

**SAIPEM S.p.A.**  
**ORDINARY SHAREHOLDERS' MEETING**  
**APRIL 29, 2016**

Resolution proposals by the Board of Directors on item 1 of the Meeting  
Agenda.

**1) STATUTORY FINANCIAL STATEMENTS AT DECEMBER 31,  
2015 OF SAIPEM S.P.A. RELEVANT DELIBERATIONS.  
PRESENTATION OF THE CONSOLIDATED FINANCIAL  
STATEMENTS AT DECEMBER 31, 2015. REPORTS BY THE  
BOARD OF DIRECTORS, THE STATUTORY AUDITORS AND  
THE EXTERNAL AUDITORS.**

“Messrs. Shareholders,

You are invited to approve Saipem’s Statutory Financial Statements at  
December 31, 2015, which recorded a loss for the year of  
€126,555,266.87.

We propose to cover the aforementioned loss by utilizing available  
reserves as follows:

- |  |                      |
|--|----------------------|
| - Share premium reserve :                            | Euro 54,909,005.94   |
| - Reserve from transactions under common             |                      |
| - control :  | Euro 18,253,019.98   |
| - Forex gains reserve (art. 2426 bis Italian C.C.) : | Euro 4,856,975.48    |
| - Incentive plans fair value reserve :               | Euro 13,486,742.37   |
| - Merger surplus reserve:                            | Euro 35,049,523.10”. |

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Report by the Board of Directors on item 2 of the Meeting Agenda.

**2) APPOINTMENT OF A DIRECTOR.**

“Messrs. Shareholders,

on January 21, 2016, Mr Stefano Siragusa resigned from the office of Board Director of Saipem S.p.A. He had been elected – as a non-independent Director pursuant to the Corporate Governance Code of listed companies - from the majority list presented by the shareholder Eni, voted in by the Shareholders on April 30, 2015.

The Board of Directors, on January 21, 2016, resolved to reconstitute the Board by co-opting Mr Leone Pattofatto, a candidate put forward by Fondo Strategico Italiano S.p.A., having ascertained that he met the necessary requisites.

The Shareholders' Meeting is called to appoint a new Board Director, whose mandate shall expire concurrently with that of the current Directors, i.e. on the day of the Shareholders' meeting called to approve the Financial Statements as at December 31, 2017.

List-based voting shall not apply in this instance, as it only applies in the case of the renewal of the entire Board of Directors; hence, the Shareholders' meeting shall resolve this appointment through a legal majority.

Candidates may be put forward for the office of Director, if they have presented by the date of the Shareholders' meeting all the relevant documentation stating that they meet the requirements provided by the

Articles of Association and current legislation”.

### **RESOLUTION PROPOSAL**

“Messrs. Shareholders,

you are called to appoint a Board Director based on proposals put forward at the Shareholders’ meeting, pursuant to art. 19 of the Articles of Association.

Shareholders putting forward candidates should ensure that there are no grounds for ineligibility and/or incompatibility, and that candidates meet the relevant requirements under the law, the Articles of Association and/or other applicable regulations. You are also invited to provide sufficient information on the personal and professional characteristics of candidates and to supply a list of directorships and/or audit positions they may hold in other companies”.

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Reasoned opinion by the Board of Statutory Auditors on item 3 of the Meeting Agenda.

**3) ADDITIONAL FEES TO THE EXTERNAL AUDITORS**

Messrs. Shareholders,

The external audit firm has requested the recognition of additional fees for the following work:

- at the branches in Russia Anapa, Bulgaria, Turkmenistan, Kazakhstan, Russia Astrakhan and Poland, additional activities carried out for the preparation and presentation of fiscal declarations, in compliance with local legislation. This work, amounting to a total of euro 75,117, was examined and approved by the Board of Statutory Auditors at their meeting of November 11, 2015;
- preparatory activities, amounting to euro 870,000, concerning the extraordinary transactions related to the share capital increase, which was examined and approved by the Board of Statutory Auditors at their meeting of December 14, 2015;
- "Agreed upon procedures" (AUP) for the year 2015 of 15 strategic subsidiaries, amounting to euro 140,000, which was examined and approved by the Board of Statutory Auditors at their meeting of November 11, 2015;
- mapping and verification of contracts at Saipem subsidiaries, whose procurement process was not handled through SAP, and the

additional "Fraud Risk Work Program", to integrate activities carried out by E&Y network companies on foreign subsidiaries with regard to the internal control system on corporate reporting, in compliance with the provisions of the Sarbanes-Oxley Act. This work amounting to euro 652,757, was reviewed and approved by the Board of Statutory Auditors on August 4, 2015. The same activities for 2015, reviewed and approved by the Board of Statutory Auditors on March 3, 2016, entail a fee of euro 623,553;

- amounting to euro 196,044, additional audit procedures on the 2015 statutory and consolidated financial statements of Saipem SpA concerning the in-depth audit of methodologies applied to assess the recoverable value of Group cash generating units, for the purposes of the impairment test; this work was reviewed and approved by the Board of Statutory Auditors of Saipem SpA at their meetings of January 13 and March 3, 2016;
- amounting to euro 134,413, additional audit procedures on the 2015 financial statements and the internal control systems of five relevant subsidiaries (Abu Dhabi, Norway, Kazakhstan, Kuwait and Iraq) and two less relevant subsidiaries (Bulgaria and Mexico) of Saipem SpA; this work was reviewed and approved by the Board of Statutory Auditors of Saipem SpA at their meetings of January 13 and March 3, 2016;
- amounting to euro 179,844, additional audit procedures on the internal control system of Saipem SpA for the purposes of the information flow used to draft the consolidated financial statements of Eni SpA, in compliance with the provisions of the Sarbanes-Oxley Act (SOA and Law 262), involving the majority of relevant companies during 2015. This work was reviewed and approved by the Board of Statutory Auditors of Saipem SpA at their meetings of

January 13 and March 3, 2016;

- amounting to a total of euro 272,063, additional audit procedures on the internal control system of Saipem SpA for the purposes of the information flow used to draft the consolidated financial statements of Eni SpA in compliance with the provisions of the Sarbanes-Oxley Act (SOA and Law 262). These audits concern: the "Fraud Risk Work Program" launched following inquiries issued by the Milan Public Prosecutor's Office into 'Algeria' and 'Brazil' amounting to euro 149,635 and additional audits on supplies identified by whistleblowers, amounting to euro 122,428. This work was reviewed and approved by the Board of Statutory Auditors of Saipem SpA at their meetings of January 13 and March 3, 2016;
- amounting to euro 100,000, additional audit procedures on the 2015 statutory and consolidated financial statements of Saipem SpA on the centralization and management of the exchange rate risk, following the incorporation of a new autonomous and independent financial centre. This work was reviewed and approved by the Board of Statutory Auditors of Saipem SpA at their meetings of January 13 and March 3, 2016.

The Board of Statutory Auditors ascertained that the aforementioned fees requested by the external audit firm:

- resulted from professional activities carried out on behalf of the company;
- are in line with the provisions of the Frame Agreement no. 1437/2010/APR-CCT-C between Eni SpA and Reconta Ernst & Young SpA dated May 10, 2010, and agreements between Saipem SpA and Reconta Ernst & Young SpA, specifically:

(i) with regard to the use of standard hourly rates by professional category and their professional mix, amounting to a total of euro 2,043,334;

(ii) with regard to the use of standard hourly rates by professional category and their suitable professional mix vis-à-vis the work complexity, amounting to a total of euro 1,200,457;

- these conditions apply to all actual man-hours worked.

The Board of Statutory Auditors proposes that the Shareholders' meeting approve the payment of additional fees to the company Reconta Ernst & Young amounting to a total of euro 3,243,791".

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Report by the Board of Directors on item 4 of the Meeting Agenda.

**4) REMUNERATION REPORT: REMUNERATION POLICY.**

“Messrs. Shareholders,

at the proposal of the Compensation and Nomination Committee, the Board of Directors approved the Remuneration Report, drawn up in compliance with art. 123-ter of Law 58/98 and art. 84-quater of Issuers' Regulations.

Pursuant to paragraph 6 of art. 123-ter of Law 58/98, the Shareholders' meeting is called to resolve on the first part of the Compensation Report, illustrating the policy adopted by the Company in terms of the remuneration of members of the management bodies and senior managers with strategic responsibilities as well as the procedures used to adopt and implement this policy. This resolution is not binding”.

**RESOLUTION PROPOSAL**

“Messrs. Shareholders,

you are called to express in favour of the first part of the Remuneration Report, which illustrates the policy adopted by the Company in terms of the remuneration of members of the management bodies and senior managers with strategic responsibilities, as well as the procedures used to adopt and implement this policy”.



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Report by the Board of Directors on item 5 of the Meeting Agenda.

**5) NEW LONG-TERM INCENTIVE PLAN.**

“Messrs. Shareholders,

the Board of Directors of Saipem S.p.A. resolved to submit to the approval of the Shareholders' meeting the adoption of a new Long-Term Incentive Plan for the years 2016-2018 (the “Plan”), prepared at the proposal of the Compensation and Nomination Committee, which is comprised exclusively of non-executive independent Directors.

The Plan, based on the free allocation of Saipem ordinary shares, replaces the deferred monetary incentive plans currently applied by Saipem.

The Plan provides for the free allocation of ordinary shares of Saipem S.p.A. (so called Performance Shares) from July 2016 in three annual tranches, all subject to a three-year vesting period. The shares shall be given to assignees after a three-year vesting period, subject to the attainment of two performance targets over the vesting period: a business target which measures the medium-long term financial performance (the Net Financial Position shall be the target of the first allocation) and a Total Shareholder Return target measured against a peer group panel of 11 major international competitors.

Assignees of the Plan are the CEO and all Saipem managerial resources.

Beneficiaries shall be identified by name by the CEO from the top

management positions responsible for business results, on account of their performance and competencies. The Plan provides that the attainment of the maximum target level shall result in the allocation of 100% of shares, while the attainment of the minimum target level shall result in the allocation of 50% of shares. Performance targets are independent of each other, each contributing 50% of the share premium on offer; therefore, should at least one target perform adequately, a quota of the premium shall mature independently from the performance achieved by the other target.

The maximum entity of the incentives allocated each year shall be a percentage of the fixed remuneration at the time of the allocation, based on the beneficiary's position.

To further improve alignment with shareholders' interests in the long term and achieve sustainable results, the Plan provides that 25% of the CEO's shares that may have accrued by the end of the vesting period, subject to the achievement of the aforementioned targets, be locked for a period of two years, during which they shall not be accessible to the CEO.

The Plan also provides that, for strategic management resources, 25% of shares that may have matured by the end of the vesting period subject to the achievement of the aforementioned targets, be invested in a co-investment scheme for a period of two years. During this period beneficiaries shall not be able to access these shares; however, at the end of the period they shall receive an additional share for each share invested (hence the term co-investment), should they still be employed by the Company.

The conditions and aims of the Plan are detailed in the Information Document prepared in compliance with art. 114-bis of Law Decree 58/98 and art. 84-bis of Consob Issuers' Regulations, made available with this

report”.

## **RESOLUTION PROPOSAL**

“Messrs Shareholders,

You are invited to approve the following resolution:

*“Pursuant to art. 114-bis of Leg. Decree 58/98, the Ordinary Shareholders’ Meeting resolves:*

*to approve the Long-Term Incentive Plan 2016-2018, whose terms and conditions are detailed in the Information Document, made available together with the Report, and grant the Board of Directors all the necessary powers to implement the Plan, using proxies if necessary.*

*Powers include:*

*i) granting the annual incentive to the CEO; (ii) approve the Regulations for each annual allocation; (iii) identify Beneficiaries based on the set criteria; iv) set all other terms and conditions for the implementation of the Plan, in so far that it does not contrast with this resolution”.*

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Report by the Board of Directors on item 6 of the Meeting Agenda.

**6) BUY-BACK OF TREASURY SHARES TO COVER THE 2016 ALLOCATION OF THE 2016-2018 LONG-TERM INCENTIVE PLAN.**

“Messrs Shareholders,

the Board of Directors proposes that the Long-Term Incentive Plan 2016-2018 be implemented through the buy-back of treasury shares of Saipem S.p.A. authorised by a resolution of the ordinary Shareholders' meeting, pursuant to art. 2357 of the Italian Civil Code and art. 132 of Leg. Decree 58/98, under the terms detailed hereafter, in compliance with the provisions of art. 144-bis of Issuers' Regulations.

*1. Reasons underpinning the request to authorise the buy-back of treasury shares.*

The Plan has the following objectives:

- improve alignment with shareholders' interests in the medium-long term through the allocation of stock-based incentives, whose grant is subject to the achievement of a Total Shareholder Return target against a Peer Group panel of competitors;
- focus the Company's *management* on achieving medium-long terms business targets, based on a sustainable financial performance;
- ensure greater alignment of the remuneration package with market practices as a tool to retain the *management*.

*2. Maximum number and category of shares.*

Authorisation is requested to buy-back, in one or more tranches, up to a maximum of 85,000,000 ordinary shares of Saipem S.p.A., corresponding to 0.84% of the share capital. These will cover the 2016 stock grant allocation.

Please note that as of December 31, 2015 the Company held no. 1,939,832 treasury shares, equal to 0.0191% of the share capital. Saipem subsidiaries do not hold any treasury shares.

*3. Information required to evaluate the provisions of art. 2357, paragraph 3, of the Italian Civil Code.*

At any moment, the maximum number of treasury shares held by Saipem, including ordinary shares held by subsidiary companies, may never exceed the threshold set by current applicable legislation.

The buy-back shall require that the total amount of € 42,500,000 be posted to a specific reserve, which will utilise the reserves currently available, and be set aside to buy back treasury shares.

The buy-back shall occur by using the funds available in the aforementioned reserve in compliance with the latest financial statements. For each buy-back, all necessary accounting allocations shall be made in accordance with the law and applicable accounting principles.

*4. Duration of the authorisation.*

Authorisation for the buy-back of treasury shares shall be for a maximum period of 18 months from the date of Shareholders' approval; the Board of Directors may decide to buy back ordinary shares of Saipem S.p.A. in one or more tranches at any time, in compliance with the relevant regulations, as gradually as deemed to be in the best interests of the Company.

*5. Minimum and maximum buy-back price.*

Buy-backs of treasury shares may occur pursuant to the operational conditions set by the relevant market practices, ensured by Consob, in compliance with art. 180, paragraph 1, letter c), of Leg. Decree 58/98, through resolution no. 16839 dated March 19, 2009, and by EC Regulation no. 2273/2003 dated December 22, 2003, where applicable.

The unitary price of shares shall nonetheless exceed, or be less than, the reference price of shares recorded on the computerised trading market on the day prior to the buy-back (plus or minus 5% for the maximum and minimum price respectively).

*6. Methods for the buy-backs.*

Buy-backs shall be made on the Computerized Trading Market pursuant to art. 144-*bis*, paragraph 1, letter b) of Issuers' Regulations and all other applicable legal provisions, so as to ensure parity in the treatment of all Shareholders, as provided by art. 132 of Leg. Decree 58/98, and on regulated markets with the methods and operational procedures as governed by Borsa Italiana S.p.A. regulations, which do not provide for direct buy-back/sale combinations”.

## **RESOLUTION PROPOSAL**

“Messrs Shareholders,

You are invited to approve the following resolution:

The Ordinary Shareholders' Meeting resolves

- 1) to authorise the Board of Directors, pursuant to art. 2357 of the Italian Civil Code, to buy back for the 2016 Plan allocation, on the Computerized Trading Market – in one or more tranches within 18 months from the date of this resolution – up to a maximum of 85,000,000 Saipem ordinary shares for a total not exceeding

€42,500,000, at a unitary price equal to the reference price of shares recorded on the computerised trading market on the day prior to each buy-back, plus or minus 5% for the maximum and minimum price respectively, in accordance with the methods and operational procedures as governed by Borsa Italiana S.p.A. regulations. In compliance with paragraph 3 of art. 2357 of the Italian Civil Code, the number of shares to be bought back shall take into account the number of treasury shares already held by the Company;

- 2) to grant the Board of Directors all the necessary powers to implement this resolution, using proxies if necessary, including intermediaries authorised by law, as gradually as deemed in the interest of the Company, in compliance with current legislation, with the methods detailed in art. 144-*bis*, paragraph 1, letter b) of Issuers' Regulations, taking into account the relevant buy-back market practices, ensured by Consob, in compliance with art. 180, paragraph 1, letter c), of Leg. Decree 58/98, through resolution no. 16839 dated March 19, 2009, and by EC Regulation no. 2273/2003 dated December 22, 2003, where applicable".

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Report by the Board of Directors on item 7 of the Meeting Agenda.

**7) AUTHORISING THE BOARD OF DIRECTORS , PURSUANT TO ART. 2357-TER OF THE ITALIAN CIVIL CODE, TO GRANT UP TO A MAXIMUM OF 85,000,000 TREASURY SHARES IN CONNECTION WITH THE 2016 ALLOCATION OF THE 2016-2018 LONG-TERM INCENTIVE PLAN.**

“Messrs Shareholders,

in order to implement the Long-Term Incentive Plan 2016-2018, the Board of Directors proposes that the Shareholders’ meeting grant the power, pursuant to art. 2357-ter of the Italian Civil Code, to allocate treasury shares to service the aforementioned Plan”.

**RESOLUTION PROPOSAL**

“Messrs Shareholders,

you are invited to

- grant the Board of Directors authorisation, pursuant to art. 2357-ter of the Italian Civil Code:
  - to allocate, for the purposes of the Long-Term Incentive Plan 2016-2018, up to a maximum of 85,000,000 treasury shares to be granted, free of charge, for the 2016 allocation, to the CEO and Senior



Managers of Saipem and subsidiary companies identified by name at each annual Plan allocation from the senior managers directly responsible for business results or holding strategic positions;

- grant the Board of Directors all powers to approve the Regulations of the Long-Term Incentive Plan and identify its beneficiaries;
- grant the Chairman and the CEO all powers to implement this resolution, using proxies if necessary”.