



Management System Guideline

Transactions Involving Interests Held by Directors and Statutory Auditors and Transactions with Related Parties

MANAGEMENT SYSTEM GUIDELINE					Doc. no. MSGGR-GROUP-TRP-001-E	
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Prepared	Checked				Approved
M. Colombo LEGAS	Regulatory System Technical Committee				S. Cao CEO
	G. Pisani ORGQA	A.Riva ADFIS	S.Abrate RSBI	M. Colombo LEGAS	

Revision Summary

Date	Prepared	Checked	Approved
01/06/2018	01	Regulatory System Technical Committee	S. Cao CEO
01/02/2019	02	Regulatory System Technical Committee	S. Cao CEO
15/07/2019	03	Regulatory System Technical Committee	S. Cao CEO
28/04/2021	04	Regulatory System Technical Committee	S. Cao CEO

Description of Revision 04

Adjustment to new Consob regulations in matters of transactions with related parties in compliance with EU Shareholder Rights Directive 2 (SHRD 2).

The provisions of this Management System Guideline were approved on November 24, 2010 and amended on March 13, 2012, June 27, 2016, April 23, 2018 January 15, 2019, June 26, 2019 and April 27, 2021 by the Board of Directors of Saipem, having taken due note of the unanimous favorable opinion of the Related Parties' Committee pursuant to Article 4, Paragraph 3 of the Consob Regulation on Transactions with Related Parties.


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1. INTRODUCTION

This Management System Guideline (MSG) sets out the principles and rules with which Saipem SpA and its Subsidiaries must comply in order to ensure transparency and substantial and procedural fairness of Transactions with Related Parties and with Parties Involving the Interests of Directors and Statutory Auditors of Saipem SpA, entered into by the Company itself or its Subsidiaries. It also aims to prevent the risk of depleting the Company's assets.

This MSG takes effect from July 1, 2021 and takes into account the provision introduced by Consob Resolution no. 21624 of December 10, 2020, which amended Consob Regulations in matters of Transactions with Related Parties (Consob Resolution no. 17221 dated 12 March 2010, hereafter "Consob Regulations").

This MSG is also issued in compliance with the provisions of the Corporate Governance Code, to which Saipem adheres.

Transactions with Related Parties take on relevance for the Company with respect to two different aspects: the management of these transactions and financial reporting. The provisions of this MSG has been drawn up in coordination with the provisions of the administrative and accounting procedures pursuant to the Article 154-bis of Italian Legislative Decree No. 58/1998 (Consolidated Law on Finance).

The members of the Board of Directors and of the Board of Statutory Auditors of Saipem SpA likewise undertake to comply with the behavioural commitments covered under Section 8 of this MSG.

1.1 Area of Application

This MSG applies to Saipem SpA and, in the case of transactions with Saipem and with Parties Related to Saipem, to all Subsidiaries controlled either directly or indirectly by Saipem SpA. The provisions of this MSG with reference to Saipem's Subsidiaries apply, where compatible, also to parties that are not legally a company (such as Foundations) whose management bodies are prevalently composed of employees of Saipem SpA or its Subsidiaries.

1.2 Methods of Implementation

This MSG is for application for Saipem SpA. and is effective from July 1, 2021.

Subsidiaries ensure timely start of the implementation process, in compliance with the "Regulatory System" MSG; implementation of this MSG must occur within a maximum of 60 days from its issue by resolution of the Board of Directors (or in the absence thereof, of the corresponding body / function / role established by the governance of the Subsidiary) and is effective from July 1, 2021.


The Subsidiaries ensure implementation of this MSG in compliance with local regulations.

1.3 Reference Principles

The persons involved in the "Transactions involving interests held by directors and statutory auditors and transactions with related parties" process are always required to comply with the "Model 231 (includes the Code of Ethics)" of Saipem SpA or the "Organisational, Management and Control Model" defined by the individual Subsidiaries, guaranteeing that business will be conducted with commitment and diligence, in a transparent, honest and fair way and in good faith. Any practices and attitudes linked to the perpetration or to the participation in the perpetration of frauds and corrupt practices are forbidden without exception. This includes any practice that could constitute the commission of a predicate offence of corporate liability pursuant to applicable regulations.

All those involved in the "Transactions involving interests held by directors and statutory auditors and transactions with related parties" process shall act in accordance with applicable laws and regulations and, within the framework of their responsibilities, are committed to the definition of and active participation in the correct operation of the internal control and risk management system. In any case, Saipem personnel must:

- operate in compliance with Saipem's regulatory and organisational system, and its system of powers and in compliance with the principles of the segregation of duties and responsibilities, of traceability of activities and documents pertaining to the process;

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- avoid all situations and activities where a conflict may arise between personal and company interests. Saipem personnel must report and manage, pursuant to the Code of Ethics, every situation that could constitute or give rise to a conflict of interest;
- ensure the confidentiality required by the circumstances for every piece of news or information acquired during the performance of work;
- work, within their area of responsibility, towards ensuring that operations are registered correctly and in a timely manner in accounting records, avoiding any conduct that may adversely affect transparency and traceability of the information within financial statements.

2. GLOSSARY

For the purposes of this MSG, and conforming to the principles established by the Consob Regulations, the following terms are used with the meanings given below:

- **Related Parties of Saipem:** entities as defined by the international accounting principles adopted in accordance with the procedure referred to in Article 6 of EC Regulation no. 1606/2021: An extract of the definitions of related parties and Transactions with related parties pursuant to IAS 24 in force at the date of this MSG, as well as a reference to the additional definitions provided for by the international accounting standards, are detailed in Annex A to this MSG. Any updates to the text of IAS 24 will be implemented through the Group Standard Procedure *“Transactions involving the interests of Directors and Statutory Auditors and Transactions with Related Parties - Role and Responsibilities of Attorneys”*.

As of the date of this MSG, a related party is defined as follows: “A related party is a person or entity that is related to the entity that is preparing its financial statements (“reporting entity”)¹.

¹ **Control** is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. It is assumed that control exists when a person owns, directly, or indirectly, through subsidiaries, more than half of the voting rights of an entity unless, in exceptional cases, it can be clearly demonstrated that such ownership does not constitute control. Control also exists when a person owns half, or less, of the voting rights exercisable at shareholders' meetings, if they have: (a) control of more than half of the voting rights by virtue of agreement with other investors; (b) the power to govern the financial and operating policies of the entity under a statute or agreement; (c) the power to appoint or remove the majority of the members of the Board of Directors or equivalent body of corporate governance, and control of the entity held by that board or body; (d) the power to cast the majority of the voting rights at the meetings of the Board of Directors or equivalent body for corporate governance, and control of the entity held by that board or body.

Joint control is the contractually agreed sharing of control over any economic entity.


Significant influence is the power to participate in determining the financial and operating policies of an entity without having control over it. Significant influence may be gained through share ownership, statutory provisions or agreements. The presence of a party in possession of absolute or relative majority of voting rights does not necessarily preclude another party from having significant influence.

If a party owns, directly or indirectly (e.g. through subsidiaries), 20% or more of the voting power of the investee, it is presumed that the investor has significant influence, unless it can be clearly demonstrated otherwise.

For stakes of less than 20%, significant influence over Saipem is presumed if a party directly or indirectly has control over at least 5% of the share capital, unless otherwise assessed by the Saipem Board of Directors. If a party directly, or indirectly (e.g. through the parent company) holds less than 5% of the voting rights which can be exercised at the Shareholders' Meeting, it is presumed that it does not have significant influence, unless such influence can be clearly demonstrated. To this end, one or more of the following circumstances have demonstrative value: (i) representation on the Board of Directors or equivalent governing body of the investee; (ii) participation in decision making, including participation in decisions about the dividends or other distribution of profits; (iii) the presence of significant Transactions between the investor and the investee; (iv) swapping of managerial personnel; (v) the provision of essential technical information. With reference to the circumstance referred to in point (i), the following cases are also relevant: (a) the party, other than asset management companies (SGR) or similar entities, has jointly presented a list of candidates from which are appointed one or more members of the Board of Directors, providing at all times that the party presenting the list holds at least 1% of the capital with voting rights; (b) the party other than asset management companies (SGR) or similar entity, has voted for the aforesaid list provided that the party holds at least 0.1% of the share capital with voting rights and is connected with one of the parties which has presented said list.

An **associated company** is an entity, even without legal personality, as in the case of a partnership, in which a shareholder exercises a significant influence, but not control or joint control. A list of associated companies is given in the consolidated financial statement, together with those included in the database defined by Section 3 of this MSG.

A **joint venture** is a contractual arrangement whereby two or more parties undertake an economic activity subject to joint control. For the purposes of this MSG, only contracts pursuant to which “jointly controlled entities”, as contemplated by International Accounting Standards (IAS 31), are relevant.

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- (a) A person or close member of that person's family is related to a reporting entity if that person:
- (i) has control or joint control over the reporting entity;
 - (ii) has significant influence over the reporting entity;
 - (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- (b) An entity is related to a reporting entity if any of the following conditions applies:
- (i) the entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
 - (iii) both entities are joint venture of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment defined benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity)


In the definition of related party, an associate includes the subsidiaries of the associate and a joint venture includes the subsidiaries of the joint venture. Therefore, for example, a subsidiary of an associate and the investor that has significant influence over the associate are related to each other.

- **Transaction (or "Transactions") with Related Parties:** any transfer of resources, services or obligations between Related Parties, whether or not a valuable consideration has been agreed, made by Saipem SpA or its Subsidiaries with Related Parties of Saipem.
In any case, such Transactions include:
 - (i) mergers, spin-offs by incorporation or strictly non-proportional spin-offs;
 - (ii) any decision on the allocation of wages and economic benefits, in whatever form, for members of the administrative and control bodies and Senior Managers with Strategic Responsibilities.
- **Transactions Involving the Interests of Directors and Statutory Auditors:** any Transaction between Saipem SpA or its Subsidiaries and Parties Involving the Interests of Saipem.
- **Transactions of Greater Importance:** Transactions that have been identified as such in Annex 1 of this MSG.
- **Transactions of Lesser Importance:** Transactions other than those of Greater Importance and other than Transactions of Small Amounts.
- **Transactions of Small Amounts:** Transactions listed as such in Annex 2 of this MSG. In view of Saipem's size, these are not deemed to pose any significant risk as regards protecting investors or the integrity of Company assets.
- **Ordinary Transactions²:** Transactions carried out in the ordinary course of business and related financial

Senior Managers with Strategic Responsibilities are those persons who have the power and responsibility, direct or indirect, to make plans for, direct and control the company. Senior Managers with Strategic Responsibilities of Saipem SpA, other than directors and statutory auditors, are those who sit on the Advisory Committee and, in any case, those who report directly to the CEO / the Chairman / the Board of Directors of Saipem SpA.

Entities subject to significant influence include those for which the aforementioned Related Parties have the power to determine the operating policies for which they are responsible (for instance, CEO or managing director, chairman, general manager or similar offices).

² The expression refers to the concept of the *ordinary course of business*. Pursuant to the Consob Communication of 24 September 2010, an "ordinary" Transaction is one in relation to which two selective criteria are simultaneously satisfied. Firstly, the Transaction must be consequent to operating activities or, alternatively, to the financial activity related to the same. Secondly, the same Transaction must also

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activities.

- **Equivalent to Market or Standard Conditions:** the same conditions as those normally applied in the case of Non-Related Parties for Transactions of corresponding nature, extent and risk, or based on regulated tariffs or imposed prices or those applied to parties with which the Company is obliged by law to contract at a certain price.
- **Independent Directors:** Directors of Saipem SpA who meet the independence requirements pursuant to the Corporate Governance Code, to which Saipem adheres³.
- **Unrelated Directors:** Directors of Saipem SpA other than the counterpart of a particular Transaction and the Related Parties of the counterpart.
- **Unrelated Shareholders:** those holding the right to vote other than the counterpart in a particular Transaction and parties associated with the counterpart in the Transaction and with Saipem.
- **Related Parties' Committee:** Committee set up to carry out the functions set forth in the current regulations in matters of Transactions with Related Parties, comprised exclusively of independent Directors.
- **Attorney:** subject vested with the powers to carry out deeds in the name of and on behalf of Saipem SpA or its Subsidiaries, responsible for ensuring the completeness and timeliness of the data needed to provide the informative reports to corporate bodies provided for in this MSG.
- **Party with Interests:** physical or juridical person identified by Board Members and Statutory Auditors, who may have a direct or indirect potential interest in Saipem's business or that of its Subsidiaries or in certain Transactions⁴.
- **Independent Expert:** individual or corporate entity holding the requisites of professional skill, integrity and independence required by the nature of the office conferred. Independence is assessed by the party which confers the mandate, in particular taking into account possible economic, equity and financial relations between the Expert and (i) Saipem SpA; (ii) the parties which control, including jointly, Saipem SpA, the Subsidiaries of Saipem SpA or under the same control as the latter, including jointly; (iii) the Directors of the companies referred to in points (i) and (ii); (iv) the counterpart of the Transaction. Such independence is also confirmed by a declaration issued by the Expert on assignment of the mandate.

In examining each relationship with Related Parties, attention must be given to the substance of the relationship and not only to the legal form. The above definitions must also be understood with reference to the entirety of the international accounting principles adopted according to the procedure referred to in Article 6 of Regulation (EC) No. 1606/2002.


3. GENERAL CRITERIA. ROLES AND RESPONSIBILITIES

At the start of any Transaction, or any amendment to the conditions of a Transaction already approved, the Attorney is responsible for checking, including through a proxy (a delegated person), whether the Transaction

fall within the sphere of the "ordinary" operating activities or the related financial activities. "Operating activities" are the series of (i) core business activities which generate the Company's revenue, and (ii) all other management activities that cannot be classified as "investment", by the latter meaning solely significant new investments in terms of amount or type, or "financial". In identifying "ordinary business", it is necessary to take into account the subject matter, frequency, function or purpose, dimensions, terms and conditions of the contract, the type of counterpart and the time frames.

³ The independence of each Board Member is assessed by the Board of Directors after appointment and yearly thereafter. The outcome of this assessment is disclosed to the public.

⁴ Whenever the Party with Interests is indicated with reference to a specific Transaction, the Board Member or Statutory Auditor shall assess whether or not his/her periodical declaration needs to be updated and, at any rate, informs the competent functions of Saipem so as to ensure compliance with Section 11 of this MSG.

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falls within the scope of application of this MSG⁵. Whenever the opportunity arises, the Attorneys can obtain technical support from the Legal Function and from the Company Secretary Function of Saipem SpA.

Database of Related Parties and Interests

Specifically, the Attorney must, including through a proxy, check whether the counterpart to a Transaction is a Related Party or a Party with Interests.

To this end, and in compliance with current data protection regulations, Saipem's Related Parties are listed in a specific database ("Database of Related Parties and Interests") set up on the basis of the register of company holdings, the declarations made by the Related Parties, and information available to Saipem⁶.

Alongside the Attorneys, proxies identified by the Attorneys, can be enabled to access the Related Parties and Interests Database.

The Attorney keeps track of the possible application of a case of exclusion specified in Section 9, including for reasons of disclosure of information to the public.

Information flows

Should the Attorney ascertain, by consulting the Related Parties and Subjects of Interest Database, that the Transaction is being carried out with a Party of Interest, and the conditions for exclusion from applying this MSG described in Section 9 below do not exist, then Section 8 of this MSG must be applied.

However, if the Attorney ascertains that it is a Transaction with a Related Party, and that the conditions for exclusion from applying this MSG described in Section 9 below do not exist, the information must be sent⁷ with the relevant assessments of the Transaction by the relevant managers:

- in the case of Saipem SpA Transactions, to the first hierarchical report to the CEO / the Chairman / the Board of Directors of Saipem SpA, who shall carry out the checks required under this MSG as the person in charge of the investigation⁸, qualify individual Transactions, report to the Committee called upon to formulate the opinion⁹ and, finally, see to any other activities required under Section 4 and 5 below. In the case of Transactions within the remit of the Board of Directors of Saipem SpA¹⁰ or the CEO of Saipem SpA¹¹, the information and the relative assessments of the same are transmitted to the CEO of Saipem SpA.
- in the case of Transactions by Subsidiaries or other subject referred to in Section 2, Letter b), points (ii) (iii), to the CEO or Managing Director or Chairman/Sole Director (when contemplated) of the Subsidiary or other above-mentioned party¹², who carries out the review required by this MSG¹³, qualifying each Transaction and informing the Committee entrusted with expressing an opinion, in addition to all other acts

⁵ Whenever a Transaction involves an auction, tendering or other competitive procedures, the assessment, in any case, must take place before the completion of the Transaction.

⁶ The information and data regarding Related Parties and Interests contained in the Database are: (i) for physical persons: name and surname, date and place of birth, tax identification number; (ii) for legal persons: company name, registered office, tax identification/VAT number. The information regarding directors, auditors, Senior Managers with Strategic Responsibilities and the Court of Auditors magistrate are acquired and processed in compliance with privacy regulations.

⁷ The information on the Transaction is drawn up coherently and compatibly with the provisions of the "Information Document on Transactions of Greater Importance with Related Parties" referred to in Annex 3. For Transactions of Lesser Importance this document is only a reference.

⁸ Where necessary, the checks are carried out jointly with the highest position of the requesting Department.


⁹ The communication must be sent to the Secretary of the Committee. This can also be done via email.

¹⁰ By Transactions falling within the remit of the Board of Directors of Saipem are meant those provided by a resolution of the Board on matters reserved exclusively to it.

¹¹ By Transactions falling within the remit of the CEO of Saipem SpA are understood those not covered by resolutions of the Board of Directors of Saipem SpA on matters exclusively reserved to the latter, and subject to the decision of the CEO him/herself.

¹² The term refers to entities of a non-corporate nature, whose management bodies are comprised mainly of employees of Saipem SpA or its subsidiaries.

¹³ Where necessary, the checks are carried out jointly with the highest position of the requesting Department.

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required by Sections 4 and 5 below.

At any rate, if the responsibility for deciding is attributed to a party or body other than the one which has carried out the investigation of Transaction, the same information and relative assessments referred to above are transmitted by the Attorney to that party or body.

To facilitate the correct execution of the necessary assessments, the Attorney, including through a proxy, may access the Database of Related Parties and Interests, where records are kept of all assessments.

Whenever an Attorney ascertains that the Transaction is entered into by a Party with Interest, he/she must apply Section 8 of this MSG.

The Attorney must also keep records of Transactions excluded from the scope of this MSG, pursuant to Section 9 below, in view of the information to be disclosed to the public.

The means for access to the Database of Related Parties and Interests, and all connected procedures, must be defined pursuant to the provisions of this MSG.

Saipem entrusts the duty of providing the opinion contemplated by Sections 4 and 5 below to the Related Parties' Committee made up exclusively of independent Directors, established within the Board of Directors. In the case of Transactions involving the remuneration of Directors and Senior Managers with Strategic Responsibilities of Saipem SpA, the duty is entrusted to the Compensation and Nomination Committee, where not expressly assigned to the Related Parties' Committee.

The composition criteria and the provisions contemplated below for the Related Parties' Committee also apply to the Compensation and Nomination Committee.

In the case contemplated by Section 4, if the Related Parties' Committee is not entirely composed of Non-Related Directors, the Committee shall perform its duties with a composition restricted solely to those Non-Related Directors present, provided they number at least two.

In the case contemplated by Section 5, if the Related Parties' Committee is not entirely composed of Non-Related Directors, only the Non-Related Directors of the Committee shall perform the duties assigned, provided they number at least three.

If the Committee does not contain the minimum number of Non-Related Directors required under the two instances detailed above, another Non-Related Director chosen on the basis of seniority shall sit on the Committee.

If it is impossible to include another Director, the Related Parties' Committee shall inform the Board of Directors which shall then appoint an Independent Expert.

4. PROCEDURES FOR TRANSACTIONS OF LESSER IMPORTANCE


Without prejudice to the Company's Corporate Governance provisions and those set forth in Section 9 below, for Transactions of Lesser Importance the following procedure applies:

- a. to carry out a Transaction of Lesser Importance, full and appropriate information is sent in compliance with Section 3, as soon as it is available and in any case at least 10 days prior to the first useful meeting of the Committee, to the Related Parties' Committee¹⁴ of Saipem SpA, so that it can issue an opinion pursuant to Letter b) below.

In any case, the time frame deemed necessary by the Committee shall at all times be observed to ensure that it can adequately examine the documentation transmitted.

If the Transaction conditions are deemed by the party responsible for the investigation of Transaction Equivalent to Market or Standard Conditions, the documentation drawn up must contain objective elements

¹⁴ Or the Compensation and Nomination Committee for Transactions involving the remuneration of Directors and Senior Managers with Strategic Responsibilities.

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evidencing the fact;

- b. the Related Parties' Committee expresses a reasoned and non-binding opinion on the interest of the Company in the completion of the Transaction and the convenience and substantial correctness of the underlying terms¹⁵. This opinion is attached to the minutes of the Committee meeting;
- c. the Committee may arrange to be assisted, at the Company's expense, by one or more Independent Experts of its own choice identified by the Committee from among persons of proven professionalism and expertise on the subject matters of the Transaction, whose independence and lack of conflicts of interest shall be verified by the same Committee.

The Committee verifies in advance the independence of the experts taking into account the reports indicated in paragraph 2.4 of Annex 3 section II of this MSG;

- d. whenever the approval falls within the remit of the Board of Directors, the Directors who, on their own behalf or on behalf of third parties, hold an interest in the transaction which is against the interest of the Company, shall abstain from voting (see chapter 8);
- e. should the Committee express a negative opinion, the decision regarding the Transaction is taken by whoever sent the documentation to the Committee under Letter a), giving grounds as to why they do not share this opinion;
- f. on at least a quarterly basis, the Board of Directors and the Board of Statutory Auditors receive from the CEO of Saipem SpA, when he reports on activities carried out and the most important financial transactions carried out by the Group, and pursuant to Section 11 below, full information on the execution of Transactions of Lesser Importance, with evidence of any Transactions that are approved in spite of a negative opinion expressed by the Committee and the reasons given therefor;
- g. without prejudice to the provisions of Article 114, clause 1, of the Consolidated Law on Finance¹⁶, if the Transactions have been approved in spite of the Related Parties' Committee's negative opinion pursuant to the above Letter b), a document containing indications of the counterpart, the subject matter and the payment for Transactions of Lesser Importance approved in the quarter of reference, and also the reasons why the negative opinion was not shared, is made available to the public within fifteen days from the closure of every quarter, at the Company's head office and according to the methods indicated in Part III, Title II, Chapter I, of Consob Issuers Regulations. Within the same time frame, the opinion is made available to the public as an Annex to the Information Document or on the Company's web site.

5. PROCEDURE FOR TRANSACTIONS OF GREATER IMPORTANCE


Notwithstanding the provisions set forth in Section 9 and Section 4, Letters a)¹⁷, c), d), e), f) and g), the following procedure applies for Transactions of Greater Importance:

- a. the responsibility for deciding by resolution is reserved to the Board of Directors of Saipem S.p.A. The Directors who, on their own behalf or on behalf of third parties, hold an interest in the transaction, which is against the interest of the Company, shall abstain from voting (see chapter 8);

¹⁵ In the case of Transactions involving the remuneration of Directors and Senior Managers with Strategic Responsibilities, the opinion is expressed by the Compensation and Nomination Committee. The criteria indicated in Section 3 above, on the composition of the Related Parties' Committee, holds firm at all times.

¹⁶ Without prejudice to the information requirements established by specific provisions of law, listed issuers and the parties that control them shall make available to the public, without delay, inside information referred to in Article 181 that directly concerns such issuers and their subsidiaries. Through regulations Consob establishes the terms and conditions for the disclosure of information, without prejudice to the need to arrange media publication through national daily newspapers, dictates measures to coordinate duties attributed to stock exchange companies with its own, and may identify duties to be delegated for the correct performance of functions under Article 64, Paragraph 1, Letter b).

¹⁷ In the case of a Transaction of Lesser Importance, the information referred to in Section 3 is sent to the Committee as soon as it is available and in any case at least 20 working days before its next meeting. At any rate, the time frame deemed necessary by the Committee shall at all times be observed to ensure that it can adequately examine the documentation transmitted.

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- b. the Related Parties' Committee¹⁸ of Saipem SpA, or one or more members that it delegates, is involved early from the negotiation phase and the initial inquiry by receiving complete and updated information and enjoying the faculty to request information and to make observations to the managing bodies and entities responsible for the conduct of the negotiations or investigation;
- c. the Board of Directors approves the transaction after considering the reasoned opinion of the Related Parties' Committee¹⁹ regarding the interest of the Company upon completion of the Transaction and regarding the convenience and substantial correctness of the underlying terms. This opinion is attached to the minutes of the Committee meeting.

6. TRANSACTIONS WITH RELATED PARTIES ATTRIBUTED TO THE SHAREHOLDERS' MEETING

Whenever a Transaction of Lesser Importance requires approval by the Shareholders' Meeting of Saipem SpA, in the preparatory, inquiry and approval stages of the proposed resolution to be submitted to the Shareholders' Meeting, Section 4 of this MSG is applicable, when compatible.

When a Transaction of Greater Importance must be voted on or authorised by the Shareholders' Meeting, Section 5 of this MSG is compatible and shall be applied, in the negotiation, examination and approval phases of the resolution to be proposed at the Shareholders' Meeting.

7. FRAMEWORK RESOLUTIONS

For similar Transactions to be completed with the same Related Party, framework resolutions may be adopted.

In the examination and approval phases of the framework resolution, Sections 4 or 5 of this MSG, according to the expected maximum amount of the Transactions, considered collectively, to which the resolution refers, are applicable as far as compatible.

Framework resolutions shall not be effective for more than one year, shall refer to sufficiently determined Transactions, and shall indicate at least the expected maximum amount of the Transactions to be carried out in the period of reference and the reasons for the contemplated conditions.

Pursuant to Section 11 below, full disclosure on the implementation of framework resolutions is made to the Board of Directors of Saipem SpA at least on a quarterly basis.

The additional provisions of Sections 4 and 5 of this MSG are not applied to the single Transactions carried out in implementation of a framework resolution.


8. TRANSACTIONS INVOLVING THE INTERESTS OF DIRECTORS AND STATUTORY AUDITORS

In the case of Transactions in which a Director or a Statutory Auditor has an interest on his/her own behalf or on behalf of third parties, the following provisions are applied.

Without prejudice to Section 3 of this MSG, should the Attorney ascertain, through consultation of the Database of Related Parties and Interests, that the Transaction is being carried out with a Party of Interest, the Attorney

¹⁸ Or the Compensation and Nomination Committee for Transactions involving the remuneration of Directors and Senior Managers with Strategic Responsibilities. The criteria indicated in Section 3 above, on the composition of the Related Parties' Committee, holds firm at all times.

¹⁹ In the case of Transactions involving the remuneration of Directors and Senior Managers with Strategic Responsibilities, the opinion is expressed by the Compensation and Nomination Committee. The criteria indicated in Section 3 above, on the composition of the Related Parties' Committee, hold firm at all times.

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must carry out a thorough and documented examination, in the investigation and resolution phases, of the reasons for the Transaction, with an accurate verification of the Company's interest²⁰ in the completion of the Transaction, also taking into consideration the implications and advantages associated with belonging to Saipem, as well as the financial benefit and fairness of the terms and conditions, in light of objective and documented evidence. The reasons must be brought to the knowledge of the party responsible for passing the resolution, in the case that it is not being done by the Attorney.

If the Transaction falls within the remit of the Board of Directors of Saipem SpA, the procedures of Section 4, Letter b) of this MSG are applied²¹. At the Board of Directors' meeting, the interested Directors, pursuant to the indications of the Corporate Governance Code, to which Saipem adheres, do not normally participate in the discussion or the voting phase on the relevant questions, and in fact leave the meeting room.

In any case, Directors who, on their own behalf or on behalf of third parties, hold an interest in the transaction, which is against the interest of the Company, shall abstain from voting.

Pursuant to Article 2391 of the Italian Civil Code, each member of the Board of Directors or the Board of Statutory Auditors must voice any interests they may have, either directly or through third parties, related to any items on the Board meeting agenda before they are discussed. Directors shall state the nature, terms, origin and relevance of these interests.

If the person involved is the Chief Executive Officer of Saipem SpA and the Transaction is in his/her field of competence, he/she shall in any case abstain from taking part in the Transaction and shall entrust the matter to the Board of Directors (Article 2391 of the Civil Code).

To ensure compliance with the investigation and resolution procedures covered under this Section, Directors and Statutory Auditors issue a declaration, at least every six months, or when there is any variation, in which they illustrate their potential interests in Saipem SpA and its Subsidiaries, and in any case inform the CEO (or the Chairman, in the case of interests involving the CEO) of the single Transactions that Saipem intends to carry out and in which they have an interest; the CEO (or Chairman) will then inform the other Directors and the Board of Statutory Auditors. The evaluation of the Directors and Statutory Auditors is subjective. The individuals indicated as potentially interested parties are, in any case, not Related Parties. The interest can be relevant even if it is indirect (e.g. via a close relative). The declarations should also indicate the entities, except for Subsidiaries and associated companies of Saipem SpA, in which the Directors and Statutory Auditors hold Directorships or in which they are Statutory Auditors or Senior Managers with Strategic Responsibilities or with which, in any case, they have a significant business or financial or professional relationships, with particular attention to those who perform activities in Saipem's own operating sector, including indirectly.


9. CASES OF EXCLUSION

The procedures indicated in Sections 4, 5, 6 and 8 of this MSG, and the public information obligations referred to in Section 10 below, shall not apply:

- to the transactions approved by the companies and intended for all the shareholders, all conditions being equal, therein including:
 - a) capital increases on a rights offering, including for servicing convertible debenture loans, and the gratuitous capital increases envisaged by Article 2442, Italian Civil Code;
 - b) demergers in the strictest sense, in whole or in part, with assignment of shares on a proportional basis;
 - c) share capital reductions by means of reimbursement to shareholders, as provided for by Article 2445, Italian Civil Code, and purchases of treasury shares in accordance with Article 132 of the Consolidated Law;

²⁰ The term "deliberative company" refers to entities of a non-corporate nature, whose management bodies are comprised mainly of employees of Saipem SpA or its subsidiaries.

²¹ The information regarding these Transactions is sent to the Related Parties' Committee as described in Section 4 Letter a) of this MSG.

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- to the Shareholders' Meeting resolutions referred to in Article 2389, Paragraph 1, of the Italian Civil Code in relation to fees due to members of the Board of Directors;
- to resolutions regarding remuneration for Directors holding special offices included within the total amount already allocated by Shareholders' Meeting resolutions pursuant to Article 2389, Paragraph 3, of the Italian Civil Code;
- to the Shareholders' Meeting resolutions referred to in Article 2402 of the civil code relative to fees due to members of the Board of Statutory auditors;
- to Transactions of Small Amounts as indicated in Annex 2.

If, during the year, Transactions are carried out with the same Related Party which, individually of small amounts, but if considered cumulatively, exceed the thresholds of small amount indicated above, the transaction that determines this threshold to be exceeded, as well as all subsequent transactions (concluded during the year) regardless of their amount, will be subject to the procedure for Transactions of Lesser Importance, without prejudice to the application of the other causes of exclusion set forth in this MSG.


Without prejudice to the provisions of the Consob Regulation regarding public disclosure of financial statements²², the procedures indicated in Sections 4, 5, 6 and 8 of this MSG, and the other public disclosure obligations referred to in Section 10 below, shall not apply:

- to remuneration plans based on financial instruments approved by the Shareholders' Meeting pursuant to Article 114-bis of the Consolidated Law on Finance and its enactment regulation;
- to the resolutions regarding the remuneration of Directors and Statutory Auditors holding special offices, other than those indicated in the paragraph above, and of Senior Managers with Strategic Responsibilities, providing that: (i) the Company has adopted a remuneration policy approved by the Shareholders' Meeting; (ii) in the definition of the remuneration policy the Compensation and Nomination Committee has been involved; (iii) the remuneration is identified in compliance with the remuneration policy and quantified on the basis of criteria that do not imply discretionary assessments;
- to Ordinary Transactions with Related Parties and Parties of Interest that have been executed with conditions equivalent to Market or Standard conditions²³. In the case of exception to the disclosure requirements, established for Transactions of Greater Relevance, set forth in Section 5, Paragraphs 1 to 7 of Consob Regulations, and without prejudice to the application of Article 114, Paragraph 1 of the Consolidated Law on Finance:
 - (i) Consob and the Related Parties' Committee shall be notified of the counterpart's identity, the subject matter and the payment of the Transactions which have benefited from the exclusion, as well as the reasons for which the transaction is considered to be ordinary and executed at market or standard conditions, providing objective evidence, within seven days from the approval of the transaction by the competent body and/or from its execution by the person with the necessary powers;
 - (ii) the Related Parties' Committee is also notified, as per item i) above, of information on the application of cases of exclusion. The Related Parties' Committee, during the first useful meeting following receipt of the information, and in any case on a quarterly basis, verifies the correct application of the exemption to transactions of greater importance defined as ordinary and executed at market or standard conditions;
 - (iii) the Half-Yearly Report and Annual Report shall indicate, within the information required by Consob Regulations regarding information disclosed to the public on financial statements²⁴, which of the Transactions subject to the information obligations contemplated therein have been completed making use of the exclusion for Ordinary Transactions at Equivalent to Market or Standard Conditions;
- to Transactions with or between Subsidiaries, including jointly, and to Transactions with Subsidiaries or

²² Article 5, Paragraph 8 of Consob Regulations.

²³ Annex 4 details types of Transactions, by nature of revenue and cost, which fall within the cases for exclusion.

²⁴ Article 5, Paragraph 8 of Consob Regulations.

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associated companies²⁵, if in the Subsidiaries or associated companies that are counterparties to the Transaction no interests exist, which may be qualified as significant, on the basis of the criteria defined in Annex 1, section II, carried out by other Related Parties of the Company. Significant interests shall not be considered those deriving from the mere sharing of one or more Directors or other Senior Managers with Strategic Responsibilities between the Company and its Subsidiaries or associated companies.

10. INFORMATION TO BE PROVIDED TO THE PUBLIC

Details of all Transactions with Related Parties entered into by Saipem SpA and its Subsidiaries are disclosed to the public when they are carried out and periodically in the Half-Yearly Report and Annual Report, in compliance with Consob Regulations cited in Annex 3 of this MSG.

11. REPORTING TO THE BOARD OF DIRECTORS AND THE BOARD OF STATUTORY AUDITORS

Without prejudice to obligations required under the current regulations described in Section 8, information regarding the execution of all Transactions with Related Parties and involving the Interests of Directors or Statutory Auditors, regulated by this MSG (therefore excluding those exempt from the application of this MSG pursuant to Section 9), is made known by the CEO of Saipem SpA, to the Board of Directors and the Board of Statutory Auditors of Saipem SpA, under the circumstances provided for in Article 21 of the Articles of Association²⁶ and in the Board of Directors' resolution on the responsibilities of the Board itself.

During meetings to approve the Half-Yearly Report and Annual Report, the CEO of Saipem provides the Board of Directors and the Board of Statutory Auditors with an aggregate report for each individual counterpart regarding Transactions involving the Interests of the Directors and Statutory Auditors carried out during the period of reference.


12. OVERSIGHT OF COMPLIANCE WITH THIS MSG

The Board of Statutory Auditors of Saipem SpA oversees the conformity of this MSG with the principles expressed in the Consob Regulation, as well as observance thereof on the basis of the information notes that it receives pursuant to Section 11 above, and includes its findings in the report addressed to the Shareholders' Meeting. The Board of Statutory Auditors also ensures compliance through the Internal Audit Function, which annually carries out spot audits on:

- regular application of this MSG by Attorneys;
- regular application of exclusions.

²⁵ This case of exclusion is also applicable to Transactions with or between entities of a non-corporate nature (such as Foundations) whose management bodies are comprised mainly of employees of the companies that control Saipem SpA, including jointly, or their Subsidiaries.

²⁶ Pursuant to Article 21 of Articles of Association of Saipem SpA: *"The Directors inform the Board of Directors and the Board of Statutory Auditors promptly or at least every quarter on Company activities, major economic and financial transactions involving the Company or its subsidiaries; in particular they report those Transactions in which they have an interest, on behalf of themselves or third parties, or those that are subject to the influence of the controlling party"*.


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13. FINAL PROVISIONS

The CEO of Saipem SpA is delegated to update this MSG, after examination by the Related Parties' Committee, with all amendments that may be necessary to adapt the same to the provisions of law or regulations or to modifications in the Saipem organisational system. Any amendments to improve the wording may, however, be made directly by the CEO.

The Board of Directors of Saipem SpA decides yearly if this MSG needs to be reviewed, taking into account any changes that may have occurred in terms of corporate assets, and assess the effectiveness demonstrated by the MSG in its practical application.


This MSG is published on Saipem's website (www.saipem.com) and reference is also made to it in the Annual Report.

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14. ANNEXES

The following annexes are an integral part of this MSG:

- Annex A)
Definitions of Related Parties and Transactions with Related Parties and functional definitions according to International Accounting Principles.
- Annex 1
I - Identification of Transactions of Greater Importance with Related Parties.
II - Significant Reporting Thresholds for Interests of Other Saipem Related Parties in Transactions with or Between Subsidiaries or Associated Companies.
- Annex 2
Identification of Transactions Involving Small Amounts
- Annex 3
I - Disclosure Requirements on Transactions with Related Parties
II - Information Document Concerning Transactions of Greater Importance with Related Parties
- Annex 4
Transactions Considered Ordinary and Those Made Under Equivalent to Market or Standard Conditions

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Appendix A)

DEFINITIONS OF RELATED PARTIES AND TRANSACTIONS WITH RELATED PARTIES AND FUNCTIONAL DEFINITIONS ACCORDING TO INTERNATIONAL ACCOUNTING PRINCIPLES

1. Definitions of related parties and transactions with related parties according to international accounting principles


For the purposes of Article 3, subsection 1, paragraph a) of Consob Resolution no. 17221 dated 12 March 2010 and subsequent amendments, the following definitions contained in the international accounting principles, shall apply:

Related parties

A related party is a person or entity that is related to the entity that is preparing its financial statements ("reporting entity").

- (a) A person or close member of that person's family is related to a reporting entity if that person:
- (i) has control or joint control over the reporting entity;
 - (ii) has significant influence over the reporting entity;
 - (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- (b) An entity is related to a reporting entity if any of the following conditions applies:
- (i) the entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
 - (iii) both entities are joint venture of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment defined benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity) [IAS 24, paragraph 9].

In the definition of related party, an associate includes the subsidiaries of the associate and a joint venture includes the subsidiaries of the joint venture. Therefore, for example, a subsidiary of an associate and the investor that has significant influence over the associate are related to each other [IAS 24, paragraph 12].

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Transactions with related parties

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged [IAS 24, paragraph 9]2.

2. Functional definitions to those of "related parties" and "transactions with related parties" according to international accounting principles

The notions of "control", "joint control", "significant influence", are defined in IFRS 10, IFRS 11 (Joint arrangements) and in IAS 28 (Investments in associates and joint ventures) and are used with the meanings specified in those IFRS [IAS 24, paragraph 9].

Key management personnel

Key management personnel are those persons who have the power and responsibility, directly or indirectly, for planning, directing and controlling activities of the company, including directors (whether executive or otherwise) of the company [IAS 24, paragraph].

Close relatives

Close relatives of an individual are those family members who may be expected to influence or be influenced by, that individual in their dealings with the company, and include:

- (a) the individual's children and spouse or domestic partner;
- (b) children of the individual's spouse or domestic partner;
- (c) dependants of the individual or the individual's domestic partner [IAS 24, paragraph 9].


3. Principles of interpretation of the definitions

3.1 In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely its legal form [IAS 24, paragraph 10].

3.2 The interpretation of the definitions above is accomplished by referring to the set of international accounting standards adopted by the procedure laid down in Article 6 of Regulation (EC) No. 1606/2002.

2 These transactions include:

- mergers, demergers by incorporation or non-proportional demergers in the strictest sense, if carried out with related parties
- decisions regarding the assignment of remunerations and financial benefits, in any form whatsoever, to the members of management and control bodies and of key management personnel.

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ANNEX 1

I - IDENTIFICATION OF TRANSACTIONS OF GREATER IMPORTANCE WITH RELATED PARTIES

1. Calculation criteria for identifying Transactions of Greater Importance

Transactions in which at least one of the following benchmark indexes, applicable depending on the specific Transaction, is greater than the 5% threshold are considered "Transactions of Greater Importance":

- a. **Equivalent-value relevance ratio:** the ratio between the equivalent Transaction and the net equity drawn from the latest consolidated balance sheet of the reporting entity or, if greater, the capitalisation acquired at the end of the last trading day included in the period covered by the most recently published periodical accounting document (Annual or Half-Yearly Report).

Should the economic conditions of the Transaction not be determined, the book value of the Transaction shall be:

- for the cash component, the amount paid to or by the contract counterparty;
- for the components consisting of financial instruments, the fair value determined at the date of the Transaction ²⁷;
- for loan Transactions or grant of guarantees, the maximum amount payable.

If the economic conditions of the Transaction depend, in whole or in part, on magnitudes not yet known, the book value of the Transaction is the maximum admissible or payable value under the agreement.

- b. **Asset relevance ratio:** the ratio between the total assets of the entity in the Transaction and the total assets of the reporting entity. Data to be used shall be obtained from the most recently published consolidated balance sheet by the reporting entity; whenever possible, similar data should be used for determining the total assets of the entity involved in the Transaction.

For Transactions involving the acquisition and sale of shares in companies that have an impact on the area of consolidation, the value of the numerator is the total assets of the investee, as part of the consolidation area, regardless of the percentage of capital available.

For Transactions of acquisition and divestment of holdings in companies that have no effect on the consolidation perimeter, the value of the numerator is:

- in the case of acquisitions, the book value of the Transaction plus the liabilities of the Company acquired by the purchaser, if any;
- in the case of divestments, the consideration of the divested business.


For transactions of acquisition and disposal of other assets (other than Company holdings), the value of the numerator is:

- in the case of acquisitions, the greater of the consideration and the carrying amount that will be attributed to the asset;
- in the case of disposals, the book value of the asset.

- c. **Liability relevance ratio:** the ratio between the total liabilities of the acquired entity and the total assets of the reporting entity. Data to be used must be derived from the most recently published consolidated balance sheet by the reporting entity; whenever possible, similar data should be used for determining the total liabilities of the company, or company branch acquired.

The same parameters are used to evaluate the relevance of Transactions carried out between Subsidiaries; therefore the denominators of the ratios regard the controlling reporting entity.

²⁷ Fair value is determined in compliance with the International Accounting Standards adopted pursuant to Regulation (EC) No.1606/2002.

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For Transactions with the listed parent company or parties that are related to the latter which in turn are related to the listed companies, Transactions are considered of Greater Importance whenever at least one of the aforementioned parameters is higher than the threshold of 2.5%.

2. Aggregated amounts of Transactions with Related Parties

Transactions which are homogeneous or made under a unified design which, while not qualifying as individual Transactions of Greater Importance, exceed during the year, when considered cumulatively, the thresholds of relevance indicated above, are considered Transactions of Greater Importance; for the purposes of calculating the aggregate amount, Transactions excluded pursuant to the provisions of Section 9 of this MSG are not considered. In the case of the aggregation of several Transactions, first the relevance of each is determined on the basis of the index or indexes indicated above, if applicable; to check whether the contemplated threshold is exceeded the results of each index are summed together.

3. Alternative calculation criteria for identifying Transactions of Greater Importance

If a Transaction or several aggregated Transactions are classified as Transactions of Greater Importance according to the indexes indicated above, and this result is manifestly unreasonable in view of special circumstances, Consob may indicate, at the request of the Company, alternative arrangements to be followed in determining these indexes. For this purpose, the Company informs Consob of the essential features of the Transactions and the special circumstances upon which the request prior to the conclusion of the negotiations was based.

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II - SIGNIFICANT REPORTING THRESHOLDS FOR INTERESTS OF OTHER SAIPEM RELATED PARTIES IN TRANSACTIONS WITH OR BETWEEN SUBSIDIARIES OR ASSOCIATED COMPANIES

The exemption contemplated by Section 9 of this MSG, regarding Transactions with or between Subsidiaries or associated companies, is not applicable when:


- the companies which are parties to the Transaction share one or more Directors or Senior Managers with Strategic Responsibilities, and if such parties benefit from incentive plans based on financial instruments (or, in any case, with variable remuneration), depending on the results achieved by the Subsidiaries or associated companies with which the Transaction takes place. The assessment of relevance must be carried out in the light of the importance that the remuneration dependent on the performance of the Subsidiary or associated company has in respect of the total remuneration of the Director or Senior Manager with Strategic Responsibilities;
- the Subsidiary or associated company which is a party to the Transaction is partly owned (even indirectly, through parties other than Saipem) by the entity that controls Saipem, including jointly, and if the effective weight of the stake held exceeds the actual weight of the Saipem shares held by that entity. To assess the effective weight, the directly held stakes are entirely taken into account, while the indirectly held stakes are weighted according to the percentage of the share capital of the Subsidiaries held, through which the stake in the Related Party is in turn held²⁸. If the stake in the Related Party is held together with other economic interests, such interests are considered together with those deriving from the stake calculated according to the effective weight.
- the Subsidiaries or associated companies of the Related Parties as per Section 2, Letters a) (i) (ii) (iii) and b) (vi) (vii) of this MSG have a stake that is greater than 5%.

Conversely, the mere holding of a stake in a Subsidiary or associated company by other subsidiaries of Saipem SpA or Saipem associated companies no longer represents in and of itself a significant interest.

²⁸ Examples:

(i) SIGNIFICANT INTEREST: Subsidiary A holds 50% of the voting share capital of company B (Saipem) which in turn controls, with the same percentage, the unlisted company C. Furthermore, A directly holds the remaining 50% of C. In the Transaction between company B and company C, Company A holds a significant interest in C since the effective weight of the stake held in this last company is $50\% + (50 \times 50\%) = 75\%$, while the weight of B's participation is 50%.

(ii) NON-SIGNIFICANT INTERESTS: Subsidiary A controls, with 30% of the voting share capital, company B (Saipem), which in turn controls, with 50% of the voting share capital, the unlisted company C. Furthermore, A directly holds 10% of C. In the Transaction between company B and company C, company A does not hold a significant interest in C since the effective weight of the stake held in this last company is $10\% + (30 \times 50\%) = 25\%$, while the weight of the stake in B is 30%. Therefore, in the absence of other significant interests, there exists no incentive to the net transfer of resources from B to C.


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ANNEX 2

IDENTIFICATION OF TRANSACTIONS INVOLVING SMALL AMOUNTS

Exemptions pursuant to Section 9 of this MSG are applicable to the following Transactions Involving Small Amounts:

- a. Transactions with entities listed under Letter a) (i) (ii) (iii) of Section 2 of this MSG, whose value does not exceed €300,000.
- b. Transactions completed with the parties indicated in Letter b) (vi) (vii) of Section 2 of this MSG for a value of no more than:
 - €300,000 if the entity is not a company;
 - €1,000,000 if the entity is a company with listed shares in Italy or another EU country, or with shares widely distributed among the public; and €300,000 for all other companies.
- c. Transactions completed with the parties indicated in Letter b) (i) (ii) (iii) (iv) (v) of Section 2 of this MSG for a value of no more than:
 - €300,000 if the entity is not a company;
 - €20,000,000 if the entity is a company with listed shares in Italy or another EU country, or with shares widely distributed among the public, as well as for all other companies.

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ANNEX 3

I – DISCLOSURE REQUIREMENTS ON TRANSACTIONS WITH RELATED PARTIES

1. Information Document Concerning Transactions of Greater Importance

In the event of Transactions of Greater Importance, including those carried out by Subsidiaries, Saipem SpA shall provide, in accordance with Article 114, Paragraph 5 of the Consolidated Law on Finance, an Information Document prepared in accordance with Annex 4 of Consob Regulations (see section II – Information Document Concerning Transactions of Greater Importance with Related Parties in this Annex).

The Information Document is prepared even if, during the financial year, Saipem completes with the same Related Party, or parties related to the latter and to Saipem, Transactions that are homogeneous or made under a unified design which, while not qualifying as individual Transactions of Greater Importance, exceed, when considered cumulatively, the thresholds of relevance indicated in Annex 1. For aggregation purposes, Transactions carried out by Subsidiaries are also taken into account, while any Transactions carried out pursuant to Section 9 of this MSG are not considered.

1.1. Terms for the publication of the Information Document


Without prejudice to the provisions of Article 114, Paragraph 1, of the Consolidated Law on Finance, the Information Document shall be made available to the public at the registered office and according to the means indicated in Title II, Chapter I, of the Issuers' Regulations, within seven days from the approval of the Transaction on the part of the Board of Directors or, if the latter passes a resolution in favour of presenting a contract proposal, from the moment at which the contract, even in preliminary form, is entered into on the basis of applicable law. Where competence or authorisation falls to the Shareholders' Meeting, the same Information Document shall be made available to the Meeting within seven days from the approval of the proposal.

If the relevance threshold is exceeded by the aggregate of Transactions, the Information Document shall be made available to the public within fifteen days of the approval of the Transaction or the signing of the contract subsequent to which the threshold of relevance is exceeded, and the document will contain information, including on an aggregate basis, of all Transactions included in the aggregate total. If the Transactions, subsequent to which the threshold of relevance is exceeded, are carried out by Subsidiaries, the Information Document shall be made available to the public within fifteen days from the moment Saipem receives notice of the approval of the Transaction or the signing of the contract which determines relevance. Pursuant to Article 114, Paragraph 2, of the Consolidated Law on Finance, the Subsidiaries must transmit the information necessary for drafting the document immediately according to the means contemplated by Saipem.

When a Transaction of Greater Importance falls within the scope of the Shareholders' Meeting or must be authorised by the latter, and if there are relevant amendments to be made to the Information Document published, Saipem, by the twenty-first day before the Shareholders' Meeting, shall make available to the public, at the Company's registered office and according to the methods indicated in Title II, Chapter 1, of the Issuers' Regulations, a new version of the document. Saipem may include reference to information already published.

1.2. Publication of the opinions of Directors or Independent Experts

Within the terms contemplated for the publication of the Information Document, Saipem makes available to the public, attached to the Information Document or on the Company website, any opinions of the Committee of Independent Directors or of the Independent Experts, if appointed, selected pursuant to article 7, paragraph 1, letter b) of Consob Regulations on Related Parties Transactions and the opinions issued by Experts qualified as independent that the Board of Directors may have used. With reference to the aforementioned opinions by Independent Experts, Saipem may publish only the elements indicated in Annex 4 of the Consob Regulations (see section II – Information Document Concerning Transactions of Greater Importance with Related Parties, referred to in this Annex), giving reasons for the choice.

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1.3. Mergers, unbundling, capital increases by the conferring of assets in nature, acquisitions and disposals

If, in the case of a Transaction of Greater Importance, Saipem must draft an Information Document pursuant to Article 70, Paragraphs 4 and 5, and Article 71 of the Issuers' Regulations, it may publish a single document containing the information requested by Annex 4 to the Consob Regulations (see section II – Information Document Concerning Transactions of Greater Importance with Related Parties, referred to in this Annex) by editing the Information Document as requested by said Articles 70 and 71. In such a case, the document will be made available to the public at the Company's registered office and according to the methods indicated in Title II, Chapter I, of the Issuers' Regulations, within the shortest of the time frames among those contemplated under each of the applicable provisions. If separate documents are published, Saipem may include references to information already published.

1.4. Disclosure to Consob

At the same time as disclosure to the public, the companies transmit to Consob the documents and opinions referred to above, using a link with the storage mechanism authorised pursuant to Article 65-septies, Paragraph 3 of the Issuers' Regulations.

2. Periodic Disclosure Obligations for Transactions with Related Parties

Pursuant to Article 154-ter of the Consolidation Law, Saipem shall provide information in the Half-Yearly Report and in the Annual Report regarding:


- a. the single Transactions of Greater Importance completed in the period of reference²⁹;
- b. any other single Transaction with related parties, as defined pursuant to Article 2427, Paragraph 2, of the Italian Civil Code, completed in the period of reference, which have materially affected the financial position or the results of the companies;
- c. any modification or development of the Transactions with Related Parties described in the most recent Annual Report, which have had a material effect on the financial position or results of the companies in the period of reference.

With regard to the information to be included in the documentation on the single Transactions, the following are regarded as relevant items of information:

a) in the Annual Report:

- 1) when applicable, the description of the policies within the sphere of which the Transactions with Related Parties can be classified, including with reference to the strategy pursued by means of said Transactions;
- 2) an indication, for each Transaction, including in table form, of the following information:
 - the name of the Transaction counterpart;
 - the nature of the relationship with the Related Party;
 - the subject matter of the Transaction;
 - the payment of the Transaction;
 - all other information that may be necessary to understand the effects of the Transaction with Related Parties on the Company's financial statements;

²⁹ Pursuant to the Consob Communication of 24 September 2010, with regard to the information referred to in Letters b) and c) "the perimeter of correlation is defined by reference to the notion established by the International Accounting Standards"; therefore, the definition of Related Parties, referred to in the Consob Regulation, applies only in the cases referred to in Letter a).

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b) in the Half-Yearly Report:

- 1) any modification to the Transactions with Related Parties described in the most recent Annual Report, which have had a “relevant effect” on the financial position or results of the Company in the period of reference;
- 2) an indication, for each Transaction, including in table form, of the information indicated in Letter a), point no. 2) above.

The information on the single Transactions of Greater Importance can be included by reference to the Information Documents, giving any significant updates. Furthermore, if a Transaction classifiable as of Greater Importance is exempted from the authorisation procedures described in this MSG (for example, because it is an Ordinary Transaction completed under Market or Standard Conditions), the reporting entity must inform Consob of the counterparty, the subject matter, and the consideration for the exempted Transactions, within the terms indicated in Paragraph 1.1. Similar information is also provided in the Half-Yearly Report and Annual Report (in addition to the data required under Letter “a” above of the present section); specifically, information relating to Transactions of Greater Importance, which occurred during the reporting period but were exempted from procedural requirements, is supplied.


3. Disclosure Obligations Concerning Transactions of Lesser Importance

No duty of disclosure exists for Transactions of Lesser Importance, except for those approved in the presence of a negative opinion of the Related Parties' Committee. For these, a document must be provided on a quarterly basis to the public containing an indication of the counterpart, of the subject matter and the consideration of the Transactions in addition to the reasons why it was deemed not suitable to share said opinion.

4. Press Releases on Price-Sensitive Transactions

If a Transaction with Related Parties could have a significant effect on the stock exchange prices of the reporting entity, the press release published pursuant to Article 114, Paragraph 1 of the Consolidated Law on Finance shall contain not only the information which must be published pursuant to the aforesaid Article, but also the following:

- a) the description of the transaction;
- b) the fact that the Transaction counterpart is a Related Party, and the nature of the relation;
- c) the identity of the Transaction counterpart;
- d) whether the Transaction exceeds or does not exceed the thresholds of relevance referred to in Annex 1 to this MSG and an indication regarding the possible publication of the Information Document for Transactions of Greater Importance;
- e) the procedures which have been, or which will be, followed for the approval of the Transaction and cases of procedural exclusion pursuant to Section 9 of this MSG;
- f) when appropriate, the approval of the Transaction in spite of the contrary opinion of the Independent Directors.

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II - INFORMATION DOCUMENT CONCERNING TRANSACTIONS OF GREATER IMPORTANCE WITH RELATED PARTIES

Should Saipem conduct transactions of greater importance with Related Parties, the Information Document required under section I of this Annex shall contain at least the following information:

Contents

1. Warnings

Highlight, in summary, the risks related to potential conflicts of interests arising from the Transaction with a Related Party, described in the Information Document.

2. Information on the Transaction

2.1. Description of the features, formalities, terms and conditions of the Transaction.

2.2. Indication of the Related Parties with which the Transaction has been entered into, the nature of the relationship and, when the information has been disclosed to the Board of Directors, the nature and extent of the interests of such parties in the Transaction.

2.3. Indication of the economic rationale and the convenience of the Transaction for the Company.

If the Transaction has been approved despite the contrary opinion of the Independent Directors, an analytical and adequate justification as to why it was deemed suitable not to share that view must be supplied.


2.4. Methods of determining the consideration for the Transaction and assessment regarding its suitability in relation to market values of similar Transactions.

If the economic terms and conditions of the Transaction are defined as Market Equivalent or Standard, adequate justification must be given for such statements by providing objective elements for comparison. Indicate whether there are any Independent Expert opinions in support of the suitability of such consideration and their conclusions, specifying:

- bodies or individuals who commissioned the opinions and appointed the experts;
- assessments carried out to select the Independent Experts and checks to ensure they are independent. In particular, any economic, equity and financial relations between the Independent Experts and (i) the related party, its subsidiaries, the entities that control the related party, including jointly, Saipem SpA, the Subsidiaries of Saipem SpA or those under common control with Saipem SpA, in addition to the Directors of the aforementioned companies (ii) the company, its subsidiaries, the entities that control it, the companies under common control with it in addition to its Directors, taken into account for the purposes of qualification as an Independent Expert and the reasons for which such relations have been considered irrelevant for the purpose of deciding on independence. The information regarding possible relationships can be provided by attaching a declaration from the Independent Experts themselves;
- terms and subject matter of the mandate given to the Experts;
- the names of the Experts appointed to assess the suitability of the consideration.

Indicate that the Independent Experts' opinions or the essential elements thereof are attached to the Information Document or published on the Saipem website. The essential elements of the expressed opinion which must in any case be published, are the following:

- evidence, where applicable, of the specific limits encountered during the execution of the mandate (e.g. with regard access to relevant information), the assumptions adopted and the conditions to which the opinion is subordinated;
- evidence of possible criticism reported by the Experts in relation to the specific Transaction;

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- indication of the assessment method adopted by the Experts to express their opinion on the suitability of the consideration;
- indication of the relative importance attributed to each of the assessment methods adopted for the purposes specified above;
- indication of the values resulting from each assessment method adopted;
- in the event the assessment methods used provide a range of values, an indication of the criteria whereby the final value of the consideration was determined;
- indication of the sources used to determine the relevant data subjected to processing;
- indication of the main parameters (or variables) taken as benchmarks for the application of each method.

With regard to the elements of the Experts' opinions made public, confirm that this information has been reproduced in keeping with the content of opinions to which it refers, and that, as known to Saipem, there are no omissions which could render the reproduced information inexact or misleading.

2.5. An illustration of the effects on the Company's economic, equity and financial effects of the Transaction, giving at least the applicable relevance indexes.

If the Transaction exceeds the significance reporting thresholds determined by Consob pursuant to Articles 70 and 71 of the Issuers' Regulations, highlight that pro-forma information shall be published in the document, as appropriate, as provided for under Paragraph 4 of the already mentioned Article 70 and under Article 71 and in the terms established by those provisions. The right to publish a single document, pursuant to point 1.3, is without prejudice.


2.6. If the amount of the remuneration for members of the Board of Directors of Saipem SpA and/or its Subsidiaries is bound to change as a result of the Transaction, particulars of the variations must be detailed. If no amendments or additions are foreseen, a statement in that sense must in any case be made.

2.7. In the case of Transactions in which the related parties are members of the administrative and control bodies, or general managers or executives of Saipem SpA, information concerning financial instruments of Saipem SpA held by those parties, as well as their interests in extraordinary Transactions, as provided for by Paragraphs 14.2 and 17.2 of Annex 1 to Regulation No. 809/2004/CE.

2.8. Indication of the bodies or Directors that have led or participated in negotiations and/or prepared and/or approved the Transaction by specifying in detail the respective roles, particularly with regard to the Independent Directors, if any.

With reference to the resolutions approving the Transactions, specify the names of those who voted for or against the Transaction, or who abstained, giving the reasons for any dissent or abstentions. Indicate that any opinions of Independent Directors are attached to the Information Document or published on the Company's website.

2.9. If the relevance of the Transaction results from an aggregate of several Transactions carried out during the financial year with the same Related Party, or with parties related to the latter and to Saipem SpA, the information indicated in the preceding points must be provided with reference to all the aforementioned Transactions.

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ANNEX 4

TRANSACTIONS CONSIDERED ORDINARY AND THOSE MADE UNDER EQUIVALENT TO MARKET OR STANDARD CONDITIONS

Transactions falling within the ordinary operating activity of the Company, its subsidiaries, its associated entities or their financial activities, provided that they are completed in market-equivalent or standard terms, such as for example:


Sales contracts with the parent company and/or its Subsidiaries: contracts relating to the offshore, onshore and drilling business.

By way of example, included in this type are revenues deriving from contracts for plants (GTL, fertilisers, petrochemicals, refineries, oil treatment, GAS, GOSP, FPSO – sale/lease, floaters), pipelines for the transport of fluids and related compression and pumping stations, platforms, subsea activities, SURF activities, power plants, infrastructures, engineering services, hook-up and commissioning, drilling activities, lease of drilling equipment, MMO; maritime works, land remediation and waste disposal, technical assistance and provision of services, and anything connected to such activities.

Purchase contracts with the parent company and/or its Subsidiaries:

Loans not agreed upon against significant new investments in terms of amount or type; factoring contracts.

Any other transaction that falls within the ordinary operating activity of the Company, its subsidiaries, its associated entities or their financial activities, completed under terms similar to those generally applied to Unrelated Parties for Transactions of a similar nature, entity and risk, i.e. based on regulated tariffs or imposed prices, or under terms that apply to parties the Company is obliged by law to charge a specific rate.

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