statutory Auditor	Gardi Fabrizio	May 4, 2011	Dec. 6, 2011	M	X	91	-

Indicate minimum *quorum* required for the presentation of lists at the last appointment: 1%

Number of meetings held during the year: 12

(1) In this column 'M' denotes a member appointed from the majority list while 'm' denotes a member appointed from the minority list.

(2) This column details the percentage of attendance of Statutory Auditors to the Board of Statutory Auditors' meetings (attendance/number of meetings held during the period of office).

(3) This column details the number of offices of Director or Statutory Auditor held in other companies deemed relevant pursuant to Article 148-bis of Law 58/1998.

Headquarters: San Donato Milanese (Milan) - Italy
Via Martiri di Cefalonia, 67
Branches:
Cortemaggiore (Piacenza) - Italy
Via Enrico Mattei, 20



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

Interim Consolidated Report as of June 30
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Sustainability Report (in English)

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