



## **2016 Remuneration Report**

**approved by the Board of Directors on March 16, 2016**

## **Mission**

We approach each challenge with innovative, reliable and secure solutions to meet the needs of our clients. Through multicultural working groups we are able to provide sustainable development for our company and for the communities in which we operate.

## **Values**

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

### **Countries in which Saipem operates**

#### **EUROPE**

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

#### **AMERICAS**

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

#### **CIS**

Azerbaijan, Georgia, Kazakhstan, Russia, Turkmenistan, Ukraine

#### **AFRICA**

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

#### **MIDDLE EAST**

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

#### **FAR EAST AND OCEANIA**

Australia, China, India, Indonesia, Japan, Malaysia, Papua New Guinea, Singapore, South Korea, Thailand, Vietnam



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## Letter from the Chairman of the Compensation and Nomination Committee



Maria Elena Cappello

Dear Shareholders,

I am pleased to present the Remuneration Report for 2016, to whose drafting the Compensation and Nomination Committee has contributed actively following the renewal of the Company bodies during the Shareholders' Meeting of April 30, 2015.

The constant and transparent dialogue with shareholders and investors is a vital element in our way of operating and, through this Remuneration Report, we aim to increase the awareness of our shareholders of the principles of our remuneration policy, of the salary packages through which they are articulated and of how these programmes consistently support our business strategy and our primary objective of creating value for shareholders.

The new Committee has commenced its work with recommendations to the Board regarding the remuneration of the Chief Executive Officer-CEO and the Chairman for the 2015-2018 term of office. For the CEO, the remuneration package has been defined following an adequate balancing of short-term and medium- to long-term variable components in line with the competitive scenario and the Company's business cycle. During the year, the Committee supported the Board of Directors in achieving a far-reaching review and renewal of Saipem's remuneration policy, with particular reference to management incentive schemes. This activity was guided by the priority objective of reinforcing further the link between remuneration and performance which would be sustainable over time, consistent with the strategic plan approved by the Board of Directors last autumn.

Among the most significant activities conducted by the Committee was the definition of a new medium- to long-term share-based incentive scheme, the implementation of which is subject to the approval of the Shareholders' Meeting of April 29, 2016.

In constructing the new long-term management incentive plan, the Committee was guided by the following criteria:

- *simplification* of existing programmes, in order to make them more linear, clear and focused on the elements of performance that are essential to the strategic plan;

- *alignment* between incentives, business performance and creation of value for shareholders in a logic of balancing the prospects and expectations of the various stakeholders;
- *competitiveness* with respect to the domestic market and to the international benchmark companies, with pride of place given to growing market positioning in relation to the performance effectively achieved;
- *retention* in the medium to long term of high quality resources for the achievement of ambitious targets and to face the complex challenges that the Company will have to face in the current and future market context;
- *consistency* with the expectations expressed by investors and with the principles of the Corporate Governance Code.

The proposals put forward in the Remuneration Policy Guidelines for 2016, established in the light of the new challenges that the market has laid down, and of the new Company set-up, were approved by the Board of Directors on March 16, 2016, and are illustrated in Section I of this Report.

Special thanks go to the Chairman and to the members of the outgoing Committee for the preparatory activities commenced in the first part of the year.

Convinced that this Report testifies to the will of the Committee to proceed with an efficient and transparent dialogue with shareholders and investors, I would like to thank you on behalf of the other members of the Committee for the commitment that we are sure you will give to the policies planned for 2016.

March 16, 2016

*The Chairman of the Compensation and Nomination Committee*

## Foreword

Pursuant to the applicable legislation and regulations<sup>1</sup>, this Report, which was approved by the Board of Directors on March 16, 2016 at the proposal of the Compensation and Nomination Committee, defines and illustrates:

- in the Section I, the Policy adopted by Saipem SpA ('Saipem' or the 'Company') for 2016 for the remuneration of Company Directors and Senior Managers with strategic responsibilities (hereafter SMSR)<sup>2</sup>, indicating the general aims pursued, the bodies involved and the procedures applied in order to adopt and implement 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;
- in the Section II, the remuneration paid in 2015 to the Directors, Statutory Auditors and SMSR 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 2016 Policy.

The Remuneration Policy described in Section I of this Report was established in line with the Corporate Governance Code published by Borsa Italiana SpA (hereafter the 'Corporate Governance Code'), as modified by the new edition of July 2015, adopted by Saipem<sup>3</sup>.

The Report also shows shares held in the Company by the Directors, Statutory Auditors and SMSR, and contains the information regarding the implementation of the 2015 Long-Term Monetary Incentive Plan required by way of implementation of applicable legislation<sup>4</sup>.

The Report was submitted to Borsa Italiana and was made available to the public at the Company's registered office and posted in the 'Governance' section of Saipem's website twenty-one days prior to the Shareholders' Meeting called to approve the 2015 financial statements and to pass a non-binding resolution in favour or against the first section of the Report, in accordance with the applicable legislation<sup>5</sup>.

Information related to financial instrument-based remuneration plans currently in force is available in the 'Governance' section of Saipem's website<sup>6</sup>.

(1) Article 123-ter of Legislative Decree No. 58/1998 and Article 84-quater of the Consob Issuers Regulation (No. 11971 as amended).

(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 planning, coordination and control responsibilities. Senior Managers with strategic responsibilities of Saipem, other than Directors and Statutory Auditors, are defined as those Senior Managers serving on the Advisory Committee and, at any rate, who are direct reports of the CEO.

(3) For additional information on the terms of Saipem's adoption of the Corporate Governance Code, see the section 'Governance' on the Company website (<http://www.saipem.com>) and the document 'Saipem's Corporate Governance and Shareholding Structure Report 2015'.

(4) Article 114-bis of the Consolidated Finance Act 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](http://www.saipem.com/sites/SAIPEM_it_IT/area/GOVERNANCE-saipem-governance.page).

## Overview

Saipem's Remuneration Policy is voted on by the Board of Directors following a proposal by the Compensation and Nomination Committee consisting entirely of non-executive and independent Directors and is defined in accordance with the Governance model adopted by the Company and with the recommendations of the Corporate Governance Code. In keeping with the guidelines set out in the Company's Strategic Plan, this policy promotes alignment of the interests of management with the priority objective of value creation for the Company's shareholders in the medium to long term.

For the purposes of this Report, the Compensation and Nomination Committee has taken into account the positive outcome of the vote of the Shareholders' Meeting and the feedback received from shareholders on the 2015 Report, as well as the benchmark regulatory and governance framework, with the aim of ensuring the broadest clarity, completeness and usability of the information provided herein.

### 2016 Remuneration Policy

The Saipem Board of Directors was appointed by the Shareholders' Meeting on April 30, 2015, for a term of three years. The Board's term of office thus expires on the date of the Shareholders' Meeting called to approve the financial statements as at and for the year ended December 31, 2017.

The 2016 Remuneration Policy, which is illustrated in detail in the Section I of this document, contains the following Guidelines:

- for the non-executive Directors, the 2016 Guidelines reflect the resolutions taken by the Board of Directors on May 25, 2015 and do not contain any changes with respect to the Policy approved in the previous year;
- for non-executive Directors who will be members of Board Committees, the Remuneration Policy Guidelines envisage the definition of remuneration commensurate with the complexity of the role and the commitment required in line with market benchmarks, and do not contain any changes with respect to the Policy approved in the previous year;

- for the Chairman, the Remuneration Policy Guidelines envisage the maintenance of the same remuneration resolved by the Board of Directors on June 15, 2015, in line with market benchmarks;
- for the CEO, the 2016 Remuneration Policy Guidelines envisage the maintenance of the same remuneration resolved by the Board of Directors on June 15, 2015, in line with market benchmarks. In addition, the Guidelines envisage variable remuneration designed to reward annual performance in connection with the targets set for the previous year. The 2016 Guidelines also include the adoption for the three-year period 2016-2018 of a Long-Term Incentive Plan (LTI) for all managerial resources, on a share basis, replacing the previous long-term money incentive plans, while leaving unchanged the overall maximum long-term incentive approved by the Board of Directors on June 15, 2015. The Plan will be submitted for approval to the Shareholders' Meeting called to approve the financial statements as at and for the year ended December 31, 2015. The Plan conditions are detailed in the information document published on the Company website ([www.saipem.com](http://www.saipem.com)), pursuant to the applicable legislation (Article 114-*bis* of Legislative Decree No. 58/1998 and the Consob implementing regulations). For further information on the characteristics of the Plan, please refer to the section 'Long-Term Variable Incentive Schemes' of this Report;
- for the remuneration of SMSR, the 2016 Guidelines apply the same remuneration structures established in 2015, with the adoption for the three-year period 2016-2018 of a Long-Term Incentive Plan for all managerial resources. This plan, which replaces previous long-term incentive plans (Deferred Monetary Incentive and Long-Term Monetary Incentive), encompasses the same maximum level of incentives of previous plans, as envisaged also for the CEO.

The following table shows the main elements of the 2016 Guidelines voted on for the remuneration of the CEO and SMSR.

## 2016 Remuneration Policy

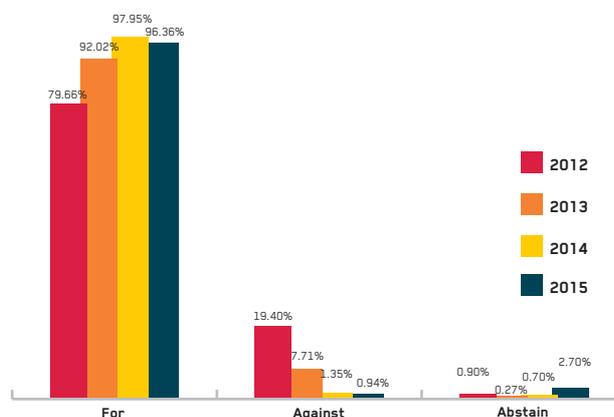
Component	Aims and characteristics	Conditions for implementation	Amounts
<b>Fixed remuneration</b>	Values skills, experience and the contribution demanded by the role assigned.	Verifies remuneration using benchmarks in line with the characteristics of Saipem and of the roles assigned.	CEO: €900,000 per year. SMSR: remuneration determined on the basis of the role assigned. Adjustments possible based on competitive positioning reviews (market medians).
<b>Annual Variable Incentive</b>	Promotes the achievement of annual budget objectives. All managerial resources are included in the Plan.	<b>2016 Objectives</b> - CEO: Free Cash Flow (weight 40%); EBIT Adjusted (weight 30%); Cost Saving (weight 20%); Sustainability and HSE (weight 10%). <b>SMSR Objectives:</b> broken down on the basis of objectives assigned to Top Management, in relation to the area of responsibility for the role covered. Incentives paid out on the basis of results obtained in the previous year, measured on a performance scale of 70-130 points <sup>1</sup> , with a minimum individual threshold for pay-out of 85 points. Clawback in the event of demonstrably incorrect or deliberately altered data, or violations of the law, regulations, the Code of Ethics or Company regulations.	CEO: target level pay-out = 60% of fixed remuneration (minimum 51% and maximum 78%). SMSR: target level pay-out varies, based on role assigned, up to a maximum of 40% of fixed remuneration.
<b>LTI - Long-Term Incentive (2016-2018 Plan)</b>	Promotes alignment of management with shareholders' interests and with long-term sustainable value creation. All managerial resources are included in the Plan.	Allocation: free allocation of ordinary Saipem SpA shares on achievement of the performance conditions, differentiated according to the level of the role held. Performance condition: TSR (weighting of 50%), measured at the end of the three-year period of reference in terms of positioning relative to the peer group. Net Financial Position (weighting of 50%) measured at the end of the three-year period of reference. Three-year vesting period + lock-up period of 2 years for the CEO. Three-year vesting period + Co-investment of a further 2 years for strategic resources only. Clawback in the event of demonstrably incorrect or deliberately altered data, or violations of the law, regulations, the Code of Ethics or Company regulations.	CEO: maximum level of incentive of 153% of fixed remuneration, unchanged compared to that of previous plans. SMSR: maximum incentive level differentiated according to the role covered to a maximum of 100% of fixed remuneration, unchanged compared to previous plans, as well as a further 25% in shares at the end of the Co-investment period (Retention Share). The maximum value at the end of the vesting period cannot be any more than four times the value of the shares at the moment of their allocation.
<b>Benefits</b>	These supplement the remuneration package in a logic of total reward through benefits in kind, mainly of a health and social security nature. Plan participants: all managerial resources.	Conditions set out in the national collective bargaining contract and in supplementary Company agreements applicable to resources with managerial qualifications.	- Supplementary social welfare; - Supplementary health assistance; - Insurance cover; - Company cars for business and personal use.
<b>Severance payments</b>	Severance payments to protect the Company, including against potential competition risks.	CEO: <i>termination indemnities</i> : non-renewal upon end of office or early termination of office, with the exception of termination for just cause and resignations not caused by demotion; <i>non-competition agreements</i> : may be triggered at the discretion of the Board of Directors by means of the non-compete option <sup>2</sup> , and encompasses an obligation of non-competition for a period of one year from the termination of the mandate. SMSR: <i>termination indemnities</i> : agreed upon consensual termination; <i>Severance Payments</i> : change of control resulting in resignation or termination and/or demotion. <i>Minimum Term Agreement</i> : ensure continuity in the protection of know-how; <i>non-competition agreements</i> : may be triggered upon termination of employment.	CEO: <i>early termination indemnity</i> : €1,800,000; <i>non-competition agreement</i> : €1,800,000. SMSR: <i>termination indemnity</i> : as established by the national collective labour agreement; <i>Severance Payments</i> : up to a maximum of two years' fixed remuneration; <i>non-competition agreement/minimum term agreements</i> : 12 months of remuneration for each year of the agreement.

(1) Below the minimum threshold (70 points) the performance is considered equal to zero.  
(2) Against the non-compete option reserved by the Board of Directors a payment of €450,000 is due.

## Remuneration Report 2015 (Section I) - Results of vote held at the Shareholders' Meeting

In accordance with the applicable legislation (Article 123-ter, paragraph 6 of Italian Legislative Decree No. 58/1998), an advisory vote was held at the Shareholders' Meeting of April 30, 2016 with regard to Section I of the 2015 Remuneration Report. Votes in favour represented 96.36% of the share capital. There has been a progressive reduction in the number of votes against beginning in 2012.

### Results of votes held at the Shareholders' Meeting



## Section I - 2016 Remuneration Policy

### Governance of the remuneration process

#### Bodies and persons involved

The Remuneration Policy with regard to members of the Saipem Board of Directors is defined in accordance with the applicable statutory and legal requirements, by which:

- the Shareholders' Meeting establishes the remuneration of the members of the Board of Directors when they are appointed, for the whole of their term of office;
- the Board of Directors establishes the remuneration for Directors assigned special functions (Chairman and the CEO) and for service on Board Committees, having consulted the Statutory Auditors.

In accordance with the Saipem Governance model, the Board of Directors is also responsible for:

- the definition of performance targets and the approval of results for performance plans used to establish the variable remuneration of the CEO;
- the approval of the general criteria for the remuneration of SMSR;
- the definition of 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.

In accordance with the recommendations set out in the Corporate Governance Code, the Board of Directors is assisted in connection with remuneration matters by a Committee with a consultative and advisory function composed of non-executive, independent Directors (the Compensation and Nomination Committee).

#### 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 for the first time 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 website.

In accordance with the applicable legislation and the recommendations set out in the new version of the Corporate Governance Code, the Committee is composed of three non-executive, independent Directors. In accordance with the Corporate Governance Code (Article 6.P.3), the Regulations also require that at least one member of the Committee has adequate knowledge and experience on financial and remuneration matters evaluated by the Board at the time of appointment.

Up until the re-election of the Company Bodies during the Shareholders' Meeting of April 30, 2015, the Committee was composed of the following non-executive and independent Directors: Rosario Bifulco, Chairman, Federico Ferro-Luzzi and Nella Ciuccarelli.

Following the election of new management and Control Bodies, the following non-executive Directors, who are all independent pursuant to the applicable legal requirements and the Corporate Governance Code, joined the Committee: Maria Elena Cappello, Chairperson, Federico Ferro-Luzzi and Francesco Ferrucci. The Executive Vice President of Human Resources, Organisation and Services for Personnel, or, in his/her place, the Senior Vice President of Development, Organisation, Compensation and Senior Managers Management, acts as Secretary of the Committee.

The Committee has the following propositive and consultative functions in relation to the Board of Directors, in compliance with the recommendations contained in the Corporate Governance Code (Article 6.P.4 and Article 6.C.5):

- submitting the Remuneration Report and in particular the Policy regarding the remuneration paid to the Directors and the other SMSR 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;
- periodically checking the adequacy, the overall consistency and the implementation of the Policy adopted and formulating proposals in this regard;
- making proposals regarding the forms and amounts of remuneration awarded to the CEO;
- making proposals regarding the remuneration of the non-executive Directors appointed to the Committees formed by the Board;
- proposing general criteria for the remuneration of SMSR, annual and long-term incentive plans, including share-based incentive plans and 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 CEO;
- monitoring the implementation of decisions taken by the Board as regards remuneration;
- reporting to the Board of Directors every six months on the work it has carried out.

As part of its functions, the Committee may also be asked to provide opinions regarding transactions with related parties in accordance with the relevant Company procedure.

##### 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. The Committee 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 simultaneously with the annual report. 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 request of the Committee Chairman, other persons may also participate in order to provide information and make assessments within their field of competence in relation to individual agenda items. No executive 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:

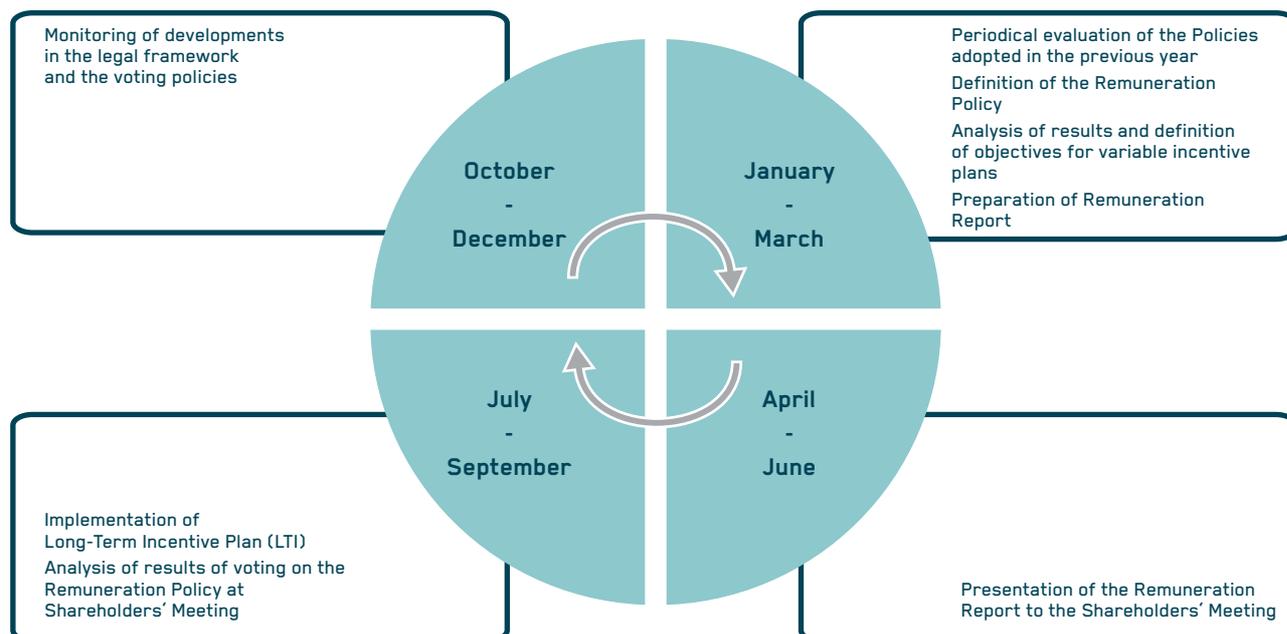
- periodically checking the adequacy, the overall consistency and the implementation of the Policy adopted in the previous year in relation to the results achieved and the remuneration/benchmarks supplied by specialised providers;
- definition of Policy proposals for the following year and of proposals 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 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 the regulatory framework and of the voting policies of the main proxy advisors, in the context of the preliminary investigations required in support of the Policy proposals for the following financial year.

**Activities carried out and planned**

In 2015, the Committee (in its previous and current mandates) convened on a total of 11 occasions, with a member attendance of 94%.

The Committee focused its activities on the following key remuneration topics: (i) periodically reviewing the Remuneration Policy implemented in 2014, with a view to defining the proposals for the 2015 Policy Guidelines for the Long-Term Monetary Incentive Plan linked with the share performance for the period 2015-2017; (ii) reviewing the Company’s 2014 results, defining 2015 performance targets in connection with the variable incentive plans; (iii) assessing proposals for initiatives to retain managerial figures; (iv) examining the 2015 Saipem Remuneration Report. Following the election of the new Board of Directors, the new Compensation and Nomination Committee was called to define proposals for the remuneration of Directors for the 2015-2017 term. The proposals were duly formulated taking into account the principles and criteria underpinning the Saipem 2015 Remuneration Policy, as well as national and international market benchmarks for equivalent positions, and were submitted for approval to the meetings of the Board of Directors held on May 25, 2015 and June 15, 2015.



## Principal issues addressed in 2015

<b>January</b>	<ol style="list-style-type: none"> <li>1. Proposal for the nomination of the manager of Internal Audit and setting of his/her compensation;</li> <li>2. Examination of the proposals to incorporate the recommendations on remuneration contained in the Governance Code of the Borsa Italiana.</li> </ol>
<b>February</b>	<ol style="list-style-type: none"> <li>1. Remuneration Policy: evaluation of 2014 implementation and 2015 proposal;</li> <li>2. Long-Term Monetary Incentive Scheme: Prospectus for Consob;</li> <li>3. Self-Assessment Report 2014 of the BoD and recommendations for the future composition.</li> </ol>
<b>March</b>	<ol style="list-style-type: none"> <li>1. Review of Saipem's 2014 results and definition of 2015 performance objectives;</li> <li>2. Proposal for CEO's Annual Monetary Incentive;</li> <li>3. Proposal for managerial figure retention initiatives;</li> <li>4. Examination of 2015 Remuneration Report.</li> </ol>
<b>April</b>	<ol style="list-style-type: none"> <li>1. Preparation for Shareholders' Meeting.</li> </ol>
<b>May</b>	<ol style="list-style-type: none"> <li>1. Assessment of the remuneration positioning of Directors;</li> <li>2. Proposal to amend the Regulations of the Compensation and Nomination Committee.</li> </ol>
<b>June</b>	<ol style="list-style-type: none"> <li>1. Definition and proposal for remuneration of CEO, Chairman and non-executive Directors serving on Committees.</li> </ol>
<b>July</b>	<ol style="list-style-type: none"> <li>1. Review of 2014 results in relation to the Long-Term Monetary Incentive Scheme for critical managerial resources;</li> <li>2. Deferred Monetary Incentive Scheme - approval of award Regulations 2015;</li> <li>3. Assessment of the proposal to nominate members of the Compliance Committee and definition of compensation.</li> </ol>
<b>September</b>	<ol style="list-style-type: none"> <li>1. Long-Term Monetary Incentive Plan - 2015 award and approval of Regulations;</li> <li>2. Proposal for Regulations of the implementation criteria for the clawback principle.</li> </ol>
<b>November</b>	<ol style="list-style-type: none"> <li>1. Preliminary review and proposals to intervene on the managerial incentive scheme.</li> </ol>
<b>December</b>	<ol style="list-style-type: none"> <li>1. Proposal of Saipem 2016 indicators for the short- and long-term incentive schemes.</li> </ol>

During the second half of the year, the Committee focused on the following issues: (i) the review of 2014 results in relation to the Long-Term Monetary Incentive Scheme for Top Management and critical managerial resources; (ii) the approval of Regulations of 2015 award of the Deferred Monetary Incentive Scheme; (iii) the 2015 award of the Long-Term Monetary Incentive Scheme for Top Management and critical managerial resources and the approval of the Regulations; (iv) the definition of the remuneration of the Saipem Compliance Committee; (v) assessment of the regulatory proposals for the implementation criteria of the clawback principle; (vi) assessment of the proposals to intervene on the Saipem management incentive scheme; (vii) assessment of the proposal for Saipem 2016 indicators for the short- and long-term incentive schemes.

The Committee plans to hold at least 10 meetings in 2016. At the date of approval of this Report, the first seven meetings had already been held. These focused on: (i) assessment of the remuneration policies implemented in 2015 with a view to defining a 2016 remuneration policy proposal; (ii) reviewing the Company's 2015 results, defining 2016 performance targets in connection with the variable incentive plan; (iii) amendment of the Committee's Rules following the implementation of the changes to the Corporate Governance Code in July 2015; (iv) definition of the proposal of the New Equity Management Incentive Scheme 2016-2018 and drafting of the relevant Information Document for Consob.

The Committee reports through its Chairman to the Board of Directors on a half-yearly basis, as well as to the Shareholders' Meeting convened to approve the annual financial statements, on the performance of its duties, in accordance with its own Committee rules, with the recommendations of the Corporate Governance Code and with the aim of establishing a channel for dialogue with shareholders and investors.

## 2016 Remuneration Policy approval process

In accordance with its remit, the Committee defined the structure and content of the Remuneration Policy for the purpose of preparing this Report in its meetings of January 25, February 9 and March 3 and 15, 2016, in accordance with the recent recommendations contained in the Corporate Governance Code. In reaching its conclusions, the Committee took account of the results of periodical assessment of adequacy, overall consistency and concrete application of the 2015 Remuneration Policy Guidelines, as well as resolutions regarding the remuneration of the competent Company bodies.

The Saipem 2016 Remuneration Policy for the CEO and for SMSR was, together with this Report, approved by the Board of Directors on March 16, 2016 at the proposal of the Compensation and Nomination Committee.

Implementation of the remuneration policies defined in accordance with the guidelines provided by the Board of Directors is done by the competent Company bodies, with the support of the relevant Company functions. When drafting this Report, the Committee made use of remuneration benchmarks prepared by independent international consultancy firms for the preparatory analysis with a view to putting forward Policy proposals for 2016 remuneration.

## 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 interests of management with the priority objective of value creation for shareholders in the medium to long term.

The Saipem Remuneration Policy contributes to the achievement of the Company's mission and strategies by:

- promoting actions and conduct consistent with the Company's values and 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 remuneration 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 line with the Company's Strategic Plan and with responsibilities assigned.

### General principles

In line with the above aims, the remuneration paid to the Directors and SMSR is defined in accordance with the following principles and criteria:

- remuneration paid to non-executive Directors is to be commensurate with their scope of duties as a members of Board Committees set up according to the Articles of Association, with differentiation of the Committee Chairman's remuneration with respect to that of Committee members to be in recognition of his/her duties of coordinating works and liaising with Company bodies and functions;
- save otherwise resolved by the Shareholders' Meeting, non-executive Directors are excluded from variable incentive schemes, including share-based incentive plans;
- the remuneration structure for the CEO and for SMSR should be a balanced mix of a fixed component commensurate with powers and/or responsibilities and a variable component with a maximum limit designed to link remuneration to targets effectively achieved;
- there must be an overall consistency of remuneration compared with applicable market benchmarks for similar positions or roles of a similar level of responsibility and complexity within a panel of companies comparable with Saipem, using specific benchmarks created with the support of international remuneration data providers;
- remuneration of executive roles strongly influencing Company results is to be variable, 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 long-term nature of the business pursued;
- objectives are to be linked with pre-set variable remuneration, measurable and be inter-complementary, with the aim of representing the priorities in terms of the overall Company performance, in line with the Strategic Plan and with the

expectations of shareholders and stakeholders, and thereby promoting a strong drive towards results. These objectives are defined in order to ensure: (i) assessment of annual, business 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 targets assigned; (ii) definition of long-term incentive plan targets designed to enable an assessment of Company performance both in absolute terms, i.e. in terms of the Company's capacity to achieve medium- to long-term economic and financial performance, in relative terms with respect to a peer group, with reference to the ability to generate share performance value creation levels that are superior to those of its main international competitors and ensure greater alignment with the interests of shareholders in the medium to long term;

- incentives linked with variable remuneration are to be paid following a scrupulous process of checking results effectively achieved, assessing performance targets assigned net of the effects of exogenous variables, with a view to maximising the actual performance of the Company deriving from managerial actions;
- a clawback mechanism is to be adopted in order to allow for the recall of variable remuneration components already paid out, or not to allocate shares at the end of the vesting period, or to ask for restitution of the value of shares paid out, or to withhold the value of competences due to beneficiaries, wherever the maturation of these shares took place based on data that was later proven to be manifestly false, or the repayment of all incentives (or shares/values) for the financial year (or financial years) with reference to which the criminal alteration of data for the achievement of related objectives is ascertained, and/or there is a violation of laws and regulations, of the Code of Ethics or Company rules, which are related to or imply a strong impact in the employment environment, thereby affecting the relationship of trust, without prejudice to any action allowed in and through the legal system to protect the Company's interests;
- benefits (with a preference given to pension and insurance benefits) are to be in line with market remuneration benchmarks and compliant with local regulations to supplement and enhance the remuneration package, reflecting roles and responsibilities assigned;
- additional severance will be paid for termination of employment and non-competition agreements for executive positions which are subject to a high risk of competition, defined within a determined sum or on the basis of a determined number of years of remuneration, in line with the level of remuneration received.

## 2016 Remuneration Policy Guidelines

In light of the new challenges faced on the market and the new Company set-up, the 2016 Remuneration Policy Guidelines focus attention on the definition of 2016 objectives in line with the Strategic Plan, as well as on a review of the long-term incentive

scheme with a view to reinforcing the mechanisms value created for the shareholder.

The 2016 Guidelines introduce a long-term share-based plan, while at the same time reaffirming the more general policy adopted in the previous financial year.

For non-executive Directors, the 2016 Policy Guidelines reflect the resolutions taken by the Board of Directors on May 25, 2015, following the re-election of the Company Bodies by the Shareholders' Meeting of April 30, 2015, in accordance with a principle of continuity with the remuneration structure applied in relation to the previous mandate and not entailing, therefore, any significant changes compared to the previous financial year.

For the CEO and SMSR, the 2016 Guidelines confirm the structure of the remuneration package of 2015, with the introduction of a new, share-based Long-Term Incentive Plan (LTI), which replaces the Deferred Monetary Incentive Plan and the Long-Term Monetary Incentive Plan, and which encompasses the free award of ordinary Company shares against the achievement of performance conditions measured through a business objective and an objective linked to the performance of the Saipem share, both measured over a three-year time frame, and maintaining unaltered the maximum incentive percentages contained in the previous long-term plans. The Plan will be submitted for approval to the Shareholders' Meeting called for April 29, 2016. The Plan conditions are detailed in the Information Document published on the Company website ([www.saipem.com](http://www.saipem.com)), pursuant to the applicable legislation (Article 114-bis of Legislative Decree No. 58/1998 and Consob implementing regulations). For further information on the characteristics of the Plan, please refer to the section 'Long-Term Variable Incentive Schemes' of this Report.

### Market benchmarks

The market benchmarks used are: (i) for the Chairman, similar roles in listed Italian companies comparable in size to Saipem in terms of revenues, capitalisation and business were taken into consideration; (ii) for non-executive Directors, similar roles in the main Italian and European listed companies comparable with Saipem in terms of revenues, capitalisation and business were taken into consideration; (iii) for the CEO, similar roles in the main European companies comparable with Saipem in terms of level of complexity, responsibility, revenues, capitalisation and business were taken into consideration; (iv) for SMSR, roles of the same level of managerial responsibility and complexity in the major Italian industrial companies were considered.

## Chairman of the Board of Directors and non-executive Directors

Compensation for the Chairman of the Board of Directors and for non-executive Directors reflects the resolutions taken by the Board of Directors on May 25, 2015 and June 15, 2015.

### 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 15, 2015, which defined a fixed remuneration, which represents an increase compared to the previous mandate in consideration of the greater powers attributed, of €278,000, inclusive of €60,000 remuneration for the office of Director resolved by the Shareholders' Meeting of April 30, 2015, in line with the reference market benchmarks, to which is added the remuneration of €20,000 for the role of Chairman of the Corporate Governance Committee. Due to the nature of the office, the Chairman's remuneration does not include a variable component.

### Remuneration of non-executive Directors

The Shareholders' Meeting of April 30, 2015 set gross annual remuneration for non-executive Directors at €60,000, unchanged from the previous term.

### Additional remuneration for serving on Board Committees

An additional annual remuneration will continue to be paid out to non-executive Directors for participation in Board Committees. The fees, resolved by the Board of Directors on May 25, 2015, which remain unvaried compared to the previous mandate, are determined as follows:

- €30,000 for the Chairman of the Audit and Risk and €24,000 for other members;
- €20,000 for the Chairman of the Compensation and Nomination Committee and €15,000 for other members;
- €20,000 for the Chairman of the Corporate Governance Committee<sup>7</sup> and €15,000 for other members.

### Payment in the event of expiry of office or termination of employment

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

For the CEO, the structure of remuneration in 2016 reflects the resolutions passed by the Board Directors on June 15, 2015. It encompasses the powers and duties assigned and includes both remuneration set by the Shareholders Meeting for Directors and any remuneration due for attendance at meetings of Boards of Directors of subsidiaries and associate companies.

### Fixed remuneration

The fixed remuneration of the CEO is set at €900,000 per year. This figure was determined by the Board of Directors based on

(7) The Corporate Governance Committee was set up for the first time in 2015 by the Board of Directors and has the task of assisting the Board of Directors by fulfilling a preparatory, consultative and advisory role in assessments and decision-making processes with regard to Corporate Governance and Corporate Social Responsibility.

the proposal of the Compensation and Nomination Committee, and represents an increase compared to the previous mandate, in line with the market benchmarks supplied by the provider HayGroup.

### Annual variable incentive

The 2015 Annual Variable Incentive Plan for the current CEO is linked to the achievement of objectives set for the previous year, as described in the 2015 Remuneration Report, which are measured on a performance scale from 70 to 130, adjusted by applying a weighting factor. Below 70 points, the performance is considered equal to zero. The minimum individual performance level for incentive pay-out purposes is 85 points.

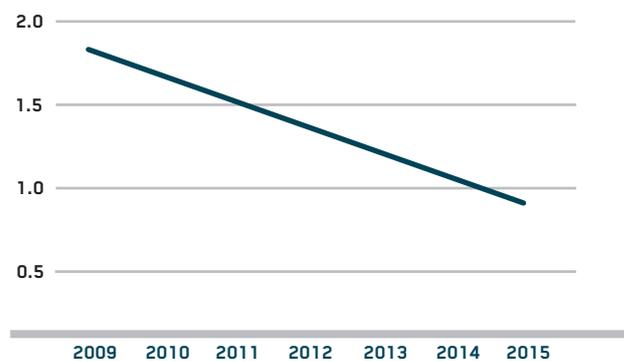
The Plan will be determined based on results achieved by Saipem in the previous year, measured on a performance scale consisting of a minimum level performance (85 points), a target level performance (100 points) and a maximum level performance (130 points), corresponding respectively to 51%, 60% and 78% of fixed remuneration.

The 2016 objectives approved by the Board of Directors on January 14, 2016 for the purposes of the 2017 annual variable incentive scheme are consistent with the strategic guidelines and the business model, and can be broken down as follows:

2016 objectives for the 2017 Annual Variable Incentive Plan		
	Target	Weight
1	Free cash flow	40%
2	Adjusted EBIT	30%
3	Cost Saving ('Fit for the Future' programme)	20%
4	Sustainability and HSE	10%

In particular, the adjustment connected to the EBIT indicator refers only to non-monetary write-downs, while the 'Cost Saving' objective is with reference to the 'Fit for the Future' programme targeted at reducing costs. The Sustainability and HSE objective focuses on obtaining Saipem's inclusion in the United Nation's 'Global Compact Index' through sustainability programmes in the areas of environmental protection, the fight against corruption, and Human Rights, as well as the themes of health and safety expressed through indicators such as the Total Recordable Injury Frequency Rate and programmes for the prevention of fatal accidents.

### Total Recordable Injury Frequency Rate

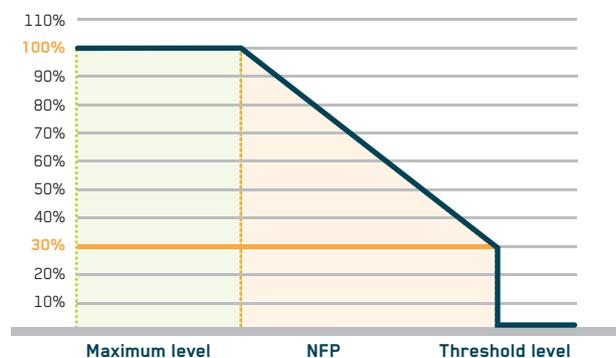


### Long-term variable incentive

The Long-Term Incentive Plan (LTI) 2016-2018, which includes all managerial resources, with three awards beginning in July 2016, encompasses, subject to approval by the Shareholders' Meeting, of the free allocation of ordinary Saipem shares (performance shares) against the achievement of two performance conditions, the first in relation to a business objective measured over the three-year vesting period, and the second linked to the performance of the Saipem share in the three-year period of reference. The Plan requires that the performance conditions be measured on the basis of the following parameters:

- Total Shareholder Return (TSR) of the Saipem share, with a weighting of 50%, measured on a three-year basis in terms of positioning relative to the peer group consisting of the main international companies operating in the same sector as Saipem. The TSR is measured in relation to the following peer group: Subsea 7, Petrofac, Hyundai E&C, McDermott International, Samsung Engineering Co, Aker Solutions, Technip, Tecnicas Reunidas, Noble Corporation, Enasco, Nabors Industries. The Plan requires that a part of the award for the performance condition measured in terms of Saipem's TSR be at least equal to the median performance of the peer group as illustrated in the table (page 13);
- Net Financial Position (NFP)<sup>(8)</sup>: a target that measures the economic and financial performance of Saipem over the medium to long term at the end of the three-year period of reference, with a weighting of 50%.

### Business-based Indicator: Net Financial Position



At the achievement of the maximum level or above, 100% of the shares will mature, while on achievement of the threshold level, 30% of the shares assigned will mature. For results between the maximum level and the threshold, shares mature proportionally while, in the event of performances below the threshold level, no shares will mature.

The achievement of the maximum result level for each performance condition leads to the payment of 100% of the shares, while on achievement of a threshold result, 50% of the shares assigned for the TSR and 30% for the NFP will mature. In the event of performances below the threshold level, no shares will be issued.

The performance conditions operate independently of each other. This means that, in the presence of an adequate performance in at least one of the two objectives, a part of the award will mature regardless of the performance achieved in the other objective.

(8) The Plan includes the use of a business objective derived from Saipem's medium- to long-term Strategic Plan, measured by one or more economic-financial indicators, with a weighting of 50%. For the first implementation cycle of the Plan related to the three-year term 2016-2018, this objective is measured by Saipem's Net Financial Position at the end of the three-year term of reference.

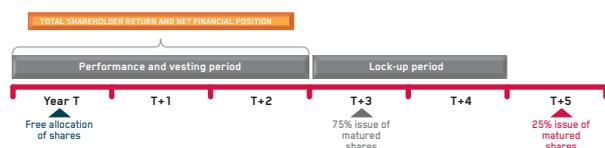
## TSR

Position in ranking	Performance in line with or above the median						Performance below the median					
	1	2	3	4	5	6	7	8	9	10	11	12
Maturity	100%	100%	100%	100%	75%	50%	0%	0%	0%	0%	0%	0%

The maximum level of incentive attributed by the Plan for the CEO is defined in relation to fixed remuneration, consistent with the principles laid down in the Guidelines, and is equal to 153% of fixed remuneration, leaving unchanged the maximum incentive percentages contained in the previous long-term incentive plans. The maximum value at the end of the vesting period cannot be any more than four times the value of the shares at the moment of their allocation.

If his mandate is not renewed, the shares issued under each attribution will occur on the expiry date of the vesting period, according to the performance conditions contained in the Plan. With a view to aligning the Company's interests with those of its shareholders over the long term, and of ensuring the sustainability of the results obtained, the Plan also requires that 25% of the shares matured by virtue of the achievement of the above mentioned results are to be locked up for a period of two years, during which the CEO cannot dispose of them.

## LTI - Timeline



### Payment in the event of expiry of office or termination of employment

Consistent with the benchmark practices and in line with the Recommendations of the European Commission No. 385 dated April 30, 2009, and to protect the Company from potential competitive risks, the following remuneration is envisaged for the CEO:

- In the event of early termination of the 2015-2017 term of office, without just cause, including for resignation caused by demotion, an indemnity inclusive of a lump-sum payment in a fixed amount, pursuant to Article 2383, paragraph 3 of the Italian Civil Code, will be paid out in a sum equal to two years of the gross overall fixed remuneration (hence €1,800,000). It should be noted that, in the event of resignation from the post of 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 CEO must pay an indemnity of €300,000.
- A non-competition agreement is in place to protect the interests of the Company, in consideration of the high managerial profile of the CEO and its absolute international importance in the Oil & Gas Services sector and in the network of international relations and business built up at global level by his office. The non-competition agreement (made effective by the Board of Directors through an option right against a specific payment of €450,000 gross to be paid

out in three annual instalments) envisages a payment against the undertaking of the CEO not to carry out, for 12 months subsequent to the expiry of his mandate, any activities in competition with those carried out by Saipem in relation to its Company objectives and in the context of the main markets of reference at international level. This payment, approved by the Board of Directors on June 15, 2015, amounts to €1,800,000. 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 CEO is granted insurance cover against the risk of death and permanent disability and membership of the supplementary healthcare fund (FISDE), as well as use of a Company car for business and personal use and reimbursement of expenses for a Rome-Milan journey once per week, if needed.

## Senior Managers with strategic responsibilities

### Fixed remuneration

Fixed remuneration of SMSR 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 2016 Guidelines will employ selective criteria designed to ensure adequate levels of competitiveness and motivation.

In particular the proposed actions will involve: (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 targeted at recovering competitiveness, and in consideration of retention purposes and performances of excellent quality.

### Annual variable incentive

The Annual Variable Incentive Scheme provides a sum, to be paid out in 2016, calculated with reference to Saipem's and individual performance results in relation to the previous year, measured on a performance scale of 70÷130 (below 70 points the performance of each objective is considered equal to zero) with a minimum individual threshold of 85 points, below which no incentive is due, as for the CEO. The target level incentive (performance = 100) and maximum level performance (performance = 130) entail payouts that vary in accordance with the role of the beneficiary, up to a maximum of 40% and 52% of fixed remuneration, respectively. The performance objectives of other SMSR are calculated on the basis of the objectives assigned to Top Management and focus on economic-financial performance, operations, internal efficiency, sustainability (especially health and safety, environmental protection, stakeholder relations), 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 incentive

In line with the incentive plan granted to the CEO, SMSR participate in the Long-Term Incentive Scheme approved by the Board of Directors on March 16, 2016, subject to the approval of the Shareholders' Meeting.

The Long-Term Incentive Plan (LTI) 2016-2018, which includes all managerial resources, with three awards beginning in July 2016, encompasses the free allocation of ordinary Saipem shares (performance shares) against the achievement of two performance conditions, the first in relation to a business objective measured over the three-year vesting period, and the second linked to the performance of the Saipem share in the three-year period of reference. The Plan requires that the performance conditions be measured on the basis of the following parameters, as described for the CEO:

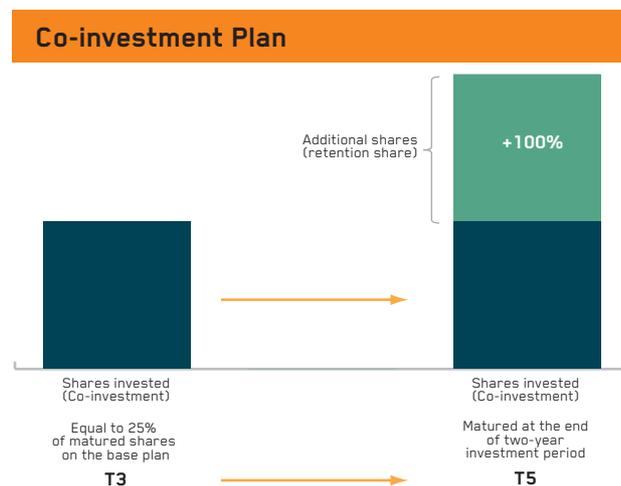
- Total Shareholder Return (TSR) of the Saipem share, with a weighting of 50%, measured on a three-year basis in terms of positioning relative to the peer group consisting of the main international companies operating in the same sector as Saipem;
- Net Financial Position (NFP)<sup>9</sup>: a target that measures the economic and financial performance of Saipem over the medium to long term at the end of the three-year period of reference, with a weighting of 50%.

The achievement of the maximum result level for each performance condition leads to the payment of 100% of the shares, while on achievement of a threshold result, 50% of the shares assigned for the TSR and 30% for the NFP will mature. In the event of performances below the threshold level, no shares will be issued.

The performance conditions operate independently of each other. This means that, in the presence of an adequate performance in at least one of the two objectives, a part of the award will mature regardless of the performance achieved in the other objective.

The maximum levels of incentive attributed by the Plan are defined in relation to the position covered and to fixed remuneration, consistent with the principles laid down in the Guidelines, and are equal to 100% of fixed remuneration, leaving unchanged the maximum incentive percentages contained in the previous long-term incentive plans. The maximum value at the end of the vesting period cannot be any more than four times the value of the shares at the moment of their allocation.

The Plan further provides that 25% of the shares matured at the end of the three-year vesting period by virtue of the degree of achievement of the above mentioned performance conditions will be invested in a Co-investment scheme for a two-year period during which the beneficiaries cannot in any way dispose of the part of matured shares, and at the end of which the beneficiaries will receive one additional share for each share invested. The Co-investment aims at strengthen further the alignment of interests between management and shareholders over the long-term and to act as leverage for the retention of management.



The Plan includes clauses designed to encourage retention whereby, in the event of termination of the employment contract by mutual consent 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 payment is made.



(9) The Plan includes the use of a business objective derived from Saipem's medium- to long-term Strategic Plan, measured by one or more economic-financial indicators, with a weighting of 50%. For the first implementation cycle of the Plan related to the three-year term 2016-2018, this objective is measured by Saipem's net financial position at the end of the three-year term of reference.

### Clawback clause

All short- and long-term variable incentives include a clawback mechanism enabling the recovery of variable remuneration components found to have been paid out in error or as the result of intentional misconduct by beneficiaries, as set out in the 'Aims and general principles of the Remuneration Policy' section of this Report.

### Payment in the event of expiry of office or termination of employment

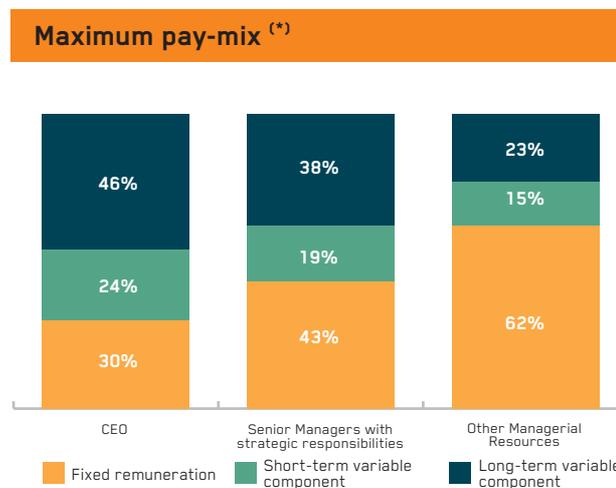
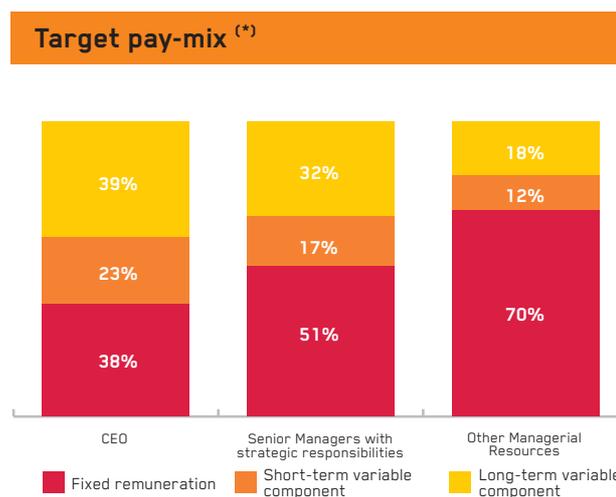
SMSR, like all Saipem Senior Managers, receive the termination indemnity established in the National Collective Labour Agreement, as well as any supplementary indemnities that may be agreed on an individual basis upon termination in accordance with criteria set by Saipem and whose maximum amounts are 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. Minimum term agreements to protect know-how and to ensure continuity in terms of attainment of business objectives may also be provided for, as well as specific remuneration for cases where it is deemed necessary to enter into non-competition agreements, which may be no greater than 12 months of fixed remuneration for every year of the agreement.

### Benefits

In continuity with the remuneration policies implemented in 2015 and in accordance with the relevant collective labour agreement established at national level and supplementary agreements reached at Company level for Saipem Senior Managers, SMSR are granted membership of the supplementary pension fund (FOPDIRE<sup>10</sup> or other equivalent supplementary pension fund for new hired personnel) and the supplementary healthcare fund (FISDE<sup>11</sup>), death and disability insurance coverage and a Company car for business and personal use.

## Pay-mix

The 2016 Remuneration Policy Guidelines set pay-mixes consonant with managerial roles, with greater weight given to the variable component (in particular the long-term component) for positions that have a greater influence on Company results, as evidenced in the pay-mix chart shown below, which was calculated considering a target performance level payout for short and long-term incentives.



(\*) Pay-mixes shown above do not take in consideration fluctuation of share price.

(10) Closed pension fund operating on a defined contribution, individual account basis, [www.fopdire.it](http://www.fopdire.it).

(11) Healthcare fund providing reimbursement of medical expenses for working and retired Senior Managers and their family members, [www.fisde-eni.it](http://www.fisde-eni.it).

## Section II - Remuneration and other information

### Implementation of 2015 remuneration policies

This section of the Remuneration Report provides a description of the remuneration policies implemented in 2015 for the outgoing and current Chairman of the Board of Directors, the non-executive Directors serving on the Board of Directors until and after April 30, 2015, the CEO, and, finally, SMSR. The implementation of the 2015 Remuneration Policy, as verified by the Compensation and Nomination Committee during the periodic assessment required under the Corporate Governance Code, was in line with the 2015 Remuneration Policy approved by the Board of Directors on March 10, 2015, as further approved by the Board of Directors on May 25, 2015 and June 15, 2015, regarding the remuneration of non-executive Directors who are members of Board Committees and on the definition of the remuneration of the Chairman and the CEO. The Committee's assessment was that the 2015 Policy was consistent with the relevant market benchmarks in terms of both overall positioning and pay-mix.

### Fixed remuneration

#### Directors in office until April 30, 2015

The Chairman received annual pro-quota remuneration for his office as determined by the Board of Directors meeting of June 11, 2014, applying a principle of continuity with the remuneration structure and amounts set in relation to the previous term. This remuneration includes the remuneration for the office of Director approved by the Shareholders' Meeting of May 6, 2014. Non-executive Directors were paid the fixed annual pro-quota remuneration agreed by the Shareholders' Meeting of May 6, 2014, unvaried with relation to the previous mandate. The CEO received the remuneration approved by the Board of Directors on June 11, 2014, applying a principle of continuity with the previous term compatible with the restrictions introduced by Article 84-*ter* of Italian Law No. 98/2013. This remuneration includes the remuneration for the office of Director approved by the Shareholders' Meeting of May 6, 2014, an increase compared to the previous mandate.

#### Directors in office from April 30, 2015

The Chairman received the annual pro-rated share, starting from the date of his appointment, of the remuneration for his office approved by the Board of Directors on June 15, 2015. This was in line with market practice and represented an increase compared to the remuneration of the Chairman during the previous mandate, justified by the greater tasks and powers assigned by the Board on April 30, 2015. This remuneration includes that for the office of Director approved by the Shareholders' Meeting of

April 30, 2015. The Chairman also received an annual pro-quota sum as remuneration for the office of Chairman of the Corporate Governance Committee.

Non-executive Directors were paid the fixed remuneration agreed by the Shareholders' Meeting of April 30, 2015, unvaried with relation to the previous mandate.

The CEO received the annual pro-rated remuneration approved by the Board of Directors on June 15, 2015, an increase compared to the previous mandate and in line with European market benchmarks, although slightly lower than the median market benchmarks compared to the Italian panel supplied by the HayGroup company. This remuneration includes that for the office of Director approved by the Shareholders' Meeting of April 30, 2015, unvaried compared to the previous mandate.

#### Senior Managers with strategic responsibilities

For SMSR, the annual salary review carried out for all Senior Managers brought fixed remuneration adjustments in 2015 for Managers whose responsibilities were increased or whose pay was below the relevant market median benchmark for the position covered. Special one-off bonuses up to a maximum of 25% of fixed remuneration were also paid in 2015 (overall total for SMSR of €120,000) in connection with the achievement of results or projects of special strategic importance (renegotiation of commercial agreements in strategic and complex areas and/or markets, efficient recovery of delays, profits or receivables on high-value projects, unplanned contract awards, etc.) or for an exceptional contribution to the improvement of Compliance and the Governance System.

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 section 'Remuneration paid in 2015'.

### Remuneration for service on Board Committees

#### Directors in office until April 30, 2015

Non-executive Directors were paid the remuneration agreed by the Shareholders' Meeting of June 11, 2014 for service on Board Committees, pro-rated according to the portion of the year worked.

#### Directors in office from April 30, 2015

Non-executive Directors were paid the annual pro-rated share of the additional remuneration approved by the Board of Directors voted on May 25, 2015, in continuity with the previous mandate in observance of the criterion of differentiation between the Chairman and other Board members.

Remuneration for service on Board Committees is shown in Table No. 1 of the section 'Remuneration paid in 2015'.

## Variable incentives

### Annual variable incentive

Saipem results for 2014 evaluated on a constant currency basis and approved by the Board of Directors at the proposal of the Compensation and Nomination Committee in the meeting held on March 10, 2015 generated a performance score of 100.7 points on the measurement scale employed, where 100 points corresponds to a target level performance and 130 to a maximum level performance.

The table shows the weights and the performance levels reached for each objective.

#### 2014 objectives for the 2015 Annual Variable Incentive Plan

	Target	weight	minimum	central	maximum
1	EBIT	40%	√		
2	Net Financial Position	30%		√	
3	New contracts	20%			√
4	Sustainability and Integrity	10%			√

For the purposes of the variable remuneration of the outgoing CEO, a bonus of 60% of gross fixed annual remuneration of €364,000 was paid out, taking into account the incentive levels of target 60% and maximum 78%.

As regards the CEO appointed on April 30, 2015, no variable incentive was paid, since he had made no contribution to the achievement of 2014 targets. As regards SMSR, the variable annual incentive paid out in March 2015, determined in line with the Remuneration Policy, is linked to Company results and to a series of individual targets pertaining to the Manager's specific area of responsibility and role covered, in accordance with the Saipem 2014 performance Plan. For the purposes of variable remuneration paid in 2015, the actual performance of SMSR determined the payment of a bonus set in relation to the specific performances achieved, according to levels of incentive differentiated according to the role covered with a maximum of 45% of fixed remuneration, taking into account the levels of target (35%) and maximum (52%) incentive allocated.

The bonuses awarded to the outgoing CEO and SMSR are indicated under the item 'Non-equity variable remuneration/bonuses and other incentives' of Table No. 1 with detailed indications in Table No. 3 of the section 'Remuneration paid in 2015'.

### Deferred Monetary Incentive Scheme

At its meeting of March 10, 2015, the Board of Directors, following the verification and proposal by the Compensation and Nomination Committee, resolved the achievement of a 2014 EBITDA result (evaluated according to a constant scenario) that was between the minimum and the target level. This determined for the 2015 allocation the application of a multiplier of 70% of the target defined. No payment was made either to the outgoing or incoming CEO. The base incentives awarded to the other SMSR

were determined based on their respective target levels which vary according to role, up to a maximum of 25% of fixed remuneration.

The Deferred Monetary Incentive awarded in 2012 to other managerial resources matured in 2015. On the basis of actual Saipem EBITDA for the period 2012-2014, on March 10, 2015, the Board of Directors, at the proposal of the Compensation and Nomination Committee, set at 47% the three-year average multiplier to be applied to the amount attributed in 2012 for the purposes of calculating the incentive to be paid out. Table 1 shows the performances achieved during the vesting period as used to determine the percentage of the award paid out to SMSR.

Table 1

DMI	Performance during vesting period			% incentive
	2012	2013	2014	
	Saipem < tgt 70%	Saipem << tgt 0%	Saipem < tgt 70%	47

The amounts paid out to SMSR are indicated under the item 'Bonuses from previous years - to be paid out/paid out' in Table No. 3 of the section 'Remuneration paid in 2015'.

### Long-Term Monetary Incentive

On October 12, 2015, the Board of Directors determined the award to the incoming CEO of a base incentive for the 2015 Long-Term Monetary Incentive Plan, as verified and proposed by the Compensation and Nomination Committee, of €450,000, applying the criteria and methods determined by the Board on March 10, 2015, approved by the Shareholders on April 30, 2015 and subsequently by the Board of Directors on June 15, 2015. The base incentives awarded to the SMSR were determined based on their respective levels which vary according to the role covered, up to a maximum of 35% of fixed remuneration.

The base incentives awarded to the outgoing CEO and SMSR are shown under the item 'Annual bonus - still deferred' in Table No. 3 of the section 'Remuneration paid in 2015'.

The Long-Term Monetary Incentive awarded in 2011 to other managerial resources matured in 2015. On July 28, 2015, the Board of Directors, at the proposal of the Compensation and Nomination Committee, set at 23% the factor to be applied to the base incentive, based on Saipem's adjusted net profit + D&A for the period 2012-2014. Table 2 shows the performance achieved during the vesting period as used to determine the percentage of the award paid out to SMSR:

Table 2

LMIP	Performance during vesting period			% incentive
	2012	2013	2014	
	Saipem 6 <sup>th</sup> place 0%	Saipem 6 <sup>th</sup> place 0%	Saipem 5 <sup>th</sup> place 70%	23

The amounts paid out to SMSR are indicated under the item 'Bonuses from previous years - to be paid out/paid out' in Table No. 3 of the section 'Remuneration paid in 2015'.

### Stock options

As of 2009, Saipem no longer implements stock option plans.

### Indemnities for termination of office or termination or employment

No severance indemnities for end of office were approved or paid to Directors or SMSR during 2015.

### Benefits

Table No. 1 of the section 'Remuneration paid in 2015' shows the taxable value of benefits paid in 2015, 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 value stated is exclusive of the contribution paid by the assignee).

### Payment against the non-compete option

Consistent with the 2015 Remuneration Policy Guidelines the CEO has been paid the sum of €150,000, as the first part of the payment of €450,000 gross to be paid in three annual instalments beginning 2015, provided for under the non-compete option reserved to the Board of Directors for implementation of the non-competition agreement with the CEO.

## Remuneration paid in 2015

### Table 1 - Remuneration 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 SMSR (shown on an aggregate basis)<sup>12</sup>. Separate indication is supplied for remuneration 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 2015 are included in the table, even if they only held such office for a part of the year.

Specifically:

- the column 'Fixed remuneration' shows fixed 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, as these are not provided for. The footnote provides details of remuneration, as well as a separate indication of any allowances and other entitlements related to employment;
- the column 'Remuneration for participation in Committees' shows remuneration 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 remuneration' 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 the Table No. 3 'Monetary incentives paid to Directors and other SMSR'; 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 fringe benefits paid;
- the column 'Other remuneration' shows any other remuneration 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 remuneration' shows the fair value of stock option plans in place as estimated in accordance with International Financial Reporting Standards which require costs to be distributed over the vesting period;
- the column 'Indemnities for termination of office or termination or employment' show indemnities accrued, including indemnities not yet paid, in relation to termination of office or employment.

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

Table 1: Amounts paid to members of management and Control Bodies and other SMSR

(€ thousand)

Name and surname	Office held	Period of office	Expiry of term <sup>(*)</sup>	Non-equity variable remuneration					Total	Fair value of equity remuneration	Indemnities for termination of office or termination or employment
				Fixed remuneration	Remuneration for participation in Committees	Bonuses and other incentives	Profit sharing	Non-monetary benefits			
<b>Board of Directors</b>											
Carbonetti Francesco	Chairman <sup>(1)</sup>	01.01-04.30		60 <sup>(a)</sup>						60	
Colombo Paolo Andrea	Chairman <sup>(2)</sup>	04.30-12.31	04.18	185 <sup>(a)</sup>	13 <sup>(b)</sup>					198	
Umberto Vergine	Chief Executive Officer (CEO) <sup>(3)</sup>	01.01-04.30		172 <sup>(a)</sup>		364 <sup>(b)</sup>		3 <sup>(c)</sup>		539	
Cao Stefano	Chief Executive Officer (CEO) <sup>(4)</sup>	04.30-12.31	04.18	600 <sup>(a)</sup>				18 <sup>(b)</sup>		618	
Gattei Francesco	Director <sup>(5)</sup>	01.01-04.30		20 <sup>(a)</sup>						20	
Laghi Enrico	Director <sup>(6)</sup>	01.01-04.30		20 <sup>(a)</sup>	10 <sup>(b)</sup>					30	
Bifulco Rosario	Director <sup>(7)</sup>	01.01-04.30		20 <sup>(a)</sup>	7 <sup>(b)</sup>					27	
Ciuccarelli Nella	Director <sup>(8)</sup>	01.01-04.30		20 <sup>(a)</sup>	5 <sup>(b)</sup>					25	
Cappello Maria Elena	Director <sup>(9)</sup>	04.30-12.31	04.18	40 <sup>(a)</sup>	13 <sup>(b)</sup>					53	
Ferrucci Francesco Antonio	Director <sup>(10)</sup>	04.30-12.31	04.18	40 <sup>(a)</sup>	20 <sup>(b)</sup>					60	
Mazzarella Flavia	Director <sup>(11)</sup>	04.30-12.31	04.18	40 <sup>(a)</sup>	16 <sup>(b)</sup>					56	
Siragusa Stefano	Director <sup>(12)</sup>	04.30-12.31		40 <sup>(a)</sup>	10 <sup>(b)</sup>					50	
Guzzetti Guido	Director <sup>(13)</sup>	01.01-12.31	04.18	60 <sup>(a)</sup>	24 <sup>(b)</sup>					84	
Picchi Nicla	Director <sup>(14)</sup>	01.01-12.31	04.18	60 <sup>(a)</sup>	28 <sup>(b)</sup>					88	
Ferro-Luzzi Federico	Director <sup>(15)</sup>	01.01-12.31	04.18	60 <sup>(a)</sup>	15 <sup>(b)</sup>					75	
<b>Board of Statutory Auditors</b>											
Busso Mario	Chairman <sup>(16)</sup>	01.01-12.31	04.17	70 <sup>(a)</sup>						70	
Invernizzi Massimo	Statutory Auditor <sup>(17)</sup>	01.01-12.31	04.17	50 <sup>(a)</sup>						50	
Gervasoni Anna	Statutory Auditor <sup>(18)</sup>	01.01-10.30		42 <sup>(a)</sup>						42	
De Martino Giulia	Statutory Auditor <sup>(19)</sup>	12.02-12.31	04.17	4 <sup>(a)</sup>						4	
<b>Senior Managers with strategic responsibilities (SMSR) <sup>(**)</sup></b>											
		<sup>(20)</sup>		4,204 <sup>(a)</sup>		2,214 <sup>(b)</sup>		161 <sup>(c)</sup>		6,580	
				<b>5,807</b>	<b>161</b>	<b>2,578</b>		<b>183</b>		<b>8,729</b>	

(\*) The term of office of Directors appointed by the Shareholders' Meeting on May 6, 2014 expires on the date of the Shareholders' Meeting convened to approve the Financial Statements at December 31, 2014.

(\*\*) All Senior Managers sitting on the Executive Committee and all those reporting directly to the CEO (fifteen Senior Managers).

**(1) Francesco Carbonetti - Chairman**

(a) The amount includes the pro-rated portion of the fixed remuneration set by the Board on June 11, 2014 (€190,000), which incorporates remuneration for the office of Director determined by the Shareholders' Meeting of May 6, 2014. (€60,000).

**(2) Paolo Andrea Colombo - Chairman**

(a) The amount includes the pro-rated portion of the fixed remuneration set by the Board of Directors' Meeting of June 15, 2015 (€278,000), which incorporates remuneration for the office of Director determined by the Shareholders' Meeting of April 30, 2015 (€60,000).

(b) The amount corresponds to the pro-rated portion of remuneration for the role of Chairman of the Corporate Governance Committee (€20,000).

**(3) Umberto Vergine - Chief Executive Officer (CEO)**

(a) Includes the fixed remuneration set by the Board of Directors' meeting of January 8, 2013 (€600,000), which includes the basic remuneration for the office of Director as approved by the Shareholders' Meeting of May 6, 2014 (€60,000), allowances for assignments in Italy and overseas that are in line with the national contract for Senior Managers and with supplementary Company agreements, and entitlements connected with employed work, for a total amount of €3,500.

(b) The amount includes the award of €364,000 relating to the annual monetary incentive.

(c) The amount includes the value of the Company car benefit and supplementary healthcare and pension contributions paid by the Company.

**(4) Stefano Cao - Chief Executive Officer (CEO)**

(a) Includes the fixed remuneration set by the Board of Directors' meeting of June 15, 2015 (€900,000), which includes the basic remuneration for the office of Director as approved by the Shareholders' Meeting (€60,000), to which is added €150,000 paid as the first of three yearly instalments of an overall sum of €450,000 for the non-competition agreement.

(b) The amount includes the costs borne by the Company for supplementary health care and for the taxable amount of weekly round-trip flights between Milan and Rome.

**(5) Francesco Gattei - Director**

(a) The amount corresponds to the pro-rated portion of the fixed Board Meeting fees established by the Shareholders' Meeting on May 6, 2014 (€60,000).

**(6) Enrico Laghi - Director**

(a) The amount corresponds to the pro-rated portion of the fixed Board Meeting fees established by the Shareholders' Meeting on May 6, 2014 (€60,000).

(b) The amount corresponds to the pro-rated portion of remuneration for the role of Chairman of the Audit and Risk Committee (€30,000).

**(7) Rosario Bifulco - Director**

(a) The amount corresponds to the pro-rated portion of the fixed Board Meeting fees established by the Shareholders' Meeting on May 6, 2014 (€60,000).

(b) The amount corresponds to the pro-rated portion of remuneration for the role of Chairman of the Compensation and Nomination Committee (€20,000).

**(8) Nella Ciuccarelli - Director**

(a) The amount corresponds to the pro-rated portion of the fixed Board Meeting fees established by the Shareholders' Meeting on May 6, 2014 (€60,000).

(b) The amount corresponds to the pro-rated portion of remuneration for participation in the Compensation and Nomination Committee (€15,000).

**(9) Maria Elena Cappello - Director**

(a) The amount corresponds to the pro-rated portion of the fixed Board Meeting fees established by the Shareholders' Meeting on April 30, 2015 (€60,000).

(b) The amount corresponds to the pro-rated portion of remuneration for the role of Chairman of the Compensation and Nomination Committee (€15,000) and in the Corporate Governance Committee (€15,000).

**(10) Francesco Antonio Ferrucci - Director**

(a) The amount corresponds to the pro-rated portion of the fixed Board Meeting fees established by the Shareholders' Meeting on April 30, 2015 (€60,000).

(b) The amount corresponds to the pro-rated portion of remuneration for participation in the Compensation and Nomination Committee (€15,000) and in the Corporate Governance Committee (€15,000).

**(11) Flavia Mazzarella - Director**

(a) The amount corresponds to the pro-rated portion of the fixed Board Meeting fees established by the Shareholders' Meeting on April 30, 2015 (€60,000).

(b) The amount corresponds to the pro-rated portion of remuneration for participation in the Audit and Risk Committee (€24,000).

**(12) Stefano Siragusa - Director**

(a) The amount corresponds to the pro-rated portion of the fixed Board Meeting fees established by the Shareholders' Meeting on April 30, 2015 (€60,000).

(b) The amount corresponds to the pro-rated portion of remuneration for participation in the Corporate Governance Committee (€15,000).

**(13) Guido Guzzetti - Director**

(a) The sum corresponds to the fixed Board Meeting fees.

(b) The sum corresponds to remuneration for participation in the Audit and Risk Committee.

**(14) Nicla Picchi - Director**

(a) The sum corresponds to the fixed Board Meeting fees.

(b) The amount corresponds to the pro-rated portion at April 30, 2015, of remuneration for participation in the Audit and Risk Committee (€24,000) and to the pro-rated portion at April 30, 2015 of remuneration for the role of Chairman of the Audit and Risk Committee (€30,000).

**(15) Federico Ferro-luzzi - Director**

(a) The sum corresponds to the fixed Board Meeting fees.

(b) The sum corresponds to remuneration for participation in the Compensation and Nomination Committee.

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

(a) The sum corresponds to the fixed Board Meeting fees.

**(17) Massimo Invernizzi - Statutory Auditor**

(a) The sum corresponds to the fixed Board Meeting fees.

**(18) Anna Gervasoni - Statutory Auditor**

(a) The sum corresponds to pro-rated portion of fixed Board Meeting fees.

**(19) Giulia De Martino - Statutory Auditor**

(a) The sum corresponds to pro-rated portion of fixed Board Meeting fees.

**(20) Senior Managers with strategic responsibilities**

(a) To the sum of €4,204,000 for gross annual remuneration can be added allowances for assignments in Italy and overseas that are in line with the national contract for Senior Managers and with supplementary Company agreements, and entitlements connected with employed work, for a total amount of €213,000.

(b) The amount includes €1,415,000 relating to monetary incentives awarded in 2015 for the 2014 performance, €396,000 relating to deferred monetary incentives awarded in 2012, €283,000 for long-term incentives attributed in 2012 and the payment of extraordinary bonuses of €120,000.

(c) The amount includes the value of the Company car benefit and supplementary healthcare and pension contributions paid by the Company.

### Table 3 - Monetary Incentive Scheme for Directors and other Senior Managers with strategic responsibilities

The following table shows the short and long-term variable monetary incentives payable to the CEO and (as an aggregated figure) to SMSR. 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.

The table also contains information regarding the Implementation of the 2015 Long-Term Monetary Incentive Plan, details of which are also provided in Table 1, 'Implementation of 2015 Long-Term Monetary Incentive Plan', pursuant to Article 84-*bis* (Attachment 3A, Schedule No. 7) of the Consob Issuers' Regulation.

Specifically:

- the column 'Annual bonus - 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 'Annual bonus - deferred' shows the base incentive awarded for the year under LTMI Plans;
- the column 'Deferral period' shows the vesting period for long-term incentives awarded during the year;
- the column 'Bonuses from previous years - no longer payable' shows long-term incentives which can no longer be paid out 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 Regulations;
- the column 'Bonuses from previous years - to be paid out/paid out' shows long-term variable incentives paid out during the year that were earned due to the performance recorded during the vesting period or to portions of incentives which were paid out in connection with events relating to the employment contract pursuant to the Plan Regulations;
- 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 'Annual bonus - 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 3: Monetary incentives paid to Directors and other SMSR**

(€ thousand)

Name and surname	Office held	Plan	Annual bonus			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	
Umberto Vergine	Chief Executive Officer (CEO)	2015 Annual Monetary Incentive Scheme BoD March 10, 2015	364						
<b>Total</b>			<b>364</b>						
Stefano Cao	Chief Executive Officer (CEO)	2015 Long-Term Monetary Incentive Scheme BoD October 12, 2015		450	three-year				
<b>Total</b>				<b>450</b>					
Senior Managers with strategic responsibilities <sup>(1)</sup>		2015 Annual Monetary Incentive Scheme BoD March 10, 2015	1,415						
		2015 Deferred Monetary Incentive Scheme BoD July 28, 2015		621	three-year				
		2015 Long-Term Monetary Incentive Scheme BoD October 12, 2015		1,251	three-year				
		2014 Deferred Monetary Incentive Scheme Eni BoD July 30, 2014						50	
		2014 Long-Term Monetary Incentive Scheme BoD October 28, 2014						1,172	
		2013 Deferred Monetary Incentive Scheme BoD July 30, 2013						532	
		2013 Long-Term Monetary Incentive Scheme BoD October 28, 2013						1,054	
		2012 Deferred Monetary Incentive Scheme BoD July 30, 2012, BoD March 10, 2015					247 <sup>(2)</sup>	396 <sup>(3)</sup>	
		2015 Long-Term Monetary Incentive Scheme BoD October 26, 2012, BoD July 28, 2015					551 <sup>(4)</sup>	283 <sup>(5)</sup>	
<b>Total</b>			<b>1,415</b>	<b>1,872</b>			<b>798</b>	<b>679</b>	<b>2,808</b>
			<b>1,779</b>	<b>2,322</b>			<b>798</b>	<b>679</b>	<b>2,808</b>

(1) All Senior Managers serving on the Advisory Committee, and at any rate all direct reports of the CEO (15 Senior Managers).

(2) Payout of deferred monetary incentive awarded in 2012, based on EBITDA performance during the three-year reference period 2012-2014.

(3) Pro-rated portion of the monetary incentive awarded in 2012 no longer payable following the final accounting of the EBITDA performance achieved in the three-year period 2012-2014.

(4) Payout of long-term monetary incentive awarded in 2012 based on Adjusted Net Profit + Depreciation &amp; Amortisation performance achieved during the three-year vesting period 2012-2014.

(5) Pro-rated portion of the monetary incentive awarded in 2012 no longer payable following the final accounting of the Adjusted Net Profit + Depreciation &amp; Amortisation performance achieved over the three-year period 2012-2014.

## Shares held

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

Pursuant to Article 84-bis of the Consob Issuers Regulation, the following table shows shares held in Saipem SpA by the Directors, Statutory Auditors and other SMSR, 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 SMSR. All shares are held as personal property.

Name and surname	Office held	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
<b>Board of Directors</b>						
Francesco Carbonetti	Chairman	Saipem SpA	12,700	-	-	12,700
Umberto Vergine	CEO	Saipem SpA	420	650	-	1,070
Stefano Cao	CEO	Saipem SpA	-	285	-	285
<b>Other Senior Managers with strategic responsibilities <sup>(1)</sup></b>						
		Saipem SpA	16,027	500	1,027	15,500

(1) All Senior Managers serving on the Advisory Committee, and at any rate all direct reports of the CEO (15 Senior Managers). 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 2015.

## Annex pursuant to Article 84-bis of the Consob Issuers Regulation - Implementation of Long-Term Monetary Incentive (LTMI) Plans 2015

Pursuant to Article 84-bis (Attachment 3A, Schedule No. 7) of the Consob Issuers' Regulation, the following table provides details of the 2015 Long-Term Monetary Incentive Plan approved by the

Shareholders on April 30, 2015, the conditions and objectives of which are set out in the Information Document published on the Company website [www.saipem.com](http://www.saipem.com).

### Table No. 1 of diagram 7 of Appendix 3A of Issuers' Regulations

(€ thousand)

**Box 1 - Financial instruments other than stock options**  
Section 2 - Newly allocated financial instruments based on the decision of the body responsible for implementing the shareholders' resolution

Name and Surname	Office held (only for named individuals)	Date of the relevant Shareholders' Meeting	Type of financial instrument	Amount awarded	Date of allocation	Purchase price of instruments (if any)	Market price of financial instruments at allocation date	Vesting period
Stefano Cao	CEO	04.30.2015	cash	450	10.01.2015	n.a.	n.a.	3 years
<b>Senior Managers with strategic responsibilities <sup>(1)</sup></b>		04.30.2015	cash	1,251	10.01.2015	n.a.	n.a.	3 years
<b>Other Senior Managers</b>		04.30.2015	cash	2,663	10.01.2015	n.a.	n.a.	3 years

(1) All Senior Managers serving on the Advisory Committee, and at any rate all direct reports of the CEO (15 Senior Managers).



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Società per Azioni  
Share Capital €2,191,384,693 fully paid up  
Tax identification number and Milan 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](http://www.saipem.com)

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