

2019 REMUNERATION REPORT

Approved by
the Board of Directors
on March 11, 2019



Mission

Our mission is to implement challenging, safe and innovative projects, leveraging on the competence of our people and on the solidity, multiculturalism and integrity of our organisational model. With the ability to face and overcome the challenges posed by the evolution of the global scenarios, we must seize the opportunities to create economic and social value for all our stakeholders.

Our values

Innovation; health, safety and environment; multiculturalism; passion; integrity.

Countries in which Saipem operates

EUROPE

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

AMERICAS

Argentina, Bolivia, Brazil, Canada, Chile, Colombia, Ecuador, Guyana, Mexico, Peru, United States, Venezuela

CIS

Azerbaijan, Georgia, Kazakhstan, Russia, Turkmenistan

AFRICA

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

MIDDLE EAST

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

FAR EAST AND OCEANIA

Australia, China, India, Indonesia, Japan, Malaysia, Pakistan, Singapore, South Korea, Taiwan, Thailand, Vietnam

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LETTER FROM THE CHAIRMAN OF THE COMPENSATION AND NOMINATION COMMITTEE



Paolo Fumagalli

Dear Shareholders,

As Chairman of the Compensation and Nomination Committee, I am pleased to present Saipem's 2019 Remuneration Report. Following the most recent renewal of company boards and committees, the current members of the Compensation and Nomination Committee are the Directors Federico Ferro-Luzzi and Paul Schapira.

The 2019 Remuneration Policy drawn up by them and submitted for approval to the Board of Directors intends to pursue the primary goal of creating value for the shareholders in the medium and long term, while at the same time motivating, holding and attracting high profile professional and managerial personnel. This document provides an important opportunity for open and transparent communication to the shareholders and stakeholders on the remuneration policies adopted, highlighting their consistency with Saipem's business strategy.

The most significant new element this year is represented by the revised version of the Share-based Long-term Variable Incentive Plan (LTI) developed for all managerial resources, implementation of which is subject to the approval of the Shareholders' Meeting scheduled for April 30, 2019.

The new version of the 2019-2021 LTI Plan, which continues the action of improvement of the existing variable incentive systems, intends to pursue and strengthen the alignment between the creation of value for the shareholders and business performance with a view to balancing the stakeholders' prospects and expectations and Saipem's results in the medium-long term.

Particular attention has been given to the definition of the performance indicators and the definition of the targets and parameters for their assessment, with a view to strengthening their solidity and creating value for the shareholders.

In 2018, following the renewal of company boards and committees, the Committee also developed a proposal for a new compensation policy for top management for the 2018-2021 mandate. The proposals were made with a view to rendering compensation more competitive with respect to the reference market, though below the market median, providing for an increase of total compensation.

The proposed 2019 Remuneration Policy Guidelines, developed in the light of the new challenges that the market requires the company to face, were approved by the Board of Directors on March 11, 2019, and are illustrated in Section I of this Report.

We are sincerely grateful to the Chairman and members of the previous Committee for their preparatory work undertaken early in the year. We hope that the choices we have made will meet with positive feedback and will be understood and appreciated, and we thank you in advance on behalf of the other members of the Committee, for the support you decide to give to the Remuneration Policy programmed for 2019.

March 11, 2019

*The Chairman of the Compensation
and Nomination Committee*

FOREWORD

This Saipem Remuneration Report (hereafter, the 'Report') was approved by the Board of Directors on March 11, 2019, on a proposal of the Compensation and Nomination Committee, consisting entirely of non-executive and independent Directors, and was drafted and defined in accordance with the current legislative and regulatory obligations: Article 123-*ter* of Legislative Decree No. 58 of February 24, 1998, adopted in the Italian Consolidated Law on Finance (hereafter 'CLF'); Article 84-*quater* of the Consob Issuers Regulations (Resolution No. 11971 of May 14, 1999 and subsequent amendments and additions) and the relative Annex 3A, tables No. 7-*bis* and 7-*ter*, as well as in compliance with the recommendations of the Corporate Governance Code for listed companies promulgated by the Italian Stock Exchange (hereafter 'Corporate Governance Code'), in

the last version approved in July 2018, to which Saipem subscribes¹. In keeping with the guidelines set out in the Company's Strategic Plan, the Remuneration Policy promotes alignment of the priority objective of value creation for the shareholders in the medium-long term with the interests of management.

This Report, in compliance with current legislative and regulatory obligations², has been prepared taking into consideration analyses and further details regarding the results of the Shareholders' Meeting vote, and the feedback received from the shareholders and the main Proxy Advisors on the Saipem 2018 Report, their 2019 Policy indications, as well as the results of the engagement activities with the Proxy Advisors and the market practices of the main listed companies.

(1) For more information on the terms of Saipem's adoption of the Corporate Governance Code, please refer to the 'Governance' section of the Company's website (<http://www.saipem.com>) and to the document 'Corporate Governance Report and Shareholding Structure 2018'.

(2) Article 123-*ter* of Italian Legislative Decree No. 58/1998 and Article 84-*quater* of the Consob Issuers Regulation (No. 11971 and subsequent amendments and additions).

OVERVIEW

This 2019 Remuneration Report defines and explains:

- A) in Section I, the Policy adopted by Saipem SpA ('Saipem' or the 'Company') for 2019 for the remuneration of Company Directors and Senior Managers with strategic responsibilities³, specifying the general aims pursued, the bodies involved and the procedures applied for the adoption and implementation of the Policy. The general principles and the Guidelines defined in the first section of this Report are also applied for the purposes of determining the remuneration policies of companies directly or indirectly controlled by Saipem;
- B) in Section II, the remuneration paid in 2018 to the Directors (with executive and non executive functions), Statutory Auditors and Senior Managers with strategic responsibilities of Saipem.

The two sections of the Report are preceded by a summary of the main information in order to supply the market and investors with an easy-to-read framework for understanding the key elements of the 2019 Policy.

The Report also shows the shares held in the Company by the Directors, Statutory Auditors and by Senior Managers with strategic responsibilities and contains information regarding the implementation in 2018 of the 2016-2018 Share-based Long-Term Variable Incentive Plan, in accordance with provisions in current regulations⁴.

The Report shall be submitted to the Borsa Italiana and shall be made available to the public at the Company's registered office and posted on Saipem's website twenty-one days before the Shareholders' Meeting called to approve the 2018 financial statements and to pass a non-binding resolution in favour or against the Section I of the Report, in accordance with applicable legislation⁵.

Information related to financial instrument-based compensation plans currently in force is available in the 'Governance' section of Saipem's website⁶.

2019 Remuneration Policy

The goal of Saipem's Remuneration Policy is to (i) attract, motivate and retain high profile, professional and managerial personnel, (ii) incentivise the achievement of strategic objectives and sustainable growth of the company, (iii) align the priority objective of value creation for the shareholders in the medium-long term with the interests of management, and (iv) promote the company's mission and values.

The 2019 Remuneration Policy provides, as the most significant new element with respect to 2018, for the review of the Long-Term Variable Incentive Plan established as an incentive for achievement of the strategic goals in the medium-long term, in line with the expectations of the investors.

The 2019 Remuneration Policy, illustrated in detail in Section I of this Report, prescribes the following:

- for non-executive Directors, the 2019 Remuneration Policy Guidelines reflect the resolutions taken by the Shareholders' Meeting on May 3, 2018 and do not envisage any changes with respect to the Policy approved the previous year;
- for the Chairman, the 2019 Remuneration Policy Guidelines envisage the maintenance of the compensation approved by the Board of Directors on June 28, 2018, increased with respect to the previous mandate;
- for non-executive Directors who are called to sit on the internal Board Committees, the 2019 Remuneration Policy Guidelines reflect the decisions resolved by the Board of Directors on June 28, 2018, and on July 24, 2018, increasing with respect to the previous mandate, in addition to the introduction of a supplementary compensation to be awarded to the most senior independent Director called upon to complete the Audit and Risk Committee with regard to the transactions with related parties, amounting to one-third of the annual remuneration contemplated for each member of the Audit and Risk Committee, without providing for any redefinition of compensation;

(3) The term 'Senior Managers with strategic responsibilities', as defined in Article 65, paragraph 1-*quater* of the Consob Issuers Regulation, refers to persons with direct or indirect powers or responsibilities of planning, coordination and control of the Company. Saipem Senior Managers with strategic responsibilities, other than Directors and Statutory Auditors, are those who sit on the Advisory Committee and, in any case, those that report directly to the Chief Executive Officer-CEO/the Chairman/the Board of Directors of Saipem SpA.

(4) Article 114-*bis* of the Consolidated Law on Finance and Article 84-*bis* of the Consob Issuers Regulation.

(5) Article 123-*ter*, paragraph 6 of Legislative Decree No. 58/1998.

(6) At: http://www.saipem.com/sites/SAIPEM_it_IT/area/GOVERNANCE-saipem-governance.page.

- for the Chief Executive Officer-CEO, the 2019 Remuneration Policy Guidelines provide for a compensation resolved by the Board of Directors on June 28, 2018 which is below the market median and increased with respect to the previous mandate. Provision has also been made for variable compensation intended to remunerate the performance achieved on an annual basis, in line with the predefined goals for the previous business year. The 2019 Guidelines also provide for reviewing the 2016-2018 Long-Term Variable Incentive Plan for the three-year period 2019-2021, with a view to including all managerial resources. The Plan also provides for participation in a Co-investment scheme in which 25% of the matured Shares may not be transferred and/or sold for a period of 24 months from the end of the Vesting period, after which Saipem will assign, in addition to the Shares subject to the additional Vesting period, a free Share for every Share invested. The Plan will be submitted for approval to the Shareholders at the Meeting convened to approve the financial statements relative to the business year ending December 31, 2018. The conditions of the Plan are therefore described in detail in the informative document made available to the public on the Company's website (www.saipem.com), implementing the

current legislation (Article 114-*bis* of Legislative Decree No. 58/1998 and the Consob regulation of implementation).

For further information on the characteristics of the Plan please refer to the section 'Long-Term Variable Incentive Schemes' of this Report;

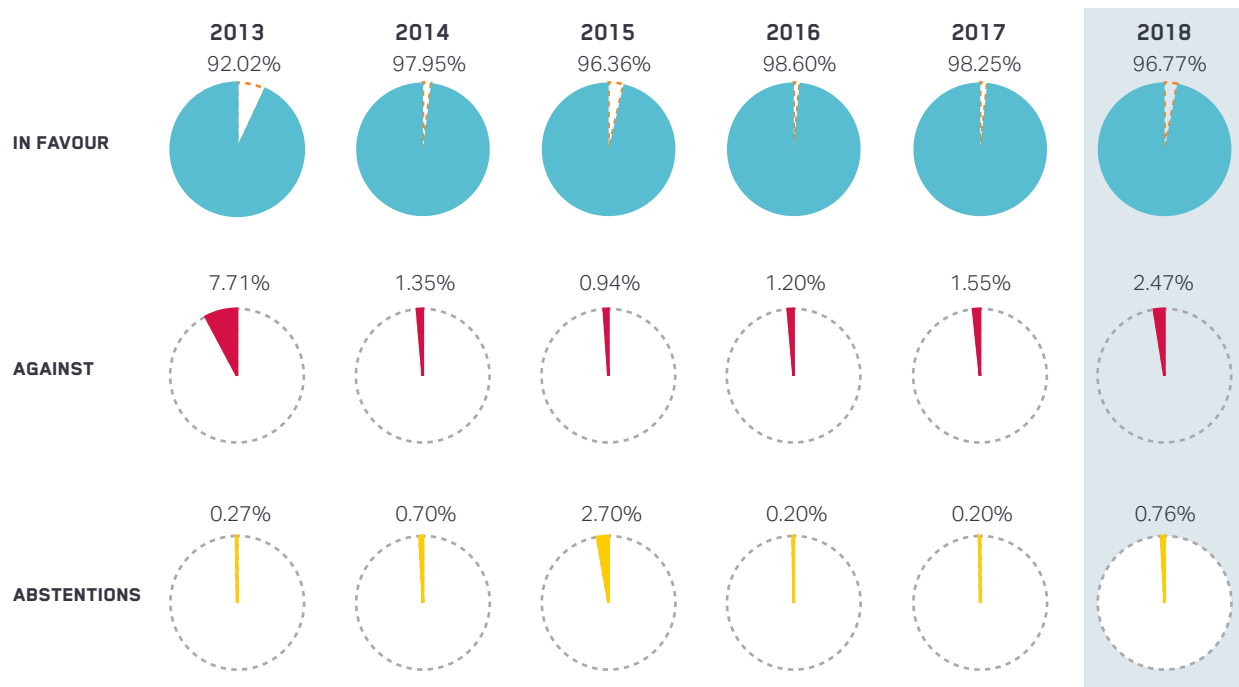
- for Senior Managers with strategic responsibilities, the 2019 Guidelines provide for the same payment instruments defined in 2018 in addition to the 2019-2021 Long-Term Variable Incentive Plan, as outlined above.

The table on the following page ('2019 Remuneration Policy') shows the main elements of the 2019 Guidelines approved for the remuneration of the Chief Executive Officer-CEO, as well as of Senior Managers with strategic responsibilities (SMSR).

2018 Remuneration Report Results of vote held at Shareholders' Meeting

The Shareholders' Meeting of May 3, 2018, in accordance with current legislation (Article 123-*ter*, paragraph 6 of Italian Legislative Decree No. 58/1998), voted on Section I of the 2018 Remuneration Report, with 96.77% of the votes in favour.

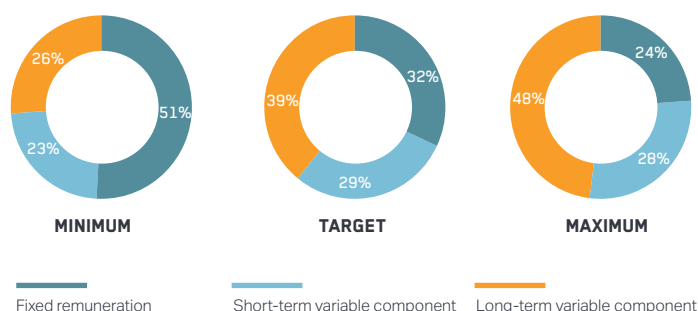
RESULTS OF VOTE



2019 REMUNERATION POLICY

Component	Aims and characteristics	Conditions for implementation	Amount
Fixed remuneration	Values skills, experience and the contribution requested by the role assigned.	Verifies compensation using benchmarks in line with the characteristics of Saipem and of the roles assigned.	CEO: €1,045,000 annually (below the market mean). SMSR: remuneration determined on the basis of the role assigned, with possible adjustments in relation to annual reviews of competitive positioning.
STI - Short-Term Variable Incentives	Promote the achievement of annual budget objectives. All managerial resources are included in the Plan.	2019 CEO objectives: Adjusted Free Cash Flow (weight 35%); Adjusted EBITDA (weight 30%); orders to be obtained (weight 20%); HSE, Risk Management and Sustainability (weight 15%). Incentives are paid in relation to the results obtained in the previous year, and calculated on the basis of a performance scale of 70÷130 points with a minimum threshold for an incentive equal to a Company performance of 75 points. SMSR objectives: broken down on the basis of objectives assigned to top management, in relation to the area of responsibility for the role covered. Incentives paid based on the results achieved in the previous year and evaluated on a performance scale of 70÷130 points with minimum threshold to receive the incentive set at 70 points for individual performance.	CEO Incentive levels: target set at 90% of the fixed remuneration; maximum of 117% of the fixed remuneration. SMSR Incentive levels: differentiated targets based on the role assigned; maximum of 58.5% of the fixed remuneration.
LTI - Long-Term Variable Incentive Plan (2019-2021 Plan)	Fosters the alignment of the shareholders' interests with the management goals and sustainability of value creation in the long term. All managerial resources are included in the Plan.	Free assignment of ordinary shares of Saipem SpA, differentiated by level of role on reaching the following performance conditions measured at the end of the three-year period: relative TSR measured in terms of relative positioning with respect to two peer groups: Engineering & Construction (weight 35%) and Drilling (weight 15%); Adjusted Net Financial Position (weight 25%); Adjusted ROAIC (weight 25%). Three-year Vesting + Co-investment of 2 years for the CEO. Three-year Vesting + Retention Premium of 2 years for strategic resources.	CEO incentive levels: target set at 100% of the fixed remuneration; maximum of 160% of the fixed remuneration. In addition to a further 25% of matured shares at the end of the Co-investment period. SMSR incentive levels: differentiated targets based on the role assigned up to a maximum of 65% of fixed remuneration; maximum of 104% of fixed remuneration. In addition to a further 25% of matured shares at the end of the Retention Premium period. The maximum value at the end of the vesting period shall not exceed four times the value of the shares at the moment they are assigned.
Benefits	These supplement the compensation package in a logic of total reward through benefits in kind, mainly of a health and social security nature. Recipients: all managerial resources.	CEO: same benefits reserved for the entire managerial population plus repayment of Rome-Milan travel expenses once a week if made. SMSR: conditions set out in the national collective bargaining contract and in supplementary company agreements applicable to resources with managerial qualifications.	- Supplementary pension fund; - Supplementary healthcare support; - Supplementary death and disability insurance coverage; - Company car for business and personal use.
Severance Payment and Minimum Term Agreement	Severance pay to protect the company from potential competition risks. Retention and protection tools for the Group's know-how.	CEO: all-inclusive indemnity in case of advance termination of the current mandate, except in case of dismissal for just cause and in case of resignation caused by demotion and change of control. Non-competition agreement. SMSR: <i>Severance pay</i> : agreed to upon consensual termination of employment; <i>Severance Payment</i> : cases of change of control which result in termination of employment due to resignation or dismissal and/or demotion. <i>Non-competition agreements</i> : activated upon termination of the employment relationship. <i>Minimum Term Agreement</i> to protect know-how.	CEO: indemnity in case of advance termination of position, resignation and change of control amounting to €1,800,000; non-competition agreement amounting to €1,800,000. SMSR: <i>Severance pay</i> : established by the collective labour agreement and internal policies. <i>Severance Payment</i> : maximum of two years' fixed remuneration. <i>Non-competition agreement</i> : 12 months' pay for every year of the agreement. <i>Minimum Term Agreement</i> : 12 months' pay for every year of the agreement.

PAY-MIX CEO

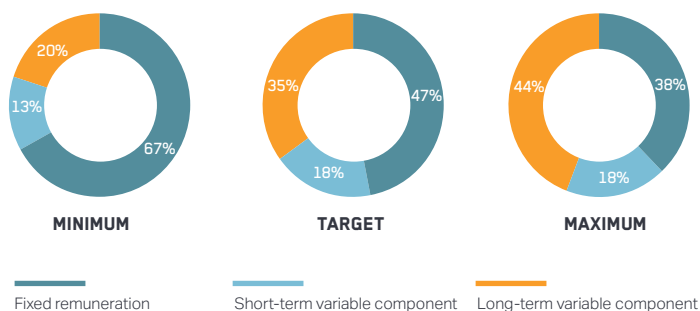


Pay-mix

The 2019 Remuneration Policy Guidelines set pay-mixes consonant with managerial roles, with a greater weight given to the variable component (in particular the long-term component) for positions that have a greater influence on company results, as shown in the pay-mix chart shown below, which was calculated considering the monetisation of short and long-term incentives in the hypothesis of both minimum and maximum results.

Risk mitigation factors	Scheduling	Page
Adjustments are in line with market references from internationally recognised providers.	SMSR: annual adjustments as part of the annual salary review.	Pages 14-15; 18
<p>Forecasts of diverse performance targets, predetermined, measurable and complementary, indicative of the company's annual performance, with forecasts of incentive gate conditions for issuing individual incentives.</p> <p>Definition of predetermined maximum incentive levels.</p> <p>Existence of a clawback mechanism that allows for the return of variable components of remuneration in cases of manifestly incorrect or maliciously altered data and violation of laws and regulations, the Code of Ethics or industry regulations.</p>	Payout in the year of final calculation of the total level reached relative to the annual objectives of the previous year.	Pages 15; 18-19
<p>A range of diverse performance objectives shall be considered, which are predetermined, ex post measurable and complementary, indicative of the company's performance, and also of its ability to pursue medium- and long-term economic-financial performance and generate levels of investment yield and value creation even greater than those of the main international competitors, guaranteeing better alignment with the interests of the shareholders in the medium and long term.</p> <p>Postponement of delivery of a significant portion of the matured shares for two years with respect to the end of the vesting period.</p> <p>Definition of a maximum corresponding value of shares permanently assignable at the end of the vesting period.</p> <p>Existence of a clawback mechanism that allows for return of assigned shares or non-assignment of shares subject to postponement in case of data clearly erroneous or maliciously altered, and of violations of laws and regulations, the Code of Ethics or company standards.</p>	<p>Allocation: annual.</p> <p>Vesting period: three years.</p> <p>Retention Premium/Co-investment period: further two years after the vesting period.</p>	Pages 16-17; 19-20
Existence of penalties for violating the non-competition agreement.	Assignment of a car for business and personal use, subject to periodical review in case of redefinition of the role assigned.	Pages 18; 20
Existence of penalties for violating the non-competition agreement.	May be implemented during the course of employment or upon termination of employment.	Pages 17-18; 20

PAY-MIX SMSR



SECTION I - 2019 REMUNERATION POLICY

Governance of the remuneration process

Bodies and persons involved

The Remuneration Policy for the Saipem Board of Directors is defined in accordance

with legislation and company regulations and the Saipem Governance model, which defines the bodies and persons involved as the following: Shareholders Meeting, Board of Directors and Compensation and Nomination Committee.

BODIES AND PERSONS INVOLVED

BODY	ROLE AND RELEVANT ACTIVITIES
Shareholders' Meeting	Establishes the compensation of the members of the Board of Directors and Statutory Auditors when they are appointed and for the whole of their term of office.
Board of Directors	<ol style="list-style-type: none"> 1. Establishes the remuneration of Directors assigned with special functions (Chairman and Chief Executive Officer-CEO) and for service on Board Committees, having consulted the Statutory Auditors. 2. Defines performance targets and the approval of results for performance plans used to establish the variable remuneration of the Chief Executive Officer-CEO. 3. Approves the general criteria for the remuneration of Senior Managers with strategic responsibilities. 4. Defines the remuneration of the Internal Audit Manager in accordance with the Company's remuneration policy and having consulted the Audit and Risk Committee and the Board of Statutory Auditors.
Compensation and Nomination Committee	Provides support to the Board of Directors by proposing and consulting on issues regarding compensation issues.

COMPENSATION AND NOMINATION COMMITTEE

NAME	ROLE
Paolo Fumagalli	Chairman
Federico Ferro-Luzzi	Member
Paul Schapira	Member

13 meetings in 2018; average duration: 1 hour and 40 minutes; average rate of attendance: 100%.

Saipem Compensation and Nomination Committee

Composition, appointment and powers

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

In accordance with the applicable legislation and the recommendations set out in the new version of the Corporate Governance Code, of three non-executive, independent directors. In line with the Corporate Governance Code (Article 6, paragraph 3) the Regulations also require that at least one member of the Committee has adequate knowledge and experience on financial and

compensation matters evaluated by the Board at the time of appointment.

The Committee, as of May 3, 2018, has the following non-executive and independent Directors: Paolo Fumagalli as Chairman, Federico Ferro-Luzzi and Paul Schapira.

The Corporate Human Resources Manager or, alternatively, the People Development, Recruitment and Compensation Manager, performs the role of Committee Secretary.

Role of the Committee

The Committee acts in a proposal and advisory role to the Board of Directors in line with the recommendations contained in the Corporate Governance Code (Article 6.P.4 and Article 6.P.5):

- submits the Remuneration Report and in particular the policy regarding the remuneration paid to the Directors and Senior Managers with strategic responsibilities to the Board of Directors for its approval prior to the report's presentation to the Shareholders' Meeting convened to approve the annual financial statements in accordance with the applicable legislation;
- makes proposals regarding the various forms of remuneration and pay of the Chairman and Executive Directors;
- makes proposals regarding the remuneration of the Directors appointed to the Committees formed by the Board;
- proposes, after examining the information provided by the Chief Executive Officer-CEO, the general criteria for the remuneration of Senior Managers with strategic responsibilities, the short and long-term incentive plans, including any share-based plans;
- proposes general criteria for the definition of the performance objectives and the approval of results of performance plans used to establish the variable remuneration of Directors vested with executive/special powers, taking into account the indications provided in this regard by the Chief Executive Officer-CEO;
- monitors the implementation of resolutions taken by the Board;
- periodically checks the adequacy, the overall consistency and the implementation of the Policy adopted, formulating proposals to the Board in this regard;
- suggests candidates for the role of Director to the Board if during the course of the financial year one or more Directorships become vacant (Article 2386, paragraph 1 of the Italian Civil Code), ensuring compliance with the regulations on the minimum number of independent Directors

and on the quotas reserved for the least represented gender;

- provides input for the Board regarding the appointment of Senior Managers and of the members of the Company's bodies whose appointment is the responsibility of the Board;
- reports to the Board on the tasks performed, at the board meeting indicated by the Chairman of the Board of Directors, at least twice yearly, and at any rate no later than the term for approval of the financial statements and the half-yearly report;
- through the Committee Chairman or another member designated by same, reports on the working procedures of its functions to the Shareholders' Meeting convened to approve the annual financial statements;
- on the proposal of the Chief Executive Officer-CEO, examines and evaluates the criteria governing the succession plan for senior managers with strategic responsibility of the Company.

Methods of implementation

The Committee meets as often as necessary to perform its duties, normally on the dates scheduled on the yearly calendar of meetings approved by the Committee itself and is quorate when at least the majority of its members in office are present and decides with the absolute majority of those in attendance. The Chairman of the Committee convenes and presides over the meetings. To fulfil its duties, the Committee has the right to access the necessary company information and departments and to avail of external advisors who do not find themselves in situations that could compromise the impartiality of their opinion, within the limits of the budget approved by the Board of Directors. On a yearly basis, the Committee drafts a budget that it submits to the Board of Directors for approval.

The Chairman of the Board of Statutory Auditors, or a Statutory Auditor designated by the Chairman, may attend Committee meetings. Furthermore, other Statutory Auditors may also participate when the Board is dealing with matters for which the Board of Directors is obliged in its resolution to take account of the opinion of the Board of Statutory Auditors. At the invitation of the Committee Chairman, other parties may attend the meetings to provide information and make assessments within their field of competence in relation to individual agenda items. No Director can take part in Committee meetings where proposals are being made to

the Board of Directors concerning his/her remuneration.

Activities of the Compensation and Nomination Committee

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

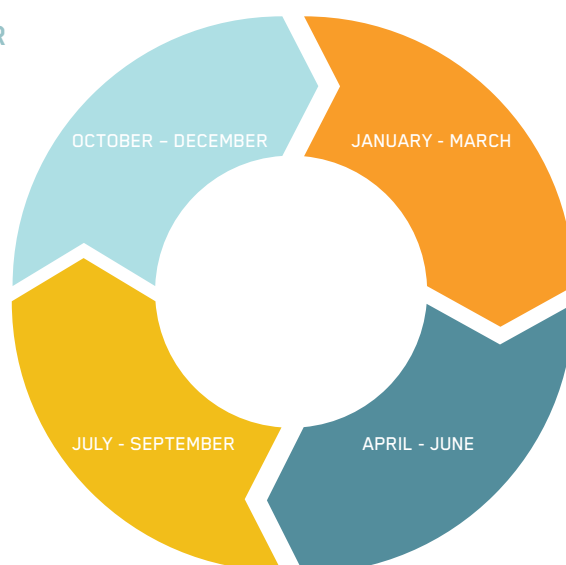
- periodic checks of the adequacy, the overall consistency and the implementation of the Policy adopted in the previous year in relation to the results achieved and the compensation/benchmarks supplied by specialised providers;
- definition of Policy proposals for the following year and of proposals regarding the performance targets connected with

- short and long-term incentive plans;
- definition of proposals regarding the implementation of the short and long-term variable incentive plans in place, based on an analysis of the results achieved and the performance objectives set under the plans;
- preparation of the Remuneration Report to be submitted every year to the Shareholders' Meeting subject to the approval of the Board of Directors;
- examination of the results of voting at the Shareholders' Meeting of the Policy approved by the Board;
- monitoring of developments in the regulatory framework and the voting policy of main proxy advisors, as part of the preliminary activities planned to support the policy proposals for the following year.

ACTIVITIES

OCTOBER - DECEMBER

- Implementation of Long-Term Variable Incentive Plan (LTI)



JULY - SEPTEMBER

- Analysis of results of voting on the Remuneration Policy at Shareholders' Meetings

JANUARY - MARCH

- Periodic evaluation of the policies adopted in the previous year
- Definition of the Remuneration Policy
- Analysis of results and definition of objectives for variable incentive plans
- Preparation of the Remuneration Report
- Implementation of Short-Term Variable Incentive Plan (STI)

APRIL - JUNE

- Presentation of the Remuneration Report to the Shareholders' Meeting

Activities carried out and planned

In 2018, the Committee convened on a total of 13 occasions, with an average member attendance of 100%. The Chairman of the Board of Statutory Auditors or a Statutory Auditor designated by the Chairman, took part in all the meetings which were duly recorded.

The Committee, with reference to only issues of compensation, specifically focused its activities on the table in the following page. The Committee has scheduled at least nine meetings in 2019. At the date of approval of this Report, the first five meetings had already been held. These focused on: (i) an assessment of the compensation policies implemented in 2018 with a view to defining a compensation policy proposal for 2019; (ii) final accounting of the 2018 company results and the definition of performance objectives for 2019 connected to variable

incentive plans; (iii) the definition of the short-term incentives for the Chief Executive Officer-CEO and the Internal Audit Director; (iv) a review of the 2019-2021 Share-based Long-Term Variable Incentive Plan (LTI) and of the relative informative Consob document. During the following meetings, in line with the defined annual activities, the results of the 2019 AGM season will be reviewed and the Long-Term Variable Incentive Plan for the Chief Executive Officer-CEO and managerial resources will be implemented. The Committee reports regularly, through its Chairman, to the Board of Directors and the Shareholders' Meeting convened to approve the annual financial statements on the performance of its duties, in accordance with its own Regulations, the recommendations of the Corporate Governance Code and with the aim of establishing a channel for dialogue with its shareholders and investors.

MAIN ISSUES DISCUSSED/DEALT WITH IN 2018

Month	Issues
January	1. Half-yearly Report of the Compensation and Nomination Committee (2 nd semester 2017).
	2. Proposal of Saipem 2018 indicator sheet.
	3. Assessment of the implementation of the 2017 Remuneration Policy.
	4. Proposal of 2018 Policy Guidelines.
February	1. Performance Indicators for 2018 Short- and Long-term Incentive Plans.
	2. Final accounting of Saipem's 2017 results.
	3. Review of the 2018 Remuneration Report (sections I and II).
	4. 2016-2018 Share-based Long-Term Incentive Plan 2018: Attribution and Approval of Chief Executive Officer-CEO Regulations.
	5. Proposed purchase of treasury shares at the service of the share-based long-term incentive plan.
March	1. Final accounting of 2017 results for purposes of the Incentive Plans.
	2. Definition of 2018 Annual Monetary Incentive for the Chief Executive Officer-CEO.
	3. Final formation of 2018 performance indicators for incentive plans.
April	1. Review of final accounting of Saipem's 2017 results for purposes of the incentive plans.
	2. Definition of the 2018 Annual Monetary Incentive for the Internal Audit Manager.
	3. Assessment of the exercise of the option right with regard to the non-competition Agreement in favour of the Chief Executive Officer-CEO.
	4. Preparation of Shareholders' Meeting.
May-June	1. Induction to the Compensation and Nomination Committee.
	2. Definition of compensation for the Chief Executive Officer-CEO, Chairman and Directors for their participation in the internal board meetings for the 2018-2021 mandate.
	3. Update of 2018 performance indicators.
	4. Compensation of the Internal Audit Manager.
	5. Regulations of Saipem's Compensation and Nomination Committee.
July	1. Half-yearly Report of the Compensation and Nomination Committee (1 st semester 2018).
	2. Share-based Long-Term Incentive Plan: Promise of Assignment for 2018 and approval of the relative regulations.
	3. Presentation of post-shareholders' meeting analysis of the voting results relative to the resolution on 2018 remuneration policies.
October-December	1. Analysis of the voting results of the 2018 Shareholders' Meeting season.
	2. Approval of the Budget of the Compensation and Nomination Committee.
	3. Proposal of 2019 indicators.
	4. Proposal of a new 2019-2021 Long-Term Incentive Plan.

2019 Remuneration Policy approval process

In accordance with its remit, the Committee defined the structure and contents of the Remuneration Policy for the purpose of preparing this Report in its meetings of February 15, February 26 and March 7, in accordance with the recent recommendations contained in the Corporate Governance Code.

In reaching its conclusions, the Committee took account of the results of periodic assessment of adequacy, overall consistency and concrete application of the 2018 Policy Guidelines, as well as the resolutions passed in relation to the remunerations by the Board of Directors and the Shareholders' Meeting.

The Saipem 2019 Remuneration Policy for the Chief Executive Officer-CEO and Senior Managers with strategic responsibilities was approved by the Board of Directors on March 11, 2019 at the proposal of the Compensation and Nomination Committee, together with this Report.

In order to prepare this Report, the Committee availed itself of remuneration benchmarks prepared by the independent international consulting company Korn Ferry Hay Group for the preliminary analysis aimed at preparing the 2019 Remuneration Policy proposals. Implementation of the compensation policies defined in accordance with the guidelines provided by the Board of Directors is done by the Chief Executive Officer-CEO, with the support of the Human Resources function.

Aims and general principles of the Remuneration Policy

Aims

The Saipem Remuneration Policy is defined in accordance with the governance model adopted by the Company and the recommendations included in the Corporate Governance Code, with the aim of attracting and retaining highly skilled professional and managerial resources and aligning the priority objective of value creation for the shareholders in the medium-long term with the interests of management.

The Saipem Remuneration Policy contributes to the achievement of the company mission and strategy by:

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

General principles

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

Remuneration of non-executive Directors

The compensation of non-executive Directors is commensurate with the commitment required for participating in Board Committees established according to the By-laws, with differentiation between the compensation prescribed for the Chairman compared to the members of each Committee, in consideration of the powers conferred to him, approved by the Board of Directors on May 3, 2018.

Unless otherwise resolved by the Shareholders' Meeting, non-executive Directors are excluded from variable incentive schemes, including share-based incentive plans.

Remuneration of the Chief Executive Officer-CEO and Senior Managers with strategic responsibilities

The remuneration structure for the Chief Executive Officer-CEO and for Senior Managers with strategic responsibilities should be a balanced mix of a fixed component commensurate with the powers and/or responsibilities assigned and a variable component with a maximum limit designed to link remuneration to targets that are actually achieved.

Consistency with market benchmarks

Overall consistency of remuneration compared with the applicable market benchmarks for similar positions or roles of a similar level of responsibility and complexity within a panel of companies comparable to Saipem, using specific benchmarks created with the support of international compensation data providers. The Senior Managers with strategic responsibilities were compared with similar positions in Italian industrial groups of comparable size to Saipem with a focus in the manufacturing, chemical, engineering and energy sectors and similar positions in the major European companies comparable to Saipem in terms of turnover and market capitalisation.

Variable remuneration

The variable remuneration of executive roles strongly influencing company results, characterised by a significant incidence of long-term incentive components through an adequate differentiation of incentives in a time frame of at least three years, in accordance with the medium-long term nature of the business pursued.

Predetermined, measurable and complementary targets

Objectives related to variable remuneration that are predetermined, measurable and complementary to each other, in order to represent the priorities for the overall performance of the Company and Divisions, in line with the Strategic Plan and with the expectations of shareholders and stakeholders, promoting a strong results-based orientation. These objectives are defined in order to ensure: (i) assessment of annual, Division and individual performance, based on a balanced score card defined in relation to the specific targets of the area of responsibility and in line with tasks assigned; (ii) definition of a Long-Term Variable Incentive Plan designed to enable an assessment of company performance both in absolute terms, with reference to the company's capacity to pursue in the medium-long term economic and financial performance, and in relative terms with respect to a peer group, for its capacity to generate levels of share performance and value creation that are superior to those of its

main international competitors and to guarantee greater alignment of shareholders' interests in the medium-long term.

Consistency with results achieved

Incentives linked with the variable remuneration paid following a scrupulous process of checking results actually achieved, assessing performance targets assigned net of the effects of exogenous variables, with a view to maximising the actual company performance arising from management action.

Benefits in line with market practices

Benefits, with a preference given to pension and insurance benefits, in line with market compensation benchmarks and compliant with local regulations to supplement and enhance the compensation package, reflecting roles and responsibilities assigned.

Clawback clauses to hedge risks of error and for significant violations

Adoption, through a specific Regulation approved by the Board of Directors, on the proposal of the Compensation and Nomination Committee, of clawback mechanisms that make it possible to request the repetition of variable components of the compensation already paid, or not to proceed with the final allocation of the Shares at the end of the vesting period or request the return of the corresponding value of the Shares already paid or to retain the corresponding value from the compensation due to the beneficiaries, where the maturation took place based on data that was later proven to be manifestly incorrect, or return of all incentives (or Shares/corresponding value) relating to the year (or years) with reference to which a fraudulent alteration of the data used to calculate the results was ascertained in order to achieve the right to the incentive and/or the commission of serious and intentional violations of laws and/or regulations, of the Code of Ethics or of company rules which are relevant to or imply an impact within the framework of the employment contract, affecting the related fiduciary relationship, in any case without prejudice to any action permitted by the law to protect the interests of the Company.

Terms and conditions for applying Clawback

The Regulation provides for revocation of allocating Shares or the recovery of the equivalent monetary value of the Shares or of Variable Monetary Incentives within a maximum of three years from the date of payment or award of Shares, whenever the incentives have been determined on the basis of data relating to the results and/or performance, which are subsequently revealed to be mistaken.

The Regulation also provides for the application of recovery measures within a maximum of five years from the corresponding issue or assigning for persons who are shown to be responsible for altering, due to misconduct or gross negligence, the data used to report results for assigned objectives in order to achieve the right to the incentive and/or in violation of laws and/or regulations, the Code of Ethics or company rules which are relevant to or imply an impact within the framework of the employment contract, and are of such significance as to compromise trust.

In such cases, following the outcome of audits carried out by the relevant company compliance and control functions regarding the existence of errors that impact the final results, the company must, subject to rectification of the data, review the results, and the relevant company bodies and functions must recalculate the incentives, which may lead to the possibility of total or partial recovery in relation to the results achieved and to the incentives due. Errors that do not impact the final determination of the incentive sum are to be considered of no importance.

Severance pay and non-competition agreements within pre-set limits and to safeguard interests

Any additional severance indemnities and non-competition clauses, for roles featuring greater competition risks, defined within a certain amount or a certain number of years or months of remuneration, in line with the remuneration received.

2019 Remuneration Policy Guidelines

The 2019 Remuneration Policy Guidelines provide, in the light of the evolution of the market scenario and new business challenges, for concentrating attention on the definition of the 2019 goals in line with the Company's Strategic Plan and on the review of the Long-Term Variable Incentive Plan for the Chief Executive Officer-CEO and for all the Senior Managers, with a view to strengthening the alignment of the shareholders' and management's interests in the medium-long term and fostering the retention of management. For the Chairman, the Chief Executive Officer-CEO and non-executive Directors, the 2019 Guidelines reflect the decisions resolved by the Board of Directors on June 28, 2018, following the renewal of the company bodies, on the basis of the Shareholders' Meeting resolutions of May 3, 2018, increased with respect to the previous mandate.

For Senior Managers with strategic responsibilities, the 2019 Guidelines confirm the structure of the compensation package envisaged in the 2018 Guidelines.

MARKET REFERENCES

ROLE	REMUNERATION DATA PROVIDERS	RATIONALE	BENCHMARK	
Chairman	Willis Towers Watson	Analogous roles in Italian and European companies comparable to Saipem in terms of turnover, capitalisation and governance model.	Italian companies Banco BPM ENEL Eni Leonardo Luxottica Poste Italiane Prysmian Salini Impregilo SNAM TIM UBI Banca	European companies Alstom Balfour Beatty Bilfinger Colas Eiffage Hochtief Petrofac Subsea 7 Technip FMC Wood Group
Non-executive Directors				
Chief Executive Officer-CEO	Willis Towers Watson	Similar roles in the main Italian companies, most of them in industrial sectors, with particular reference to those pertaining to the MEF perimeter and European companies comparable to Saipem for type of business.	Italian companies Atlantia Fincantieri Leonardo Maire Tecnimont Prysmian Salini Impregilo TIM	European companies Alstom Balfour Beatty Bilfinger Colas Eiffage Hochtief Petrofac Subsea 7 Technip FMC Wood Group
Senior Managers with strategic responsibilities	Korn Ferry Hay Group	Similar roles in Italian industrial groups comparable in size to Saipem, with a focus on the manufacturing, chemical, engineering and energy sectors. Analogous roles in the major European companies comparable to Saipem in terms of turnover and market capitalisation.		

SALARY PACKAGE

FIXED	Fixed remuneration
SHORT-TERM VARIABLE	Short-Term Variable Incentives (STI)
LONG-TERM VARIABLE	Share-based Long-Term Variable Incentives (LTI)
BENEFITS	Non-monetary benefits
ANCILLARY INSTRUMENT	Severance Payment; Minimum term agreement; Non-competition agreement

Chairman of the Board of Directors and non-executive Directors

Remuneration for the Chairman of the Board of Directors and for non-executive Directors reflects the resolutions taken by the Board of Directors on June 28, 2018.

Remuneration for the Chairman of the Board of Directors

The Policy Guidelines for the Chairman of the Board of Directors reflect the resolutions passed by the Board of Directors on June 28, 2018, which defined a fixed remuneration, increased with respect to the previous mandate, of €427,500, lower than the market median, inclusive of €60,000 remuneration for the office of Director resolved by the Shareholders' Meeting of May 3, 2018, to

which is added €28,500 as compensation for the role of Chairman of the Corporate Governance Committee and Scenarios.

Remuneration of non-executive Directors

The Shareholders' Meeting of May 3, 2018 set the gross annual remuneration for non-executive Directors at €60,000.

Additional compensation for serving on Board Committees

An additional annual compensation will continue to be paid out (and increased over the previous mandate) to non-executive Directors for service on Board Committees. The fees, resolved by the Board of Directors on June 28, 2018 are determined as follows:

- €42,500 for the Chairman of the Audit and Risk Committee and €33,500 for the other members. Additional compensation is also contemplated for the most senior independent Director called upon to complete the Audit and Risk Committee with regard to transactions with related parties, amounting to one-third of the annual remuneration provided for each member of the Audit and Risk Committee;
- €28,500 for the Chairman of the Compensation and Nomination Committee and €19,500 for the other members;
- €28,500 for the Chairman of the Corporate Governance Committee and Scenarios and €19,500 for other members.

Payment in the event of expiry of office or termination

For the Chairman and non-executive Directors, no payments are provided for in the event of expiry of term of office or early termination.

Benefits

There are no benefits for the Chairman and for non-executive Directors.

Chief Executive Officer-CEO

The Policy Guidelines for the Chief Executive Officer-CEO take into account the specific powers conferred in accordance with the Articles of Association, the instructions contained in the chapter 'Aims and general principles of the Remuneration Policy', as well as the remuneration levels and market best practices.

Fixed remuneration

The fixed remuneration reflects the decisions resolved by the Board of Directors on June 28, 2018; with regard to the mandates assigned; it covers both the compensation decided by the Shareholder Meeting for the Directors, and any compensation that might be due for participation on the Boards of Directors of subsidiaries or invested companies, and consists of an annual gross amount of €1,045,000, increased with respect to the previous mandate and below the market median. It should also be noted that no forms of extraordinary compensation are envisaged in favour of the Chief Executive Officer-CEO.

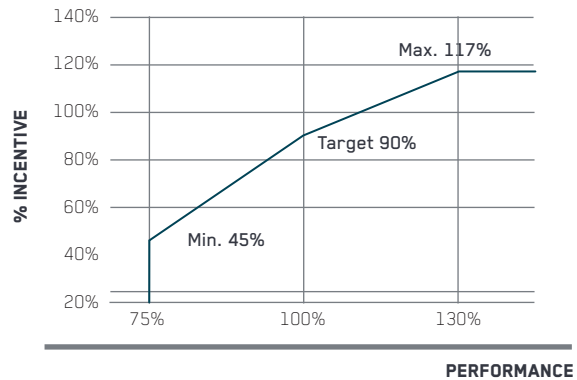
Short-term variable incentives

The 2019 Short-Term Variable Incentive Plan is associated with achievement of pre-set performance results for the previous year and each is measured according to a 70÷130 performance scale, in relation to the weight assigned to them (a performance below 70 points is considered zero). The threshold level of the overall performance for incentive pay-out purposes is 75 points.

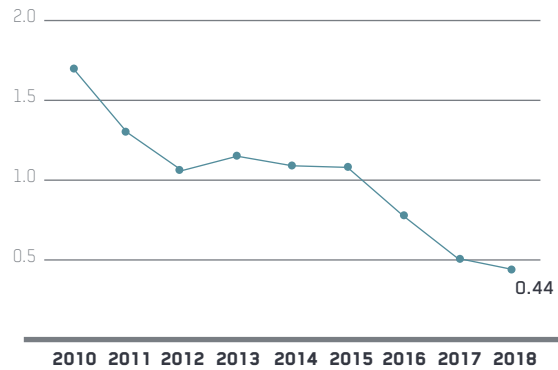
The Plan provides for compensation based on results achieved by Saipem in the previous year, measured on a performance scale consisting of a minimum performance level (75 points), a target performance level (100 points) and a maximum performance level (130 points), corresponding respectively to 45%, 90% and 117% of fixed remuneration. The 2019 targets resolved by the Board of

PERFORMANCE VS. EXPECTED TARGET	INCENTIVE (% FIXED REMUNERATION)
Minimum (75)	45%
Target (100)	90%
Maximum (130)	117%

INCENTIVE CURVE



TOTAL RECORDABLE INJURY FREQUENCY RATE



Directors on January 15, 2019 for the 2020 Short-Term Variable Incentive Plan are in line with the business model and strategic guidelines. The structure and weight of different objectives are represented in the table below.

2019 TARGETS FOR THE SHORT-TERM INCENTIVE PLAN

FINANCIAL TARGETS	STRATEGIC TARGETS	SUSTAINABILITY OBJECTIVES
Adjusted Free Cash Flow ⁽¹⁾ (weight 35%) Adjusted EBITDA ⁽¹⁾ (weight 30%)	New contracts (weight 20%)	HSE, Risk Management and Sustainability ⁽²⁾ - TRI (weight 5%) - Environment (weight 2.5%) - Human and Labour Rights (weight 2.5%) - Risk Management (weight 5%)

(1) The adjustment, for both the EBITDA and the FCF, refers to extraordinary, so-called 'non recurring' costs, listed in the Report.

(2) The goal of HSE, Risk Management and Sustainability focuses on issues of health, safety, the environment and Risk Management represented by indicators such as:

- TRI (Total Recordable Injury Frequency Rate): Injury Frequency Rate;
- Environment: targeting the reduction of direct and indirect emissions of CO₂, performance of studies and energy diagnoses aimed at analysing energy flows and identifying potential areas of efficiency, implementing specific initiatives of energy efficiency;
- Human & Labour Rights: working to strengthen the supplier audit system during execution of the contract;
- Risk Management: implementation of a model of performance assessment serving to mitigate Top Risks.

Long-term variable incentives

The new 2019-2021 Share-based Long-term Variable Incentive Plan (LTI) is intended for all the managerial resources with three annual allocations starting in October 2019. The Plan provides for the free assignment of ordinary Saipem Shares (performance Shares) subject to specific performance conditions measured at the end of the three-year reference period, after a thorough audit of the results effectively achieved by the Compensation and Nomination Committee, in support of the resolutions passed by the Board of Directors in this regard.

The Plan requires that the performance conditions be measured on the basis of the following parameters:

1. Total Shareholder Return (TSR) of the Saipem Share, measured on a three-year basis in terms of positioning relative to two

reference peer groups consisting of major international companies operating in the same sectors as Saipem (weight 50%):

- Engineering & Construction Peer Group (weight 35%): Petrofac, Tecnicas Reunidas, Technip FMC, Subsea 7 SA, Chiyoda, McDermott, Maire Tecnimont, Wood Group, JGC, Oceaneering, Sapura Energy, Worley Parson;
- Drilling Peer Group (weight 15%): Ensco, Helmerich & Payne, Nabors Industries, Seadrill Ltd, Transocean, Ensign Energy Services Inc, Diamond, Rowan, Noble Corp Plc, Patterson-Uti Energy Inc, Precision Drilling, Odfjell Drilling.

For the allocation of shares referred to TSR parameter, the positioning of Saipem must be at least equal to the seventh place (median) in both rankings relative to the two peer groups identified, as illustrated in the following tables.

MARKET-BASED INDICATOR: TOTAL SHAREHOLDER RETURN

RANKING TSR E&C (weight 35%)	MULTIPLIER	SHARE MATURATION
1 st place	160%	56%
2 nd place	145%	51%
3 rd place	130%	46%
4 th place	115%	40%
5 th place	100%	35%
6 th place	70%	25%
7 th place	40%	14%
8 th /13 th place	0%	0%

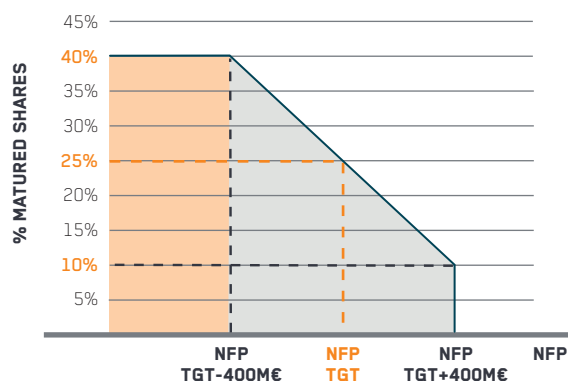
RANKING TSR DRILLING (weight 15%)	MULTIPLIER	SHARE MATURATION
1 st place	160%	24%
2 nd place	145%	22%
3 rd place	130%	20%
4 th place	115%	17%
5 th place	100%	15%
6 th place	70%	11%
7 th place	40%	6%
8 th /13 th place	0%	0%

2. Economic-financial objectives defined for each annual allocation of the Plan. For the first allocation the objectives are:

- 2.1 Adjusted Net Financial Position (NFP): objective that measures Saipem's

medium to long-term financial performance at the end of the three-year performance period (weight 25%);

BUSINESS-BASED INDICATOR: ADJUSTED NET FINANCIAL POSITION



RESULT (R)	MULTIPLIER	SHARE MATURATION
$R \leq \text{NFP TGT} - 400\text{M€}$	160%	40%
$\text{NFP TGT} - 400\text{M€} < R < \text{NFP TGT}$	lin. interp. between 160% and 100%	lin. interp. between 40% and 25%
$R = \text{NFP TGT}$	100%	25%
$\text{NFP TGT} < R < \text{NFP TGT} + 400\text{M€}$	lin. interp. between 100% and 40%	lin. interp. between 25% and 10%
$R = \text{NFP TGT} + 400\text{M€}$	40%	10%
$R > \text{NFP TGT} + 400\text{M€}$	0%	0%

- 2.2. Return on Average Invested Capital Adjusted (ROAIC): objective that measures the yield of capital invested by the company at the end of the

three-year performance period (weight 25%). In particular, the minimum and maximum values are set consistently with an EBITDA range of $\pm 10\%$ in the

three-year period 2019-2021 with respect to the objectives of the Strategic Plan.

**BUSINESS-BASED INDICATOR:
RETURN ON AVERAGE INVESTED
CAPITAL ADJUSTED**

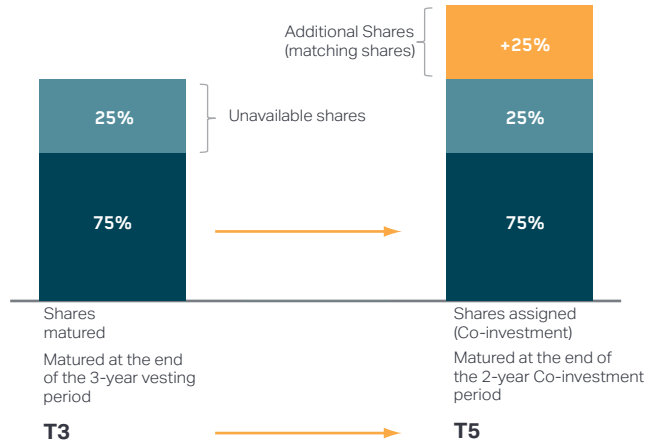
RESULT (R)	MULTIPLIER	SHARE MATURATION
R ≥ ROAIC Max	160%	40%
ROAIC TGT < R < ROAIC Max	lin. interp. between 160% and 100%	lin. interp. between 40% and 25%
R = ROAIC TGT	100%	25%
ROAIC TGT Min < R < ROAIC TGT	lin. interp. between 100% and 40%	lin. interp. between 25% and 10%
R = ROAIC Min	40%	10%
R < ROAIC Min	0%	0%

The performance conditions operate independently of each other. This means that, in the presence of an adequate performance in at least one of the objectives, a part of the award will mature regardless of the performance achieved in the other objectives. The achievement of the maximum result level for every performance condition leads to the assignment of 160% of the Shares allocated. In the event of performances below the minimum level, for each performance condition, no Shares will be issued. For the Chief Executive Officer-CEO, the incentive levels are equal to a target value of 100% and a maximum value of 160% of the fixed remuneration; the maximum value at the end of the vesting period may not exceed four times the value of the Shares at the time of allocation. In case of non-renewal of the mandate, the definitive assignment of the shares of each assignment will take place upon expiry of the relative vesting period,

PERFORMANCE AT THE END OF THE THREE-YEAR PERIOD	INCENTIVE (% FIXED REMUNERATION)
Minimum	40% (*)
Target	100%
Maximum	160%

(*) In case of achievement of the minimum performance level for all indicators.

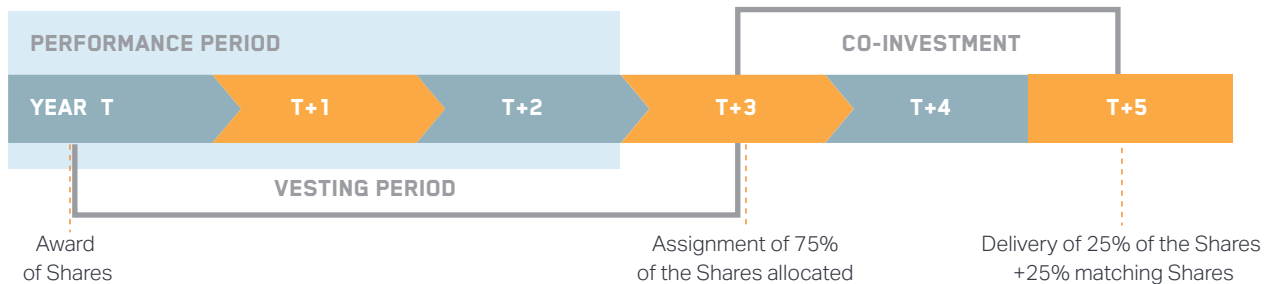
CO-INVESTMENT



according to the performance conditions set in the Plan.

With goal of aligning the interests of the shareholders in the medium-long term with the sustainability of the results achieved, for the Chief Executive Officer-CEO participation in a co-investment scheme has been envisaged, in which 25% of the matured Shares cannot be transferred and/or sold for a period of 24 months from the end of the vesting period, at the end of which Saipem will assign, in addition to the Shares subject to the additional Co-investment period, one free Saipem Share for every Share invested.

LONG-TERM INCENTIVE PLAN FOR CHIEF EXECUTIVE OFFICER-CEO - TIMELINE



Clawback clause

All short and long-term variable incentives include a clawback clause enabling the recovery of variable remuneration components found to have been paid out in error or as the result of

intentional misconduct by beneficiaries, according to the conditions, methods and terms of application described in the 'Aims and general principles of the Remuneration Policy' section of this Report (page 12).

Accessory remuneration instruments

The following payments are envisaged for the Chief Executive Officer-CEO, in line with the relevant practices and the provisions of the Recommendation of the European Commission No. 385 of April 30, 2009, and to protect the company from potential competition risks:

- a) Indemnities for advance termination of office.
 - For early termination of the 2018-2021 mandate, also in the case of resignations caused by essential reduction of mandates, in case of trade, transfer for a price or at no cost, and any other action of sale of Shares and debt instruments, in any denomination, which involves the change of the controlling shareholding in Saipem pursuant to Article 2359 of the Italian Civil Code (so-called 'change of control'), if this change leads to an essential demotion, an all-inclusive indemnity will be paid, in an agreed lump sum, pursuant to Article 2383, paragraph 3 of the Italian Civil Code, totalling €1,800,000. It should be noted that, in the event of resignation from the post of Chief Executive Officer-CEO, when this is not justified by demotion, said resignation must be communicated to the Board of Directors with 4 months' notice or, alternatively, the Chief Executive Officer-CEO must pay an indemnity of €350,000.
- b) Non-competition agreement.
 - Non-competition agreement, to protect the company's interests, in consideration of the high management profile of international standing in the Oil & Gas Services industry and the networks of institutional and business relationships built globally by the Chief Executive Officer-CEO. The non-competition agreement clause can be activated on termination of the mandate without renewal and regardless of the cause of termination. It provides for payment of a fee in recognition of the commitment undertaken by the Chief Executive Officer-CEO not to engage, for 18 months after termination of the mandate, in any activity in competition with that carried out by Saipem in relation to its company business and on the main reference markets at the international level; after the first 12 months, the Chief Executive Officer-CEO may withdraw from the non-competition agreement, waiving the fee allocated for the residual duration of the agreement (six months). The fee, decided by the Board of Directors on June 28, 2018 amounts to €1,800,000, of which €1,200,000 for the initial 12 months of duration of the agreement and €600,000 for the six months thereafter.

Any breach of the non-competition agreement will lead to non payment (or the restitution on the part of the payee, where the violation has come to Saipem's knowledge subsequent to payment), as well as the obligation to pay the damages consensually and conventionally determined in an amount equal to double the payment agreed, without prejudice to Saipem's faculty to request fulfilment of the agreement in a specific form.

Benefits

The Chief Executive Officer-CEO will receive the benefits reserved for the entire managerial population (supplementary pension fund, healthcare, insurance coverage, car for business and personal use) plus repayment of Rome-Milan travel expenses once a week if made.

Senior Managers with strategic responsibilities

Fixed remuneration

The fixed remuneration of Senior Managers with strategic responsibilities is set based on roles and responsibilities assigned, taking into account average levels of remuneration at other major Italian and international companies for roles of a similar level of managerial responsibility and complexity, and may be adjusted periodically in the framework of the annual salary review process which is carried out for all managers.

Taking into account the relevant context and current market trends, the 2019 Guidelines will employ selective criteria designed to ensure adequate levels of competitiveness and motivation: (i) the possibility of making adjustments to align fixed remuneration with the market median for resources that are particularly strategic for the achievement of company results, for those who have increased the perimeter of their responsibility or the level of coverage of their role, or who have highly critical skills with a high impact on business; (ii) the possibility of awarding very selective, special one-off bonus payments (up to a maximum of 25% of fixed remuneration) for excellent performances on key projects or in consideration of retention purposes.

Short-term variable incentives

The Short-Term Variable Incentive Plan envisages a remuneration calculated with reference to Saipem and individual performance results of the previous year and measured according to a 70÷130 performance scale (below 70 points the performance of each target is deemed to be zero), with a minimum individual incentive level of 70 points, below which no bonus is payable.

The incentive level is differentiated depending on the position held at target (performance = 100) and maximum (performance = 130), at target amounting to 45% and at maximum amounting to 58.5% of the fixed remuneration. The performance objectives of Senior Managers with strategic responsibilities are calculated on the basis of the objectives assigned to top management and focus on economic-financial performance, operations, internal efficiency and sustainability (especially health and safety, environmental protection, respect for human rights and labour, stakeholder relations and risk management), as well as in relation to the manager's area of responsibility for the role covered, in accordance with the Company Performance Plan.

Long-term variable incentives

Senior Managers with strategic responsibilities, in line with what is defined for the Chief Executive Officer-CEO, participate in the Long-Term Variable Incentive Plan approved by the Board of Directors on March 11, 2019, subject also to the approval of the Shareholders' Meeting. The 2019-2021 Long-Term Variable Incentive Plan (LTI), which includes all managerial resources, with three annual awards beginning in October 2019, encompasses the free allocation of ordinary Saipem Shares (performance Shares) against the achievement of performance conditions, related to the business objectives (measured over the three-year vesting period), and to the performance of the Saipem Share measured at the end of the three-year period of reference. The Plan requires that the performance conditions be measured on the basis of the following parameters:

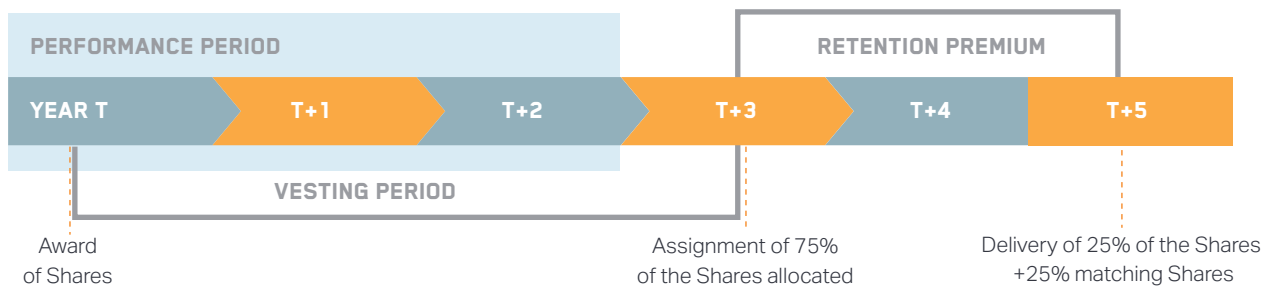
1. Total Shareholder Return (TSR) of the Saipem Share, measured on a three-year basis in terms of positioning relative to two reference peer groups consisting of major international companies operating in the same sectors as Saipem (weight 50%):
 - Engineering & Construction Peer Group (weight 35%): Petrofac, Tecnicas Reunidas, Technip FMC, Subsea 7 SA,

- Chiyoda, McDermott, Maire Tecnimont, Wood Group, JGC, Oceaneering, Sapura Energy, Worley Parson;
 - Drilling Peer Group (weight 15%): Ensco, Helmerich & Payne, Nabors Industries, Seadrill Ltd, Transocean, Ensign Energy Services Inc, Diamond, Rowan, Noble Corp Plc, Patterson-Uti Energy Inc, Precision Drilling, Odfjell Drilling.
2. Economic-financial objectives defined for each annual allocation of the Plan, with a weight of 50%. For the first allocation the objectives are:
 - 2.1 Adjusted Net Financial Position (NFP): objective that measures Saipem's medium to long-term financial performance at the end of the three-year reference period (weight 25%);
 - 2.2 Return on Average Invested Capital Adjusted (ROAIC): objective that measures the yield of capital invested by the company (weight: 25%).

For the allocation of shares referred to TSR parameter, the positioning of Saipem must be at least equal to the seventh place (median) in both rankings relative to the two peer groups identified, as illustrated in relation to the Chief Executive Officer-CEO.

The performance conditions operate independently of each other. This means that, in the presence of an adequate performance in at least one of the objectives, a part of the award will mature regardless of the performance achieved in the other objectives. The achievement of the maximum result level for every performance condition leads to the assignment of 160% of the Shares allocated. In the event of performances below the minimum level, for each performance condition, no Shares will be issued. For Senior Managers with strategic responsibilities, the incentive levels are equal to a target value of 65% and a maximum value of 104% of the fixed remuneration. The maximum value at the end of the vesting period may not exceed four times the value of the Shares at the time of allocation.

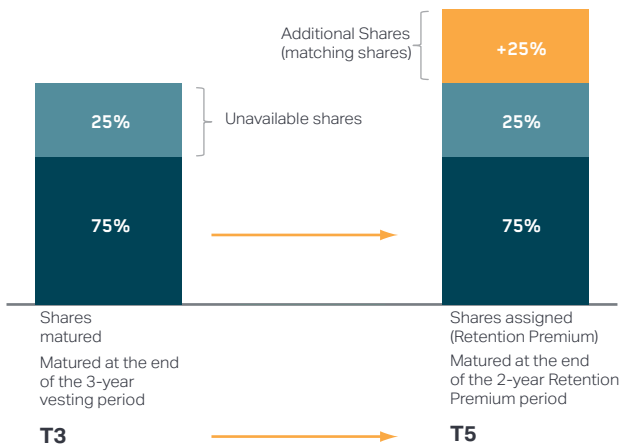
LONG-TERM INCENTIVE PLAN FOR SENIOR MANAGERS WITH STRATEGIC RESPONSIBILITIES - TIMELINE



The Plan further contemplates a Retention Premium of 25% of the Shares allocated, at the end of the three-year vesting period, based on achievement of the performance conditions mentioned above. For a period of two years, the beneficiaries may not dispose of 25% of the Shares allocated and, at the end of that period, for every Share invested, Saipem will assign an additional free Share as Retention Premium. The Retention Premium aims to strengthen further the alignment of interests between management and shareholders over the medium-long term and to act as leverage for the retention of management.

The Plan includes clauses designed to encourage retention of resources whereby, in the event of termination of the employment contract by mutual consent or assignment and/or loss of control by Saipem of the Company where the beneficiary of the Plan is employed during the vesting period, the beneficiary conserves the right to the incentive, which is reduced on a pro-rata basis in relation to the time elapsed between the award of the base incentive and the occurrence of the event. In the event of unilateral termination of employment, no assignment is made.

RETENTION PREMIUM



Clawback clause

The clawback clause is envisaged for Senior Managers with strategic responsibilities, and has the conditions, methods and terms of application described in the 'Aims and general principles of the Remuneration Policy' section on page 12 of this Report.

Accessory remuneration instruments

- a) Indemnities for termination of employment.
 - Senior Managers with strategic responsibilities, like all Saipem Senior Managers, receive the termination indemnity established in the National Collective Labour Agreement, as well as any supplementary indemnities that may be agreed on an individual basis upon termination in accordance with criteria set by Saipem and whose maximum amounts are established taking into account the entitlements already provided by the National Collective Labour Agreement for Senior Managers in the event of voluntary redundancy or early retirement. These criteria take account of the actual and pensionable age of the Senior Manager at the time the contract is terminated and his/her annual remuneration. In addition, severance payments up to a maximum of two years' fixed remuneration for a Change of Control resulting in resignation or termination and/or demotion may be established on the basis of individual termination indemnity agreements.
- b) Minimum Term Agreements.
 - Minimum term agreements may be prescribed to protect the know-how with the aim of guaranteeing continuity in achieving the business objectives for a maximum amount corresponding to 12 months of the global annual remuneration per year of the agreement.
- c) Non-competition agreements.
 - Specific remuneration may be envisaged for cases where the need is found to enter into non-competition agreements for a maximum amount corresponding to 12 months of the global annual remuneration per year of the agreement.

Benefits

In continuity with the remuneration policy implemented in 2018 and in accordance with the relevant collective labour agreement established at national level and supplementary agreements reached at company level for Saipem Senior Managers, Senior Managers with strategic responsibilities are granted membership of the supplementary pension fund (FOPDIRE⁷ or PREVINDAI⁸) and the Supplementary Healthcare Fund (FISDE⁹), death and disability insurance coverage and a company car for business and personal use.

(7) Closed pension fund operating on a defined contribution, individual account basis, www.fopdire.it.

(8) Pension fund established in the form of an association recognised with a public deed, with contribution defined as individual capitalisation. www.previndai.it.

(9) Healthcare fund providing reimbursement of medical expenses for working and retired Senior Managers and their family members, www.fisde-eni.it.

SECTION II - COMPENSATION AND OTHER INFORMATION

Implementation of 2018 remuneration policies

This section of the report provides a description of the remuneration policies implemented in 2018 for the Chairman of the Board of Directors, Non-executive Directors, the Chief Executive Officer-CEO and Senior Managers with strategic responsibilities. Implementation of the 2018 Remuneration Policy, according to what has been verified by the Compensation and Nomination Committee on the periodic evaluation envisaged by the Corporate Governance Code, was found to be in line with the 2018 Remuneration Policy approved by the Board of Directors on March 5, 2018, according to the provisions of the resolutions taken by the Board of Directors on May 3, 2018 and June 28, 2018, regarding the remuneration of non-executive Directors participating in Board Committees and the definition of the remuneration of the Chairman and the Chief Executive Officer-CEO. Based on the evaluation expressed by the Committee, the 2018 Policy is in line with the market benchmarks.

Fixed compensation

Directors

The Chairman received compensation for the office that was below the market median and higher than that for the previous mandate, by reason of the allocations provided for by the Board of Directors on June 28, 2018.

This compensation includes that for the office of Director approved by the Shareholders' Meeting on May 3, 2018. The Chairman was also paid the compensation for the post of Chairman of the Corporate Governance Committee and Scenarios.

The non-executive Directors were paid the fixed remuneration, in continuity with the previous mandate, resolved by the Shareholders' Meeting on May 3, 2018.

With reference to the Chief Executive Officer-CEO, the fee paid was higher than for the previous mandate and below the market median, resolved by the Board of Directors on June 28, 2018. This compensation includes the amount paid for the position of Director,

approved by the Shareholders' Meeting of May 3, 2018, in continuity with the previous mandate.

Senior Managers with strategic responsibilities

For Senior Managers with strategic responsibilities, as part of the annual salary review envisaged for all managers, in 2018 adjustments were made to the fixed remuneration for positions whose perimeter of responsibility has increased or are placed below the average market benchmarks. The sums for fixed remuneration and, as regards employment salaries, for indemnities covered under the national contract for senior managers and under supplementary company agreements, are specified in the relevant item of Table No. 1 of the chapter 'Remuneration paid in 2018'.

Compensation for service on Board Committees

Non-executive Directors were paid the additional remuneration due for service on Board Committees, according to the resolution of the Board of Directors dated June 28, 2018, increased with respect to the previous mandate and below the market median, according to the criterion of differentiation between the Chairman and other members.

Remuneration for service on Board Committees is shown in Table No. 1 of the section 'Compensation paid in 2018'.

Variable incentives

Short-Term Variable Incentive Plan

Saipem results for 2017, evaluated in terms of business continuity and approved by the Board of Directors at the proposal of the Compensation and Nomination Committee in the meeting held on March 5, 2018, generated a performance score equal to 90.8 points on the measurement scale used, which sets the minimum performance level at 70 points and the maximum level at 130 points. The table shows the weights and performance levels reached for each objective.

2017 TARGETS FOR THE 2018 INCENTIVE PLAN

	Weight		Minimum	Central	Maximum
1. Free Cash Flow	35%				✓
2. Adjusted EBIT	30%	✓			
3. Fit for the Future	25%				✓
4. QHSE & Sustainability	10%				✓

In accordance with the 2018 Remuneration Policy Guidelines, the performance score achieved did not allow for the activation of the annual monetary incentive system for the Chief Executive Officer-CEO.

For the purposes of the variable remuneration, as regards Senior Managers with strategic responsibilities, the annual variable incentive paid out in 2018, calculated in line with the Remuneration Policy, is connected to the company's results and the individual objectives assigned based on the responsibilities of the role, in line with the Saipem 2017 performance plan. For the purposes of the variable remuneration paid in 2018, the overall performance resulted in the payment of bonuses to the Senior Managers with strategic responsibilities, calculated with regard to the specific performances achieved depending on the levels of incentive applied, differentiated based on the position held, up to a maximum of 45.8% of the fixed remuneration, taking account of the target levels of incentive (40%) and maximum levels (52%) assigned.

The incentives awarded to the Senior Managers with strategic responsibilities are indicated under the item 'Non-equity variable compensation/bonuses and other incentives' in Table No. 1, and detailed in Table No. 3 of the section 'Compensation paid in 2018'.

Share-based Long-Term Variable Incentive Plan

In line with the 2018 Remuneration Policy Guidelines and contractual conditions relative to the 2015-2017 mandate connected with the office of Chief Executive Officer-CEO approved by the Board of Directors on June 15, 2015 and June 27, 2016, with regard to the 2016-2018 Share-based Long-Term Variable Incentive Plan, according to the criteria and methods defined by the Board of Directors on March 16, 2016 and approved by the Shareholders' Meeting on April 29, 2016, the Board of Directors resolved at its meeting

of March 5, 2018, the value of the number of Shares subject to the 2018 allocation in favour of the Chief Executive Officer-CEO to be €795,600, equal to 88.4% of the fixed remuneration. On July 24, 2018, the Board of Directors approved the number of Shares subject to the allocation resolved on March 5, 2018: 205,820 ordinary Shares of Saipem SpA.

In accordance with the 2018 Remuneration Policy Guidelines and the contractual conditions relating to the 2018-2021 mandate associated with the post of Chief Executive Officer-CEO approved by the Board of Directors on June 28, 2018, the Board of Directors decided at the meeting of July 24, 2018 on 413,610 ordinary Shares in Saipem SpA as the number of Shares subject to the 2018 allocation to the Chief Executive Officer-CEO. This forms part of the 2016-2018 Share-based Long-Term Variable Incentive Plan, according to the criteria and methods defined by the Board of Directors on March 16, 2016 and approved by the Shareholders' Meeting of April 29, 2016.

For Senior Managers with strategic responsibilities the promised 2018 allocation of 962,300 Shares was made, within the sphere of the maximum incentive levels attributed by the Plan for Saipem management.

The number of Saipem Shares to be allocated to each beneficiary is determined on the basis of a value equal to a predefined percentage of the fixed remuneration or of the average of the fixed remuneration connected to the role covered and with respect to the price of allocation of the Saipem Shares.

The Shares subject to the allocation to the Chief Executive Officer-CEO and the Senior Managers with strategic responsibilities are reported in Table No. 1 of scheme 7 of Annex 3A of Regulation No. 11971/1999, according to the requirements of Article 84-bis (Annex 3A, scheme 7) of the Consob Issuers Regulation, with the associated detail in Table No. 3A of the section 'Compensation paid in 2018'.

Benefits

Table No. 1 of the chapter 'Compensation paid in 2018' shows the taxable value of benefits paid in 2018, in particular with reference to the following benefits: (i) annual contribution to the supplementary pension fund FOPDIRE; (ii) annual contribution to the supplementary healthcare fund FISDE; (iii) assignment of a company car for business and personal use (the annual value stated is exclusive of the contribution paid by the assignee); (iv) amount payable for the weekly return flights between Milan and Rome (only for the Chief Executive Officer-CEO).

Accessory remuneration instruments

Indemnities for termination of office or termination of employment

During 2018, indemnities for termination of employment were paid to Senior Managers with strategic responsibilities for a total of €3,650,000 gross, including the severances established by the National Collective Labour Agreement of reference and the notice allowance. These additional indemnities, agreed individually on termination of employment, were defined in line with the criteria set by Saipem internal policies, whose maximum amounts are established taking into account the entitlements already provided for by the National Collective Labour Agreement

for Senior Managers. The criteria take account of the actual age of the Senior Manager at the time the contract is terminated and his/her annual remuneration.

Minimum Term Agreements

For the Senior Managers with strategic responsibilities, in line with the 2018 Remuneration Policy Guidelines, minimum term agreements may be required to protect the know-how with the goal of guaranteeing continuity in the achievement of business objectives for a maximum amount corresponding to 12 months of the global annual remuneration per year of the agreement.

In 2018, the total amount of €100,000 was paid for minimum term agreements.

Compensation paid in 2018

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

The following table shows remuneration paid to Directors and Statutory Auditors, who are listed by name, and remuneration paid to other Senior Managers with strategic responsibilities¹⁰, which is shown on an aggregated basis. Separate indication is supplied for compensation received from subsidiaries and/or associated companies, not including those renounced or paid into the Company. All persons who held the above-mentioned positions during the year are included in the table, even if they only held such office for a part of the year.

In particular:

- the column 'Fixed compensation' shows fixed emoluments and remuneration for employed work due for the year.

The amounts shown are gross before deductions for social security and tax payable by the employee. They do not include attendance fees. The footnote provides details of compensation, as well as a separate indication of any allowances and other entitlements related to employment;

- the column 'Compensation for participation in Committees' shows compensation pertaining to the year paid to Directors for participation in Committees created by the Board. The footnote provides a separate indication of remuneration for each Committee on which the Director sits;
- the item 'Bonuses and other incentives' in the column 'Non-equity variable

compensation' shows incentives paid during the year as a result of rights maturing following checking and approval of performance results by the relevant Company Bodies as detailed in Table No. 3B 'Monetary incentives plan for Directors and Senior Managers with strategic responsibilities'. In addition, the very selective extraordinary one-off payments provided in consideration of excellent performance on projects of particular relevance or in consideration of retention needs. The column 'Profit sharing' is empty because there are no profit sharing schemes in place;

- the column 'Non-monetary benefits' shows the taxable value of benefits paid in 2011;
- the column 'Other compensation' shows any other compensation paid pertaining to the year and relating to other services performed;
- the column 'Total' shows the total of the preceding items;
- the column 'Fair value of equity compensation' shows the fair value for the year of stock grant plans in place as estimated in accordance with International Financial Reporting Standards which require costs to be distributed over the vesting period, as further detailed in Table No. 3A, 'Incentive plans based on financial instruments other than stock options payable to Directors and to other Senior Managers with strategic responsibilities';
- the column 'Indemnities for termination of office or employment' show indemnities accrued, including indemnities not yet paid, in relation to termination of office or employment.

(10) There is no current legal requirement for disclosure on an individual basis.

Table 1: Compensation paid to members of management and control bodies and Senior Managers with strategic responsibilities

(€ thousand)

Name and Surname	Office held	Period of office	Expiry of term ^(*)	Fixed compensation	Compensation for participation in Committees	Non-equity variable compensation				Total	Fair value of equity compensation	Indemnities for termination of office or employment
						Bonuses and other incentives	Profit sharing	Non-monetary benefits	Other compensation			
Board of Directors												
Colombo Paolo Andrea	Chairman ⁽¹⁾	01.01-03.05		95 ^(a)	7 ^(b)					102		
Caio Francesco	Chairman ⁽²⁾	03.05-31.12	2021	285 ^(a)	19 ^(b)					304		
Cao Stefano	Chief Executive Officer-CEO ⁽³⁾	01.01-31.12	2021	996 ^(a)		491 ^(b)		27 ^(c)		1,514	1,045	
Cappello Maria Elena	Director ⁽⁴⁾	01.01-31.12	2021	60 ^(a)	20 ^(b)					80		
Ferrucci Francesco Antonio	Director ⁽⁵⁾	01.01-03.05		21 ^(a)	10 ^(b)					31		
Mazzarella Flavia	Director ⁽⁶⁾	01.01-03.05		21 ^(a)	8 ^(b)					29		
Guzzetti Guido	Director ⁽⁷⁾	01.01-03.05		21 ^(a)	8 ^(b)					29		
Picchi Nicla	Director ⁽⁸⁾	01.01-03.05		21 ^(a)	10 ^(b)					31		
Schapira Paul	Director ⁽⁹⁾	03.05-31.12	2021	40 ^(a)	35 ^(b)					75		
Carloni Claudia	Director ⁽¹⁰⁾	03.05-31.12	2021	40 ^(a)	13 ^(b)					53		
Fumagalli Paolo	Director ⁽¹¹⁾	03.05-31.12	2021	40 ^(a)	19 ^(b)					59		
Mazzilli Ines Maria Lina	Director ⁽¹²⁾	03.05-31.12	2021	40 ^(a)	28 ^(b)					68		
Ferro-Luzzi Federico	Director ⁽¹³⁾	01.01-31.12	2021	60 ^(a)	31 ^(b)					91		
Pattofatto Leone	Director ⁽¹⁴⁾	01.01-04.10		46 ^(a)	19 ^(b)					65		
Latini Pierfrancesco	Director ⁽¹⁵⁾	05.12-31.12	2021	4 ^(a)	2 ^(b)					7		
Board of Statutory Auditors												
Busso Mario	Chairman ⁽¹⁶⁾	01.01-31.12	2020	70 ^(a)						70		
De Martino Giulia	Statutory Auditor ⁽¹⁷⁾	01.01-31.12	2020	50 ^(a)						50		
Perotta Riccardo	Statutory Auditor ⁽¹⁸⁾	01.01-31.12	2020	50 ^(a)						50		
Senior Managers with strategic responsibilities ^(**)												
				4,756 ^(a)		1,745 ^(b)		152 ^(c)	649 ^(d)	7,302	2,161	3,650 ^(e)
				6,716	229	2,236		179	649	10,010	3,206	3,650

(*) Term of office of directors appointed by Shareholders' Meeting on May 3, 2018 expires at Shareholders' Meeting convened to approve the financial statements at December 31, 2020.

(**) The term "Senior Managers with strategic responsibilities", as defined in Article 65, paragraph 1-*quater* of the Consob Issuers Regulation, refers to persons with direct or indirect powers or responsibilities of planning, coordination and control of the Company. Saipem Senior Managers with strategic responsibilities, other than Directors and Statutory Auditors, are those who sit on the Advisory Committee and, in any case, those that report directly to the Chief Executive Officer-CEO/the Chairman/the Board of Directors of Saipem SpA (seventeen directors).

(1) Colombo Paolo Andrea - Chairman

(a) Corresponds to the pro-rata fixed compensation approved by the Board of Directors' Meeting of June 15, 2015 (€278,000) which includes the compensation for the office of Director (€60,000).

(b) The amount corresponds to the pro-rata compensation as President of the Corporate Governance Committee and Scenarios (€20,000).

(2) Caio Francesco - Chairman

(a) Includes the fixed compensation set by the Board of Directors' Meeting of June 28, 2018 (€427,500) which includes the compensation for the office of Director as established by the Shareholders' Meeting of May 3, 2018 (€60,000).

(b) The amount corresponds to compensation as President of the Corporate Governance Committee and Scenarios (€28,500).

(3) Cao Stefano - Chief Executive Officer-CEO

(a) The amount corresponds to the pro-rata fixed compensation for the 2015-2017 mandate approved by the Board on June 15, 2015 (€900,000) which includes the base salary as Chief Executive Officer-CEO as established by the Shareholders' Meeting (€60,000) to which the pro-rata fixed compensation is added for the 2018-2021 mandate approved by the Board of Directors' Meeting of June 28, 2018 (€1,045,000) which includes the base salary as Chief Executive Officer-CEO as established by the Shareholders' Meeting (€60,000).

(b) The amount corresponds to the compensation related to the 2018 annual monetary incentive for performance in 2017.

(c) The amount includes the valuation of automobile benefits, supplemental health insurance paid by the company and the taxable amount for weekly round trip flights between Milan and Rome.

(4) Cappello Maria Elena - Director

(a) The amount corresponds to the fixed Board meeting fees (€60,000).

(b) The amount corresponds to pro-rata compensation for the role of President of the Compensation and Nomination Committee (€20,000), approved by the Board of Directors' Meeting of June 15, 2015, to which the compensation for serving on the Corporate Governance Committee and Scenarios (€19,500), approved by the Board of Directors' Meeting of June 28, 2018.

(5) Ferrucci Francesco Antonio - Director

(a) The amount corresponds to the pro-rata fixed Board meeting fees (€60,000).

(b) The amount corresponds to the pro-rata compensation, approved by the Board of Directors' Meeting of June 15, 2015 for serving on the Compensation and Nomination Committee (€15,000) and the Corporate Governance Committee and Scenarios (€15,000).

(6) Mazzarella Flavia - Director

(a) The amount corresponds to the pro-rata fixed Board meeting fees (€60,000).

(b) The amount corresponds to the pro-rata compensation for serving on the Audit and Risk Committee (€24,000), approved by the Board on June 15, 2015.

(7) Guzzetti Guido - Director

(a) The amount corresponds to the pro-rata fixed Board meeting fees (€60,000).

(b) The amount corresponds to the pro-rata compensation for serving on the Audit and Risk Committee (€24,000), approved by the Board on June 15, 2015.

(8) Picchi Nicla - Director

(a) The amount corresponds to the pro-rata fixed Board meeting fees (€60,000).

(b) The amount corresponds to the pro-rata compensation for the role of President of the Audit and Risk Committee (€30,000), approved by the Board on June 15, 2015.

(9) Schapira Paul - Director

(a) The amount corresponds to the pro-rata fixed Board meeting fees (€60,000).

(b) The amount corresponds to compensation for serving on the Compensation and Nomination Committee (€19,500) and the Audit and Risk Committee (€33,500) approved by the Board on June 28, 2018.

(10) Carloni Claudia - Director

(a) The amount corresponds to the pro-rata fixed Board meeting fees (€60,000).

(b) The amount corresponds to the pro-rata compensation for serving on the Corporate Governance Committee and Scenarios (€19,500), approved by the Board on June 28, 2018.

(11) Fumagalli Paolo - Director

(a) The amount corresponds to the pro-rata fixed Board meeting fees (€60,000).

(b) The amount corresponds to the pro-rata compensation for the role of President of the Compensation and Nomination Committee (€28,500), approved by the Board on June 28, 2018.

(12) Mazzilli Ines Maria Lina - Director

(a) The amount corresponds to the pro-rata fixed Board meeting fees (€60,000).

(b) The amount corresponds to the pro-rata compensation for the role of President of the Audit and Risk Committee (€42,500), approved by the Board on June 28, 2018.

(13) Federico Ferro-Luzzi - Director

(a) The amount corresponds to the fixed Board meeting fees (€60,000).

(b) The amount corresponds to the pro-rata compensation:

- for serving on the Compensation and Nomination Committee (€15,000), approved by the Board on June 15, 2015;

- for serving on the Compensation and Nomination Committee (€19,500), approved by the Board on June 28, 2018;

- for serving on the Corporate Governance Committee and Scenarios (€19,500), approved by the Board on June 28, 2018.

(14) Leone Pattofatto - Director

(a) The amount corresponds to the pro-rata fixed Board meeting fees (€60,000).

(b) The amount corresponds to the pro-rata compensation for serving on the Corporate Governance Committee and Scenarios (€15,000) and the Audit and Risk Committee (€24,000) approved by the Board on June 15, 2015.

(15) Latini Pierfrancesco - Director

(a) The amount corresponds to the pro-rata fixed Board meeting fees (€60,000).

(b) The amount corresponds to the pro-rata compensation for serving on the Audit and Risk Committee (€33,500), approved by the Board on June 28, 2018.

(16) Busso Mario - Chairman of the Board of Statutory Auditors

(a) The amount corresponds to the fixed Board meeting fees (€70,000).

(17) De Martino Giulia - Statutory Auditor

(a) The amount corresponds to the fixed Board meeting fees (€50,000).

(18) Perotta Riccardo - Statutory Auditor

(a) The amount corresponds to the fixed Board meeting fees (€50,000).

(19) Senior Managers with strategic responsibilities

(a) To the amount of €4,756,000 for gross annual compensation allowances for assignments in Italy and overseas can be added that are in line with the national contract for senior managers and with supplementary company agreements, for a total amount of €39,100.

(b) The amount includes the 2018 annual monetary incentive of €1,430,500 for performance in 2017, the issue of €149,700 in deferred monetary incentives allocated in 2015 and the issue of €165,100 regarding long-term incentives allocated in 2015.

(c) The amount includes the valuation of automobile benefits and supplementary health insurance paid by the company.

(d) The amount includes paid holiday leave and the minimum term agreement.

(e) The amount includes severance pay and employee termination indemnity payment.

Table 3A - Incentive plans based on financial instruments other than stock options payable to Directors and to other Senior Managers with strategic responsibilities

The following table shows, on an individual basis, long-term variable monetary incentives based on financial Instruments other than stock options payable to the Chief Executive Officer-CEO and, as an aggregated figure, to Senior Managers with strategic responsibilities. In particular:

- the column 'Number and type of financial instruments' indicates the number of free Shares allocated during the year, in

implementation of the Share-based Long-Term Incentive Plans;

- the column 'Fair value at date of award' shows the total fair value of stock grant plans in place at the date of allocation;
- the column 'Vesting period' shows the vesting period for long-term monetary incentives awarded during the year;
- the column 'Fair value pertaining for the year' shows the fair value of stock grant plans in place as estimated in accordance with International Financial Reporting Standards which require costs to be distributed over the vesting period.

The total of the column 'Fair value pertaining for the year' corresponds with the amount indicated in Table No. 1.

Table 3A - Incentive plans based on financial instruments other than stock options payable to Directors and to other Senior Managers with strategic responsibilities

Name and surname		Office held	Plan	Financial Instruments allocated in previous years not vested during the year		Financial instruments allocated during the year				Financial instruments vested but not allocated during the year	Financial instruments vested and allocated during the year	Financial instruments pertaining to the year
				Number and type of financial instruments	Vesting period	Number and type of financial instruments	Fair value at date of award	Vesting period	Award date	Market price on allocation	Number and type of financial instruments	Number and type of financial instruments
Stefano Cao	Chief Executive Officer-CEO	2018 Long-Term Incentive Plan	BoD, July 24, 2018			205,820	550	three-year ⁽²⁾	March 5, 2018	3.28		151
						413,610	1,414	three-year ⁽²⁾	July 24, 2018	4.11		206
		2017 Long-Term Incentive Plan	BoD, July 24, 2017	397,500	three-year ⁽²⁾							353
		2016 Long-Term Incentive Plan	BoD, July 27, 2016	365,349	three-year ⁽²⁾							335
Senior Managers with strategic responsibilities ⁽¹⁾		2018 Long-Term Incentive Plan	BoD, July 24, 2018			962,300	4,110	three-year ⁽³⁾	July 24, 2018	4.11		487
						2017 Long-Term Incentive Plan	BoD, July 24, 2017	852,100	three-year ⁽³⁾			275,090
		2016 Long-Term Incentive Plan	BoD, July 27, 2016	579,189	three-year ⁽³⁾			222,048	46,520	201	733	
Total						1,581,730	6,074					3,206

(1) The term "Senior Managers with strategic responsibilities", as defined in Article 65, paragraph 1-*quater* of the Consob Issuers Regulation, refers to persons with direct or indirect powers or responsibilities of planning, coordination and control of the Company. Saipem Senior Managers with strategic responsibilities, other than Directors and Statutory Auditors, are those who sit on the Advisory Committee and, in any case, those that report directly to the Chief Executive Officer-CEO/the Chairman/the Board of Directors of Saipem SpA (eleven directors).

(2) At the end of the vesting period the plan requires that 25% of the matured shares be subject to a lock-up period of two years.

(3) At the end of the vesting period the plan requires that the strategic resources invest 25% of the matured shares for a further two years (co-investment period), at the end of which the beneficiaries will receive a free share for every share invested.

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

The following table shows, on an individual basis, the short and long-term variable monetary incentives payable to the Chief Executive Officer-CEO and (as an aggregated figure) to Senior Managers with strategic responsibilities. All persons who held the above-mentioned positions during the reporting period are included in the table, even if they only held such office for a part of the year.

In particular:

- the column 'Bonuses for the year - to be paid out/paid out' shows the short-term variable incentive paid out on the basis of performance, as evaluated by the competent company bodies in relation to the targets set for the previous year;
- the column 'Bonuses from previous years - no longer payable' shows long-term incentives which can no longer be paid out on due to the performance recorded during the vesting period or to portions of

incentives which have been cancelled in connection with events relating to the employment contract pursuant to the Plan Rules;

- the column 'Bonuses from previous years - to be paid out/paid out' shows long-term incentives paid out on during the year that were earned due to the performance recorded during the vesting period or to portions of incentives which were paid out on in connection with events relating to the employment contract pursuant to the Plan Rules;
- the column 'Bonuses from previous years - still deferred' shows incentives awarded in previous years as part of long-term incentives that have not yet vested;
- the column 'Other bonuses' shows incentives paid out on an extraordinary one-off basis in relation to the achievement of particularly important results or projects during the year.

The total of the columns 'Bonuses for the year - to be paid out/paid out', and 'Other bonuses' corresponds to the figure show in column 'Bonuses and other incentives' of Table No. 1.

Table 3B - Monetary incentives paid to directors and other Senior Managers with strategic responsibilities

(€ thousand)

Name and surname	Office held	Plan	Bonuses for the year			Bonuses from previous years			Other bonuses
			To be paid out/ paid out	Deferred	Deferral period	No longer payable	To be paid out/ paid out	Still deferred	
Stefano Cao	Chief Executive Officer -CEO	2018 Annual Monetary Incentive Plan BoD, March 5, 2018	491						
		2015 Long-Term Monetary Incentive Plan BoD, October 12, 2015				450			
Senior Managers with strategic responsibilities ⁽¹⁾		2018 Annual Monetary Incentive Plan BoD, March 5, 2018	1,431						
		2015 Deferred Monetary Incentive Plan BoD, July 28, 2015				727	150 ⁽²⁾		
		2015 Long-Term Monetary Incentive Plan BoD, October 12, 2015				767	165 ⁽³⁾		
Total			1,922			1,944	315		

(1) The term "Senior Managers with strategic responsibilities", as defined in Article 65, paragraph 1-*quater* of the Consob Issuers Regulation, refers to persons with direct or indirect powers or responsibilities of planning, coordination and control of the Company. Saipem Senior Managers with strategic responsibilities, other than Directors and Statutory Auditors, are those who sit on the Advisory Committee and, in any case, those that report directly to the Chief Executive Officer-CEO/the Chairman/the Board of Directors of Saipem SpA (seventeen directors).

(2) Payout of deferred monetary incentive awarded in 2015 by Eni and severance payments.

(3) Payout of long-term monetary incentive awarded in 2015 by Eni and severance payments.

Shares held

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

Pursuant to Article 84-*quater*, paragraph 4 of the Consob Issuers Regulation, the following table shows Shares held in Saipem SpA by the Directors, Statutory Auditors and other Senior Managers with strategic responsibilities, as well as by their spouses, where not legally separated, and by their

minor children, either directly or through subsidiary companies, fiduciaries or third parties, as per the Shareholders Register, communications received or other information received from the persons concerned.

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

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

Name and surname	Office	Company	Number of shares held at end of previous year	Number of shares purchased	Number of shares sold	Number of shares held at end of current year
Board of Directors						
Paolo Andrea Colombo	Chairman ⁽¹⁾	Saipem SpA	29,000			
Stefano Cao	Chief Executive Officer-CEO	Saipem SpA	29,000			29,000
Riccardo Perotta	Statutory Auditor	Saipem SpA	18,400			18,400
Other Senior Managers with strategic responsibilities ⁽²⁾						
		Saipem SpA	16,439 ⁽³⁾	57,470		24,484 ⁽⁴⁾

(1) In office until May 3, 2008.

(2) The term "Senior Managers with strategic responsibilities", as defined in Article 65, paragraph 1-*quater* of the Consob Issuers Regulation, refers to persons with direct or indirect powers or responsibilities of planning, coordination and control of the Company. Saipem Senior Managers with strategic responsibilities, other than Directors and Statutory Auditors, are those who sit on the Advisory Committee and, in any case, those that report directly to the Chief Executive Officer-CEO/the Chairman/the Board of Directors of Saipem SpA (seventeen directors). The number of shares held at the end of the previous financial year takes into account those also held by senior managers who became strategic during 2018.

(3) Includes shares held by senior managers who became non-strategic during 2018 (for a total of 1,955 shares).

(4) Number of shares held by Senior Managers with strategic responsibilities at the end of the year.

Annex pursuant to Article 84-bis of the Consob Issuers Regulation - Implementation for 2016 of the Share-based Long-Term Variable Incentive Plan 2016-2018 (LTI)

With reference to the 2016-2018 Share-based Long-Term Variable Incentive Plan approved by the Shareholders' Meeting on April 29, 2016, in conformity with the conditions and objectives illustrated in the Information Document available on the

internet site www.saipem.com, the following table provides the details of the 2016 allocation for the Plan, pursuant to Article 84-bis (Annex 3A, scheme 7) of the Consob Issuers Regulation.

Table 1 of form 7 in Annex 3A of Regulation No. 11971/1999

Box 1 - Financial instruments other than stock options
Section 2 - Newly allocated instruments based on decisions made by the relevant company body to implement a resolution of the Shareholders' Meeting

Name and surname or category	Office held (include only for named subjects)	Date of resolution	Type of financial instrument	Number of financial instruments	Allocation date	Purchase price of instruments	Market price of allocation	Vesting period
Stefano Cao	Chief Executive Officer-CEO	April 29, 2016	stock grant	205,820	March 5, 2018	3.280	3 years ⁽²⁾	
		April 29, 2016	stock grant	413,610	July 24, 2018	4.110	3 years ⁽²⁾	
Senior Managers with strategic responsibilities ⁽¹⁾		April 29, 2016	stock grant	962,300	July 24, 2018	4.110	3 years ⁽³⁾	
Other senior managers		April 29, 2016	stock grant	4,775,200	July 24, 2018	4.110	3 years ⁽³⁾	

(1) The term "Senior Managers with strategic responsibilities", as defined in Article 65, paragraph 1-*quater* of the Consob Issuers Regulation, refers to persons with direct or indirect powers or responsibilities of planning, coordination and control of the Company. Saipem Senior Managers with strategic responsibilities, other than Directors and Statutory Auditors, are those who sit on the Advisory Committee and, in any case, those that report directly to the Chief Executive Officer-CEO/the Chairman/the Board of Directors of Saipem SpA (seventeen directors).

(2) At the end of the vesting period the plan requires that the Chief Executive Officer-CEO invest 25% of the matured shares for a further two years (co-investment period), at the end of which the Chief Executive Officer-CEO will receive an additional free share for every share invested.

(3) At the end of the vesting period the plan requires that the strategic resources invest 25% of the matured shares for a further two years (retention premium), at the end of which the beneficiaries will receive an additional free share for every share invested.

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Società per Azioni
Share Capital €2,191,384,693 fully paid up
Tax identification number and Milan, Monza-Brianza, Lodi
Companies' Register No. 00825790157

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Publications
Relazione finanziaria annuale (in Italian)
Annual Report (in English)

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

Saipem Sustainability (in English)

Also available on Saipem's website:
www.saipem.com

Website: www.saipem.com
Operator: +39-0244231

Layout and supervision: Studio Joly Srl - Rome - Italy
Printing: Stilgraf Srl - Viadana (Mantua) - Italy



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