



**Recommendations by the Board of Statutory Auditors of Saipem SpA
to the Shareholders**

on the composition of the new Board of Statutory Auditors

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Foreword

The Board of Statutory Auditors of Saipem S.p.A. ("Board") carried out, with the professional assistance of a company specialized in this sector, a self-review to gather the Statutory Auditors opinions on the functioning and composition of the Board, with reference to the year 2019, the last year of their mandate.

This is a best practice that the Board adopted for the first time, similar to the Board review of the Board of Directors to evaluate, not only the functioning, but the professional skills, in terms of expertise, experience and know-how, the Board has as a whole, as well as the composition and balance of roles within the Body, as well as the role of the Chairman and, last but not least, the cohesion and team spirit in carrying out the activities.

This choice was made as the end of mandate of the Board was approaching, i.e. the Shareholders' Meeting of Saipem S.p.A. called to approve the 2019 financial statements. The outgoing Board wished to prepare an accurate and objective evaluation, based on which it would be possible to develop guidelines for shareholders on the skills and professional expertise they deem appropriate.

The Board of Statutory Auditors approved this document at their meeting of March 5, 2020 pursuant to the *Rules of Conduct of the Boards of Statutory Auditors for listed companies* issued on April 26, 2018 by the National Council of Chartered Accountants and Accounting Experts, also considering that the recommendation for outgoing Boards of Directors set forth in art. 1.C.1, lett. h) of the Corporate Governance Code (according to which the Board of Directors is invited to provide the shareholders, in view of the renewal of the Board, with "recommendations on the managerial and professional figures whose presence on the Board is deemed appropriate"), may apply to the renewal of the Board of Statutory Auditors in listed companies.

The outgoing Board provides these recommendations to the shareholders on the Board that will be appointed by the Shareholders' Meeting called to approve the 2019 financial statements.

Composition of the Board of Statutory Auditors

During their three-year mandate, the functions requested from the Board were expanded:

- by the entry into force of the reform of statutory audit regulations, implemented at European level, which has given the Board additional information and monitoring responsibilities;
- by the introduction of the legislation on non-financial reporting, which involves additional supervisory activities and the most recent regulation on environmental social governance (ESG)

The Board hopes that the renewal: (i) takes into account the benefits deriving from a composition that can ensure continuity in the performance of their supervisory responsibilities and, (ii) at the same time satisfies the requirement set forth in the current legislation (note 1), which provides that the Statutory Auditors as a whole have adequate competence in the industrial sectors in which the Saipem Group operates. The Board recommends that the personal and professional characteristics for the various roles within the Board are as follows.

The Chairman should:

- be a person with the authoritativeness to ensure that the work of the Board is properly coordinated with the activities carried out by the other parties involved in the governance of the internal control and risk management system, to maximize the efficiency of the latter and to reduce duplication of activity;
- possess personal characteristics that enable the creation of strong cohesion between the members

of the Board to ensure effective performance of the supervisory functions required of this Body, while at the same time being a guarantee figure for all Shareholders;

- possess skills and experience in the economic-financial sector, with particular regard to the financial reporting process, as well as dealing with specific business issues;
- have skills and experience in the field of auditing, to maintain a continuous and effective dialogue with the external auditors in charge of the statutory audit of the accounts;
- have gained international experience, and an adequate knowledge of the English language.

Members should:

- have professional and/or academic and/or institutional profiles to create a range of different but complementary skills and experiences;
- at least one of the Statutory Auditors and at least one of the Alternate Auditors must by law (note 2) be registered in the Register of Certified Auditors and have practiced the statutory audit of accounts for a period of at least three years;
- the additional professional requirements indicated by law (note 3) and by the Saipem's Articles of Association (note 4) provide that the Auditors who do not meet the requirements described in the previous point, must have gained a total experience of at least three years in the practice of the activities indicated in note (5).

Recommendations

It is important for the Board that its members have experience in multinational groups of significant size, as well as skills and experience of the financial reporting process and/or the internal control and risk management system and/or the various profiles of sustainability and/or digitalization. It is also important to have a good knowledge of the English language. The possible inclusion in the Board is

suggested for a member with skills in corporate governance and international corporate law. Also useful would be experience in companies working with projects and expertise in risk analysis and risk evaluation & management methodologies.

It is recommended to consider that candidates have the necessary time to devote to the task, which must be commensurate with the frequent and significant commitments that Saipem will require for the optimal performance of the role as Chairman and/or Statutory Auditor of the Board of Statutory Auditors. During the 2017-2019 period, a total of one hundred and forty-one meetings were held by the Board of Statutory Auditors, the Board of Directors and Shareholders' Meetings. The Board also attended, through the Chairman or the Statutory Auditors, a further one hundred and two meetings held by the Board Committees (Audit and Risk Committee, Compensation and Nomination Committee, Scenarios Sustainability and Governance Committee); also meeting periodically are the Compliance Committee and the Audit and Compliance Committees of the most important foreign subsidiaries.

The comparison with the remuneration paid to non-executive Directors, with the introduction of an "attendance fee" for participation in the Board Committees, is considered by the Board of Statutory Auditors to be a useful indication for assessing the adequacy of the remuneration of the members of the Board of Statutory Auditors.

Finally, Shareholders are invited, when preparing the lists of candidates for the renewal of the Board of Statutory Auditors, to ensure:

- that lists are prepared to ensure that at least two fifths of the members of the control body belong to the least represented gender, as opposed to a third prescribed by the previous Law no. 120 dated July 12, 2011 (note 4);
- that the international projection of Saipem Group's activities is duly considered, ensuring

adequate professional, managerial, academic or institutional experience in international contexts;

- that a balanced combination of seniority of office and registry age is maintained, to achieve a balance between the need for continuity and renewal;
- that all Statutory Auditors ensure they have the necessary time to carry out their duties, taking into account both the number and the complexity of the positions held in the administrative and control bodies of other companies - in compliance with the law (note 6) - and the commitment required of them from additional professional commitments.

THE BOARD OF STATUTORY AUDITORS

Notes:

(1) Art. 19, paragraph 3, of Legislative Decree no. 39 of January 27, 2010.

(2) Art. 1, paragraph 1, of Presidential Decree no. 162 of March 30, 2000.

(3) Art. 1, paragraphs 2 and 3, of Presidential Decree no. 162 of March 30, 2000.

(4) Art. 27 of Saipem's Articles of Association contains specific provisions in relation to the composition of the lists aimed at ensuring compliance with the legislation regulating the gender balance in the corporate bodies as per Law no. 160 of December 27, 2019. Lists must be prepared to ensure that at least two fifths of the members of the control body belong to the least represented gender, as opposed to a third prescribed by the previous Law no. 120 dated July 12, 2011.

(5) a) administration or control activities or managerial duties in joint stock companies with a share capital of not less than two million euro; and/or

b) professional activities or tenured university teaching in legal, economic, financial and technical-scientific subjects strictly related to Saipem's business, i.e. those relating to commercial law and tax law, business economics and corporate finance, as well as energy in general, communications, telematics and information technology, network infrastructure; and/or

c) management functions at public bodies or public administrations operating in the energy and engineering sectors or, in any case, in sectors strictly related to areas directly related to the activity carried out by the Company such as engineering, drilling and construction activities for major projects in the energy and infrastructure sectors.

(6) Art. 148-bis of Legislative Decree no. 58 of February 24, 1998, and articles 144-duodecimes to 144-quinquiesdecimes of "Issuers' Regulations" as per Consob Resolution no. 11971 of May 14, 1999.