2017
REMUNERATION REPORT

Approved by the Board of Directors
on March 16, 2017

SAIPEM

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, Italy, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Principality of Monaco, Romania, Spain, Sweden, Switzerland, Turkey, United Kingdom

AMERICAS
Argentina, Bolivia, Brazil, Canada, Chile, Colombia, Ecuador, Mexico, Panama, Peru, Suriname, United States, Venezuela

CIS
Azerbaijan, Georgia, Kazakhstan, Russia, Turkmenistan, Ukraine

AFRICA
Algeria, Angola, Congo, Egypt, Gabon, Ghana, Ivory Coast, Libya, Morocco, Mozambique, Namibia, Nigeria, Uganda

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

FAR EAST AND OCEANIA
Australia, China, India, Indonesia, Malaysia, Singapore, South Korea, Taiwan, Thailand

2017
REMUNERATION REPORT

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The Report is published in the 'Governance' section of Saipem's website (www.saipem.com)

LETTER FROM THE CHAIRMAN OF THE COMPENSATION AND NOMINATION COMMITTEE

Maria Elena Cappello

Dear Shareholders,

I am very pleased to present Saipem's Remuneration Report for 2017 also on behalf of the Remuneration and Nomination Committee and the Board of Directors.
Saipem's distinctive values are innovation, sustainability, integrity and multiculturalism. These are represented by a team of people who unite passion with work, ensuring fairness and transparency in all spheres of activity, including through a control and monitoring system that embraces the highest international standards and guidelines.
The Saipem Remuneration Policy is the fundamental tool to attract, retain and motivate people who reflect these high standards and principles. Here in Saipem, we consider human capital our main competitive value. The Committee proposes to orient its decisions in line with the Company's strategic and operational requirements.
In line with the past year we consider the constant and transparent dialogue with shareholders and investors a key element of our way of working. Through the Remuneration Report, we intend to raise the awareness of our shareholders on the principles of the remuneration policy and the programmes through which it is structured and how these programmes have the ultimate goal of creating sustainable shareholder value over the long term and to promote the company's mission and values.
The results of the shareholders voting on the first section of the 2016 Remuneration Report, fully analysed by the Committee, confirmed a growing appreciation of the planned policies. Pursuing continuous improvement, this Remuneration Report shows greater clarity, synthesis and effective disclosure, including new schematic elements and graphics, oriented towards increased transparency.
During 2016, the Committee discussed and approved the Regulations implementing the general principle of clawback in order to follow the recommendations made in the Corporate Governance Code for listed companies in July 2015 and to define the terms, procedures, roles and corporate functions involved in the application of the clause inserted in the incentive plans, short and long term, of the entire management.
2016 saw the completion of the activities included in the annual programme and the launch of preliminary investigations aimed at defining the following: the proposed 2017 Remuneration Policy, the voting policies for the main proxy advisors and institutional investors and reference salary benchmarks, the assessments of the implementation of the 2016 Remuneration Policy, as required by the Corporate Governance Code. The constant dialogue with shareholders and investors allows us in fact to improve the effectiveness of our remuneration systems.
Additionally, in 2016 the new medium- to long-term incentive system was implemented for the first time and is based on shares approved by the Shareholders April 29, 2016.
Proposals for 2017 Remuneration Policy Guidelines, approved by the Board of Directors on March 16, 2017 and described in Section I of this Report, do not show substantial changes compared to the Remuneration Policy implemented in 2016 because we strongly believe that a coherent and consistent remuneration policy ensures business continuity to the Company.

Special thanks to Directors Federico Ferro-Luzzi and Francesco Antonio Ferrucci for their significant contribution to the work of the Committee together with a heartfelt appreciation for the role played by the structures of Saipem and its people.
Confident that this Report that I submit gives testimony to the Committee's determination to pursue an effective and transparent dialogue with shareholders and investors, with the goal of receiving guidance and feedback and maximising consensus on policies presented at the annual meeting, I also thank you, on behalf of the other members of the Committee, for the support you will give to policies planned for 2017.

March 16, 2017

The Chairman of the Compensation and Nomination Committee

FOREWORD

The Saipem Remuneration Policy was approved by the Board of Directors on March 16, 2017 on the proposal of the Compensation and Nomination Committee, made up entirely of non-executive and independent Directors, and was defined in accordance with the Governance model adopted by the Company and with the guidance on remuneration of the Corporate Governance Code for listed companies promoted by Borsa Italiana (subsequently the 'Corporate Governance Code'), which Saipem complies with, in the latest version approved in July 2015[1].
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.
This Report was prepared, in compliance with current regulatory and legislative obligations[2], in consideration of analysis and further research regarding the results of shareholder voting, feedback received from shareholders and the primary proxy advisers on the 2016 Saipem Report, as well as the results of the engagement activities with the proxy advisors and market practices of leading listed companies.
The Compensation and Nomination Committee also took account of the relevant legislative and corporate governance framework, with the aim of assuring the broadest clarity, completeness and usability of the information provided.

(1) 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 'Corporate Governance and Shareholding Structure Report 2016'.
(2) Article 123-*ter* of Legislative Decree No. 58/1998 and Article 84-*quater* of the Consob Issuers Regulation (No. 11971 as amended).

OVERVIEW

This 2017 Remuneration Report defines and illustrates the following:

- in Section I, the Policy adopted by Saipem SpA ('Saipem' or the 'Company') for 2017 for the remuneration of Company Directors and Senior Managers with strategic responsibilities[3], indicating the general aims pursued, the bodies involved and the procedures applied for the adoption and implementation of the Policy. The general principles and the Guidelines defined in the first section of this Report are also applied for the purposes of determining the remuneration policies of companies directly or indirectly controlled by Saipem;
- in Section II, the remuneration paid in 2016 to the Directors, Statutory Auditors and Senior Managers with strategic responsibilities of Saipem.

The two sections of the Report are preceded by a summary of the main information in order to supply the market and investors with an easy-to-read framework for understanding the key elements of the 2017 Policy.
Lastly, the Report illustrates the shares held by Saipem Directors, Auditors and Senior Managers with strategic responsibilities and contains information regarding the implementation of the 2016 share-based Long-Term Incentive Plan envisaged in line with current rules[4].
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 before the Shareholders' Meeting called to approve the 2016 Financial Statements and to pass a non-binding resolution in favour or against Section I of the Report, in accordance with the applicable legislation[5].
Information related to financial instrument-based remuneration plans currently in force is available in the 'Governance' section of Saipem's website[6].

2017 Remuneration Policy

The Saipem Remuneration Policy, illustrated in detail in the first section of this Report, has the aim of (i) attracting, motivating and retaining high profile professional and management personnel; (ii) providing incentives for the achievement of strategic objectives and sustainable growth of the business; (iii) aligning the interests of management with the priority objective of creating sustainable value for shareholders in the long term; and (iv) promoting the company mission and values.

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 2017 Remuneration Policy, illustrated in detail in Section I of this Report, prescribes the following:

- for non-executive Directors, the 2017 Remuneration Policy Guidelines reflect the resolutions taken by the Board of Directors on May 25, 2015 and do not envisage any changes with respect to the Policy approved in the previous year;
- for non-executive Directors who will be members of Board Committees, the 2017 Remuneration Policy Guidelines envisage the definition of remuneration commensurate with the complexity of the role and the commitment required in line with market benchmarks, reflect the resolution taken by the Board of Directors on June 15, 2015 and do not envisage any changes with respect to the Policy approved in the previous year;
- for the Chairman, the 2017 Remuneration Policy Guidelines envisage the maintenance of the same remuneration approved by the Board of Directors on June 15, 2015 in line with market benchmarks;
- for the CEO, the 2017 Remuneration Policy Guidelines envisage the maintenance of the same remuneration approved by the Board of Directors on June 15, 2015, in line with market benchmarks. Variable remuneration is also envisaged to reward performance targets achieved over an annual time horizon, associated with the targets set for the previous year plus Long-Term Incentives (LTI) consistently with the

(3) The term 'Senior Managers with strategic responsibilities', as defined in Article 65, paragraph 1-*quater* of the Consob Issuers Regulation, refers to persons with direct or indirect 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.
(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) Website: http://www.saipem.com/sites/SAIPEM_it_IT/area/GOVERNANCE-saipem-governance.page

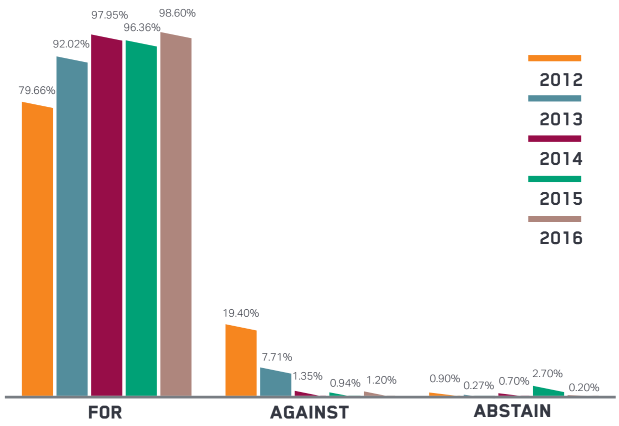
resolution taken by the Board of Directors on June 15, 2015 and June 27, 2016;
- for Senior Managers with strategic responsibilities, the 2017 Guidelines envisage the same payment instruments as defined in 2016.

The table at the following page ('2017 Remuneration Policy') describes the main elements of the 2017 Guidelines resolved for remuneration of the CEO and Senior Managers with strategic responsibilities (SMSR).

2016 Remuneration Report (Section I) - Results of vote at Shareholders' Meeting

The Shareholders' Meeting of April 29, 2016, according to the provisions of current regulations (Article 123-*ter* (6) of Legislative Decree No. 58/1998), expressed a consultative vote on Section 1 of the 2016 Remuneration Report, by a favourable vote of 98.6% of participants. There has been a progressive reduction of votes against since 2012.

RESULTS OF VOTING

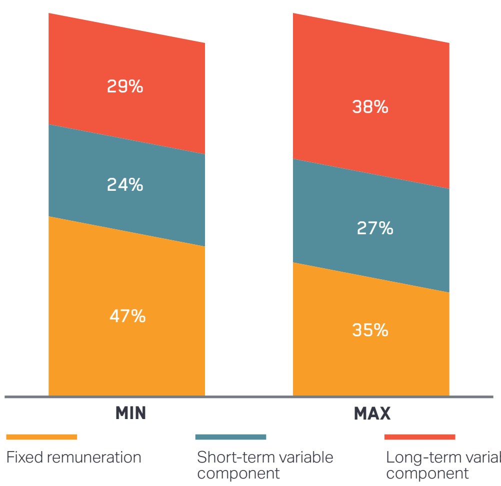


2017 REMUNERATION POLICY

Component	Aims and characteristics	Conditions for implementation	Amount
Fixed remuneration	Values skills, experience and the contribution demanded by the role assigned.	Benchmarking of manager compensation consistent to Saipem characteristics and assigned roles.	CEO: €900,000 per year. SMSR: compensation determined on the basis of the role assigned with possible adjustments in relation to competitive positioning targets (average market values).
Annual variable incentives	Promote the achievement of annual budget objectives. All managerial resources are included in the Plan.	2017 CEO objectives: Free Cash Flow - weight 35%; Adjusted EBITDA - weight 30%; Fit For the Future - weight 25%' HSE and Sustainability - weight 10%. SMSR objectives: broken down on the basis of objectives assigned to top management, in relation to the area of responsibility for the role covered. Incentives paid based on the results achieved in the previous year and evaluated on a performance scale of 70 to 130 points[1] with minimum threshold to receive the incentive set at 85 points for individual performance.	CEO: target incentive level corresponding to 60% of fixed remuneration (minimum 51% and maximum 78%). SMSR: target incentive levels differentiated based on the role assigned, up to a maximum of 40% of fixed remuneration.
Long-Term Incentive shared based *(2016-2018 Plan)*	Promote the alignment of management with the interests of shareholders and the sustainability of value creation in the long term. All managerial resources are included in the Plan.	Award: free allocation of ordinary Saipem SpA shares for the achievement of performance conditions, differentiated by management role. Performance conditions: TSR (weight 50%) measured at the end of the three-year period in terms of positioning in relation to a peer group. Net Financial Position (weight 50%) measured in terms of the three-year period in question. Three-year vesting period + lock-up period of 2 years for the Chief Executive Officer-CEO. Three-year vesting period + Co-investment of a further 2 years for strategic resources only.	CEO: maximum incentive level equal to 153% of fixed remuneration, unchanged compared to that provided by previous plans. SMSR: maximum differentiated incentive level for the management role up to a maximum of 100% of fixed remuneration, unchanged compared to that provided by previous plans, in addition to a further 25% in equities at the end of the Co-investment period (Share Retention). The maximum value at the end of the vesting period shall not exceed four times the value of the shares at the moment of their allocation.
Benefits	These supplement the compensation package in a logic of total reward through benefits in kind, mainly of a health and social security nature. Recipients: all managerial resources.	Conditions set out in the national collective bargaining contract and in supplementary company agreements applicable to resources with managerial qualifications.	- Supplementary pension; - Supplementary healthcare; - Supplementary death and disability insurance coverage; - Company car for business and personal use.
Severance Payment and Minimum Term Agreement	Severance pay to protect the company from potential competition risks. Retention and protection tools for the Group's know-how.	CEO: *early termination indemnities:* early termination of the current mandate, excluding dismissal for just cause, and resignation not caused by essential reduction of mandates; *non-competition agreement:* activated at the discretion of the Board through option rights[2], provides a non-compete obligation for the period of one year after termination of the mandate. SMSR: *severance pay:* agreed to upon consensual termination of employment; *severance payment:* cases of change of control which result in termination of employment due to resignation or dismissal and/or demotion; *non-competition agreements:* activated upon termination of the employment relationship. *Minimum Term Agreement* to protect know-how .	CEO: *early termination indemnities:* amounts to €1,800,000; *non-competition agreement:* amounts to 1,800,000. SMSR: *severance pay:* established by the collective labour agreement and internal policies. Accessory instruments: *severance payment:* maximum of two years' fixed remuneration; *non-competition agreement:* 12 months' pay for every year of the agreement; *Minimum Term Agreement:* 12 months' pay for every year of the clause.

(1) Below the minimum threshold (70 points) the performance is considered equal to zero.
(2) Provided for under the non-compete option reserved to the Board of Directors is a sum of €450,000.

PAY-MIX CEO (*)



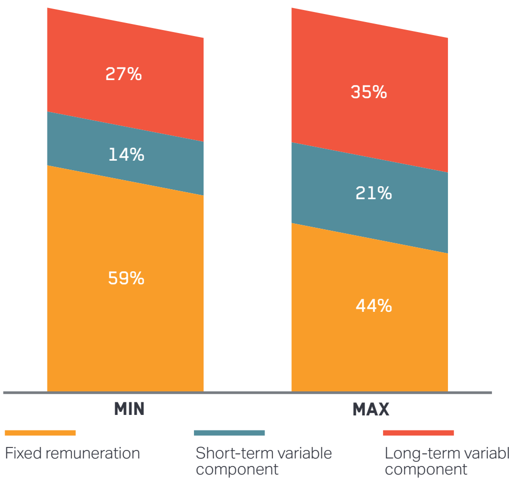
(*) Pay-mixes shown above do not take in consideration fluctuation of share price.

Pay-mix

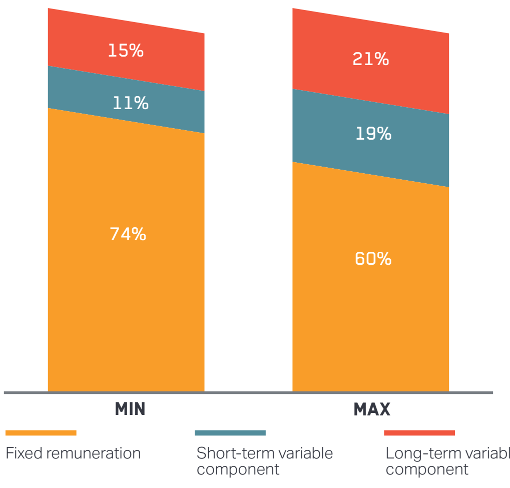
The 2017 Remuneration Policy Guidelines set pay-mixes in line with managerial roles, with a greater weight given to the variable component (in particular the long-term component) for positions that have a greater influence on company results, as shown in the pay-mix chart shown below, which was calculated considering minimum and maximum result level payouts for short and long-term incentives.

Risk mitigation factors	Scheduling	Page
Adjustments are in line with market references from internationally recognised providers.	Annual adjustments as part of the annual salary review.	Pages 14-15; 17-18
Forecasts of different performance goals, predetermined, measurable and complementary, indicative of the company's annual performance, which is itself a condition of payout of the individual incentive. Existence of the maximum established incentive levels. Existence of a clawback mechanism that allows for the return of variable components of remuneration in cases of manifestly incorrect or maliciously altered data and violation of laws and regulations, the Code of Ethics or industry regulations.	Payout in the year in which the annual objective left was attained.	Pages 15; 17-18
Forecasts of two performance targets, predetermined, measurable ex post at the end of the three years, and complementary, indicative of the company's performance, and the ability of the latter to pursue economic and financial performance in the medium-long term and generate share performance levels, as well as creating value higher than those of major international competitors, providing greater alignment to the interests of shareholders in the medium to long term. Deferral of a significant portion of the shares matured by two years past the date of verification of achievement of the performance target level. Definition of a maximum value of shares definitely assignable: the maximum value at the end of the vesting period shall not exceed four times the value of the shares at the moment of their allocation. Existence of a clawback mechanism that allows the return of definitively allocated shares (or non-award of deferral shares) in cases of manifestly incorrect or maliciously altered data and violation of laws and regulations, the Code of Ethics or industry regulations.	Allocation: annual. Vesting period: three years. Co-investment period/lock-up: additional two years.	Pages 15, 18
	Subject to periodic reviews in cases of role reassignment.	Pages 17, 20
Ex-ante determination of the maximum number of months to be paid. Activation of the non-competition agreement for the CEO as a result of evaluation by the Board of Directors. Existence of penalties for violating the non-competition agreement.	Activated upon termination of the employment relationship.	Pages 17, 19

PAY-MIX SENIOR MANAGERS WITH STRATEGIC RESPONSIBILITIES (*)



PAY-MIX OTHER SENIOR MANAGERS (*)



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

SECTION I - 2017 REMUNERATION POLICY

Governance of the remuneration process

Bodies and persons involved

The Policy on remuneration of members of the Saipem Board of Directors was defined in accordance with the regulatory provisions and the Saipem by-laws and Governance model, according to which the following boards and entities are involved: Shareholders' Meeting, Board of Directors and Compensation and Nomination Committee.

BODIES AND PERSONS INVOLVED

BODY	ROLE AND DUTIES
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.
Board of Directors	1. Establishes the remuneration for Directors assigned special functions (Chairman and CEO) and for service on Board Committees, having consulted the Statutory Auditors. 2. Defines performance targets and approves the results for performance plans used to establish the variable remuneration of the CEO. 3. Approves the general criteria for the remuneration of Senior Managers with strategic responsibilities. 4. Defines the remuneration of the Internal Audit Manager in accordance with the Company's Remuneration policy and having consulted the Audit and Risk Committee and the Board of Statutory Auditors.
Compensation and Nomination Committee	Supports the Board of Directors in a consultative and advisory capacity with regard to remuneration.

COMPENSATION AND NOMINATION COMMITTEE

NAME	ROLE
Maria Elena Cappello	Chairman
Federico Ferro-Luzzi	Member
Francesco Antonio Ferrucci	Member

No. meetings in 2016: 16; average duration: 2 hours and 18 minutes; average member attendance: 98%.

Saipem Compensation and Nomination Committee

Membership and appointment

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 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.

With effect from April 30, 2015 the Committee has been made up of the following non-executive Directors, all independent according to law and the Corporate Governance Code: Maria Elena Cappello, Federico Ferro-Luzzi, Francesco Antonio Ferrucci.
The Executive Vice President of Human Resources, Organisation and Services for Personnel, or, in his/her place, the Senior Vice President of Corporate Human Resources, acts as Secretary of the Committee.

Role of the Committee

The Committee has the following proposal and consulting 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):

- submits to the Board of Directors' approval the Remuneration Report and, in particular, the Remuneration Policy of executive Directors, of Directors vested with particular powers and of Senior Managers with strategic responsibilities, as provided for by the law;
- periodically checking the adequacy, the overall consistency and the implementation of the Policy adopted and formulating proposals in this regard;
- makes proposals regarding the various forms of remuneration and pay of the Chairman and CEO;
- making proposals regarding the compensation of the non-executive Directors appointed to the Committees formed by the Board;
- proposing general criteria for the remuneration of Senior Managers with strategic responsibilities, 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;
- monitors the implementation of resolutions taken by the Board with regard to remuneration;
- reports 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

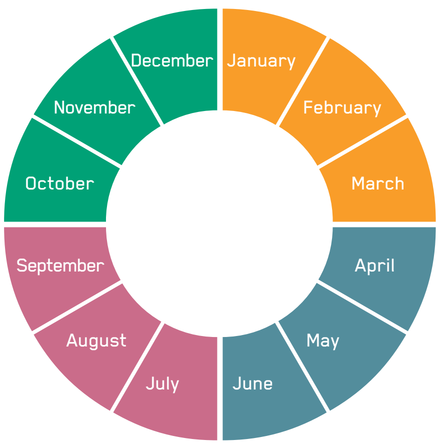
ACTIVITIES

OCTOBER - DECEMBER

- Monitoring of regulatory framework development and voting policies

JANUARY - MARCH

- Periodical evaluation of the Policies adopted in the previous year
- Definition of the Remuneration Policy
- Analysis of results and definition of objectives for variable incentive plans
- Preparation of Remuneration Report



JULY - SEPTEMBER

- Implementation of the Long-Term Incentive Plan (LTI)
- Analysis of results of voting on the Remuneration Policy at Shareholders' Meetings

APRIL - JUNE

- Presentation of the Remuneration Report to the Shareholders' Meeting

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, attends 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 compensation/benchmarks supplied by specialised providers;
- definition of Policy proposals for the following year and of proposals regarding the performance targets connected with short and long-term incentive plans;
- definition of proposals regarding the implementation of the short and long-term variable incentive plans in place, based on an analysis of the results achieved and the performance objectives set under the plans;
- preparation of the Remuneration Report to be submitted 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 development of the regulatory framework and the voting policies of the leading proxy advisers, as part of the preliminary investigations envisaged to support Policy proposals for the following year.

Activities carried out and planned

In 2016, the Compensation Committee (in its previous and current mandates) convened on a total of sixteen occasions, with a member attendance of 98%.
As regards the single remuneration issues, the Committee focused its activities on the following topics in particular.

MAIN ISSUES COVERED IN 2016

Month	Subjects
January	1. Formulation of Saipem 2016 indicators for the 2016 Short-Term Incentive Plan.
	2. Remuneration Policy: evaluation of 2015 implementation and proposal for 2016.
	3. Definition of the metrics of the New Management Incentive System.
February	1. New Management Incentive System: new system and Consob Information document.
March	1. Review of Saipem 2015 results and definition of 2016 performance objectives for long term plans.
	2. Remuneration package of the CEO.
	3. Analysis of 2016 Remuneration Report (Sections I and II).
April	1. Preparation of the 2016 Shareholders' Meeting.
May	1. Proposal for amendement of CEO contract.
June	1. Evaluation of the proposal for appointment and remuneration of the Manager responsible for drafting the Company Accounting Reports.
	2. Long-Term Incentive Plan - Approval of the 2016 Allocation Rules.
	3. Proposal for amendement of CEO contract.
	4. Clawback clauses - Approval of Implementation Regulations.
July	1. Review of 2015 results in relation to the Long-Term Monetary Incentive Plan for critical managerial resources.
	2. 2016-2018 Long-Term Incentive Plan: 2016 allocation for CEO and calculation of number of shares to be allocated.
	3. Remuneration positioning of the Internal Audit Manager.
September	1. Evaluation of remuneration proposal of members of Audit & Compliance Committee for Cluster A Companies.
	2. Analysis of the voting results of the 2016 Shareholders' Meeting season.
November	1. Proposed Saipem 2017 indicators for short and long-term incentive plans.
	2. Approval of the 2017 Budget of the Compensation and Nomination Committee.

The Committee plans to hold at least 9 meetings in 2017. At the date of approval of this Report, the first 5 meetings had been held, specifically covering: (i) evaluation of the remuneration policies implemented in 2016 for defining policy proposals for 2017;
(ii) review of the 2016 results and definition of 2017 performance objectives associated with variable incentive plans; (iii) variable remuneration of the CEO and Senior Managers with strategic responsibilities;
(iv) the 2017 Remuneration Report (Sections I and II).
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.

2017 Remuneration Policy approval process

In conducting its assigned tasks the Committee defined the structure and content of the Remuneration Policy for the purposes of preparing this Report, specifically at the meetings of February 23 and March 9, 2017, consistently with the more recent recommendations of 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 Policy Guidelines for 2016, as well as the resolutions passed by the relevant Company bodies in relation to remuneration.
The Saipem 2017 Remuneration Policy for the CEO and other Senior Managers with strategic responsibilities was approved by the Board of Directors on March 16, 2017 at the proposal of the Compensation and Nomination Committee, together with this Report.
For the purposes of preparing this Report, the Committee used remuneration benchmarks developed by international independent consulting firms for the preliminary investigations aimed at preparing the proposals for the 2017 Remuneration Policy.
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.

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 (integrity, innovation, sustainability) 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 the Leadership Model;
- 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 the Senior Managers with strategic responsibilities is defined in accordance with the following principles and criteria.

Remuneration of non-executive Directors

Remuneration of non-executive Directors commensurate with the commitment required for participating in Board Committees established according to the By-laws, with differentiation between the remuneration prescribed for the Chairman compared to the members of each committee, in consideration of the role of coordination of business and connection with the corporate boards and business functions.
Unless otherwise resolved by the Shareholders' Meeting, non-executive Directors are excluded from variable incentive schemes, including share-based incentive plans.

Remuneration of the CEO and the Senior Managers with strategic responsibilities

Remuneration structure for the CEO and the Senior Managers with strategic responsibilities, an adequately balanced mix of a fixed component commensurate with powers and/or responsibilities assigned and a variable component with a maximum limit designed to link remuneration to effectively achieved targets.

Consistency with market benchmarks

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 internationally recognised providers.

Variable remuneration

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

Predetermined, measurable and complementary objectives

Objectives associated with variable remuneration which are predetermined, measurable and complementary and also represent the priorities for the Company's performance as a whole, according to the strategic plan and the expectations of shareholders and stakeholders, promoting strong orientation towards the results.
These objectives are defined in order to ensure: (i) evaluation of individual and business annual performance, based on a balanced score card defined in relation to specific objectives in the area of responsibility and in line with the objectives assigned;
(ii) definition of a long-term incentive plan according to methods which enable evaluation of company performance both in absolute terms, with reference to the capacity to pursue the medium- and long-term economic-financial performance, and in relative terms in relation to a peer group, with reference to the capacity to generate share performance and create value greater than those of the main international competitors, and to guarantee greater alignment with the interests of shareholders in the medium- and long-term.

Consistency with effectively achieved targets

Incentives linked with variable remuneration paid following a careful verification of results effectively achieved, assessing performance targets assigned net of the effects of exogenous variables, with a view to enhancing the effective business performance deriving from management action.

Benefits in line with market benchmarks

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

Clawback clauses to cover the risk of errors and for significant violations

The adoption, via specific Regulation approved by the Board of Directors, on the proposal of the Compensation and Nomination Committee, of clawback mechanisms which enable previously paid variable remuneration components to be returned, or shares to not be definitively allocated during the vesting period or to require the return of the value of shares already allocated and to withdraw this amount from payments due to the beneficiaries, where they were accrued based on figures subsequently found to be clearly incorrect, or the return of all bonuses (or shares/value) for the year (or years) for which there was wilful alteration of the data used for the review of results for achieving the right to the incentive and/or the commission of severe and intentional violations of laws and/or regulations, the Code of Ethics or company rules which are relevant or have an impact on the employment relationship, affecting the associated relationship of trust, without affecting any permitted legal action to protect the Company's interests.

Conditions, methods and terms of application of the clawback principle

The Rules prescribe revocation of the assignment of shares or recovery of the monetary value of the stock or variable monetary incentives within the maximum term of 3 years from the associated payout or allocation, where the incentives are found to have been calculated based on figures regarding results achieved and/or performance targets realised, subsequently found to be incorrect.
The Rules also envisage recovery actions to be applied within the maximum term of 5 years from the associated payout or allocation, against individuals who are found to be responsible for altering, through malice or gross misconduct, the figures used for the review of the results in relation to targets assigned for the achievement of the right to the incentive, and/or for violations of laws and/or regulations, the Code of Ethics or company rules which are relevant or have an

impact on the employment relationship, and are such as to diminish the associated relationship of trust.
In such cases, following verifications performed by the company boards and functions of vigilance and control, where there are found to be errors that have an impact on the final results, the company may, following adjustment of the figures, order the competent boards and company functions to recalculate the incentives, with potential total or partial recovery of incentives due based on results effectively achieved. Errors that do not impact the final determination of the incentive sum are to be considered of no importance.

Severance indemnities and non-competition clauses within the set limits and to protect interests

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

2017 Remuneration Policy Guidelines

The 2017 Remuneration Policy Guidelines provide for focusing the attention on the definition of 2017 objectives in line with the Company's strategic plan, in light of the new challenges of the market and the new organisational structure, and confirm the more general policy adopted in the previous year.
For non-executive Directors the 2017 Guidelines reflect the resolutions taken by the Board of Directors on May 25, 2015 and June 15, 2015, following the renewal of the company bodies, based on the shareholders' meeting deliberations of April 30, 2015, and on the principle of continuity of the remuneration structure with that defined for the previous mandate, and do not therefore envisage significant changes over the previous year. For the CEO and the other Senior Managers with strategic responsibilities, the 2017 Guidelines confirm the structure of the remuneration package envisaged in 2016, which introduced the share-based Long-Term Incentive Plan (LTI).
For further information on the characteristics of the Plan, please refer to the section 'Long-Term Variable Incentive Plans' of this Report.

REMUNERATION COMPONENTS

FIXED COMPONENT	SHORT-TERM VARIABLE COMPONENT	LONG-TERM VARIABLE COMPONENT	BENEFITS	ACCESSORY INSTRUMENTS
Fixed remuneration	Annual variable incentives	Share-based Long-Term Variable Incentivisation	Non-monetary benefits	Severance Payment; Minimum Term Agreement; Non-competition agreement

ROLE	REMUNERATION DATA PROVIDERS	RATIONALE	PEER GROUP	
Chairman	Korn Ferry Hay Group	Analogous roles in Italian and European listed companies comparable to Saipem in terms of turnover, capitalisation and business.	**Italian companies** Autogrill, Prysmian Leonardo, Snam, Terna.	**European companies** Amec, Balfour, Beatty, Bilfinger, Hoctief.
Non-executive Directors	Korn Ferry Hay Group		**Italian companies** Atlantia, Autogrill, Prysmian, Leonardo, Luxottica, Snam, TIM, Terna.	**European companies** Alstom, Amec, Balfour Beatty, Bilfinger, Colas, Eiffage, Hoctief, Technip.
CEO	Korn Ferry Hay Group	Analogous roles in companies comparable by level of complexity and responsibility in the leading European companies comparable to Saipem in terms of turnover, capitalisation and business.	**Italian companies** Leonardo, Telecom Italia, Luxottica, Prysmian, Atlantia.	**European companies** Bilfinger, Technip, Hochtief, Amec, Colas, Balfour Beatty, Alstom, Eiffage, Petrofac, SBM Offshore, Wood Group.
Senior Managers with strategic responsibilities	Willis Towers Watson	Roles with the same level of responsibility and managerial complexity in Italian and European industrial groups comparable with Saipem in terms of turnover and capitalisation in various commodity sectors with a prevalence of companies operating in project management and construction of large works and infrastructure.		

Chairman of the Board of Directors and non-executive Directors

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

Remuneration of non-executive Directors

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

Additional remuneration for service on Board Committees

An additional annual remuneration will continue to be paid out to non-executive Directors for service on Board Committees. The fees, resolved by the Board of Directors on May 25, 2015 are determined as follows:

- €30,000 for the Chairman of the Audit and Risk and €24,000 for other the 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 and Scenarios[7] and €15,000 for other members.

Payment in the event of office expiry 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.

CEO

For the CEO the 2017 remuneration structure reflects the resolutions taken by the Board of Directors on June 15, 2015 and June 27, 2016. In relation to the mandates assigned, it incorporates the remuneration resolved by the Shareholders' Meeting for the Directors, and the remuneration potentially due for participation on the Boards of Directors of subsidiary or invested companies.

Fixed remuneration

In line with the resolutions of 2016, the gross fixed remuneration of the CEO is set at

(7) The Corporate Governance Committee and Scenarios was established for the first time in 2015 by the Board of Directors, with the role of supporting the Board of Directors within the framework of preliminary investigation functions, for proposing and consulting on evaluations and decisions relating to the Company's and Group's corporate governance, business social responsibility and in examining scenarios for the development of the strategic plan.

€900,000 per year. The sum was set by the Board of Directors at the proposal of the Compensation and Nomination Committee.

Annual variable incentives

The annual variable incentive plan is associated with achievement of the Saipem performance results for the previous year and each is measured according to a 70-130 performance scale, in relation to the weighting assigned to them (a performance below 70 points is considered 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.

PERFORMANCE VS. EXPECTED TARGET	INCENTIVE (% OF THE FIXED REMUNERATION)
Minimum (85)	51%
Target (100)	60%
Maximum (130)	78%

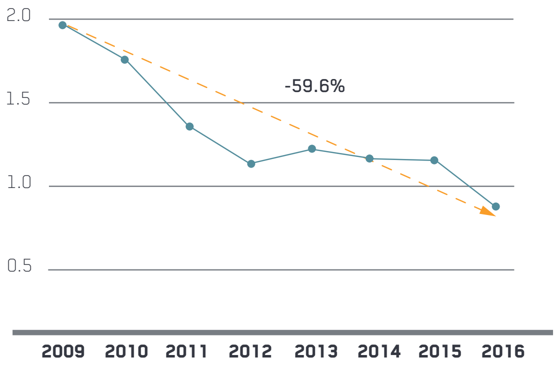
The 2017 targets resolved by the Board of Directors on January 27, 2017 for the annual variable incentive plan are in line with the business model and strategic guidelines and are divided into the following:

2017 TARGETS FOR THE 2018 ANNUAL VARIABLE INCENTIVE PLAN

ECONOMIC-FINANCIAL TARGETS	ECONOMIC-FINANCIAL TARGETS	STRATEGIC OBJECTIVES	SUSTAINABILITY OBJECTIVES
Free cash flow (weighting: 35%)	Adjusted EBITDA (1) (weighting: 30%)	Fit For the Future (2) (weighting: 25%) 1. Fixed monetary costs (weighting: 20%) 2. Fit For the Future 2.0 (weighting: 5%)	Sustainability and HSE (3) (weighting: 10%) 1. TRI (weighting: 5%) 2. We Want Zero (weighting: 2.5%) 3. Global Compact (weighting: 2.5%)

(1) The adjustment is referred only to reorganisation.
(2) Fit For the Future 2.0 provides for three objectives: an objective linked to fixed monetary costs (weighting: 20%) and two objectives linked to 'Fit For the Future 2.0' programme (weighting: 5%). Within this programme, that aims at defining Saipem new industrial and organisational model to obtain more organisational agility and competitiveness, the two objectives refer to the issue of Division organisational structure and matrix of authorisation.
(3) The Sustainability and HSE objective focuses on the issues of health and safety, divided between the following indicators:
- the Total Recordable Injury Frequency Rate;
- the 'We Want Zero' objective, which provides for fatal injury prevention programmes for continually reducing the injury rate and achieving the target of zero;
- the objective relating to the 'Global Compact'. Guaranteeing respect of human and labour rights all along the supply chain, is a consolidated indicator relating to the involvement of vendors of goods, materials and services in Human & Labour Rights (HLR) issues, according to the three specific actions of auditing, training and feedback.

HISTORIC TREND OF TOTAL RECORDABLE INJURY FREQUENCY RATE



From 2009 to date, the Injury Frequency Index has reduced by 59.6%.

Long-term variable incentives

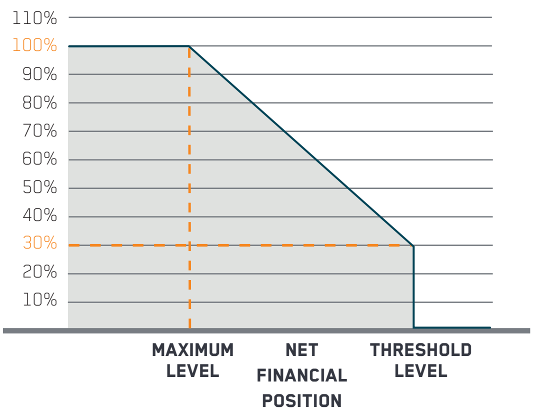
The Share-based Long-Term Incentive Plan 2016-2018 (approved by the Board of Directors on March 16, 2016 and by the Shareholders' Meeting on April 29, 2016), which includes all managerial resources, which includes all managerial resources, with three awards beginning in July 2016, encompasses the free 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, both measured at the end of the three-year period of reference. The Plan requires that the performance conditions be measured on the basis of the following parameters:

- Total Shareholder Return (TSR)[8] 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, Ensco, 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;
- Net Financial Position (NFP): target which measures medium- to long-term economic-financial performance of Saipem at the end of the reference three-year period, with a 50% weighting.

MARKET-BASED INDICATOR: TOTAL SHAREHOLDER RETURN

	Performance in line with or greater than median						Performance less than median					
Position in ranking	1	2	3	4	5	6	7	8	9	10	11	12
Maturation	100%	100%	100%	100%	75%	50%	0%	0%	0%	0%	0%	0%

BUSINESS-BASED INDICATOR: NET FINANCIAL POSITION

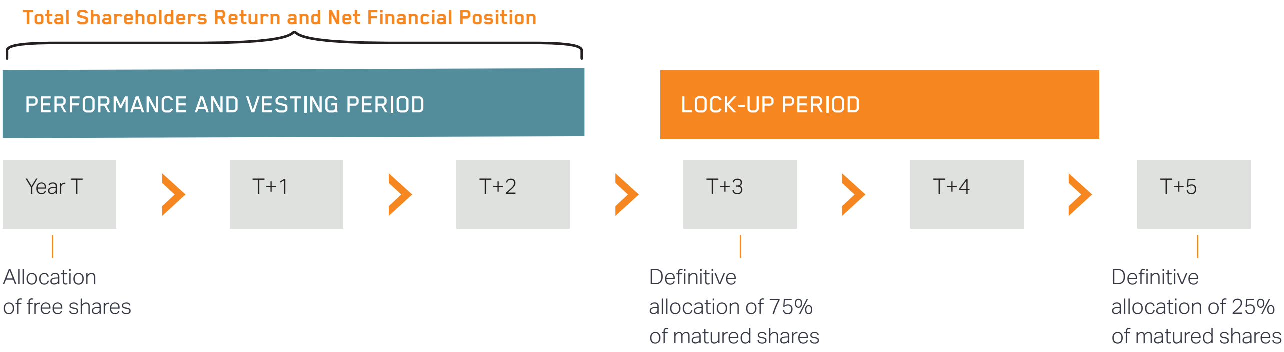


The performance conditions operate independently of each other. This means that, in the presence of an adequate performance in at least one of the two objectives, a part of the award will mature regardless of the performance achieved in the other objective. The achievement of the maximum result level for each performance condition leads to the payment of 100% of the shares promised, 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 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 monetary incentive plans.
The maximum value at the end of the vesting period cannot be any more than four times

(8) 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 Total Shareholder Return (TSR) of Saipem and its peers is calculated over a time period of 3 years, using the average of the closing values of the share price during the period between December 2016 and January 2017 and the average of the closing share price during the period between December 2019 and January 2020.

the value of the shares at the moment of their allocation.
If the mandate is not renewed it is envisaged that the definitive amount of shares be allocated at the end of the associated vesting period, according to the performance conditions of 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.

ILT FOR CHIEF EXECUTIVE OFFICER - TIMELINE



Clawback clause

All short- and long-term variable incentives include a clawback clause enabling the recovery of variable remuneration components found to have been paid out in error or as the result of intentional misconduct by beneficiaries, in accordance with the conditions, methods and terms of application described in the 'Aims and general principles of the Remuneration Policy' section of this Report. (page 12).

Accessory remuneration instruments

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

a) Indemnities for termination of office or termination of employment.
   - For early termination, not for just cause, of the 2015-2017 mandate, also in the case of resignations caused by essential reduction of mandates, the payment is envisaged of an all-inclusive lump sum according to Article 2383 (3) of the Italian Civil Code, of an amount corresponding to two years of the total fixed gross remuneration (a total of €1,800,000).
     It should be noted that, in the event of resignation from the post of CEO, when this is not justified by essential reduction of mandates, 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.

b) Non-competition agreement.
   - Non-competition agreement, to protect the company's interests, in consideration of the high management profile of international standing in the Oil & Gas Services industry and the networks of institutional and business relationships built globally by the CEO.
     The non-competition clause can be activated by the Board of Directors following evaluation and using an option against a specific payment (of a gross amount of €450,000 to be paid in 3 annual instalments). It envisages the payment of an amount against the commitment taken on by the CEO not to carry out any activities in competition with Saipem operations, in terms of its company object and in the primary international markets, for the 12 months following the termination of the mandate. This payment, approved by the Board of Directors on March 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 2017 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 incentives

The Annual variable incentive plan envisages a remuneration calculated with reference to Saipem and individual performance results of the previous year and measured according to a 70-130 performance scale (below 70 points the performance of each target is deemed to be zero), with a minimum individual incentive threshold of 85 points, below which no bonus is payable, in line with that previously described 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 incentives

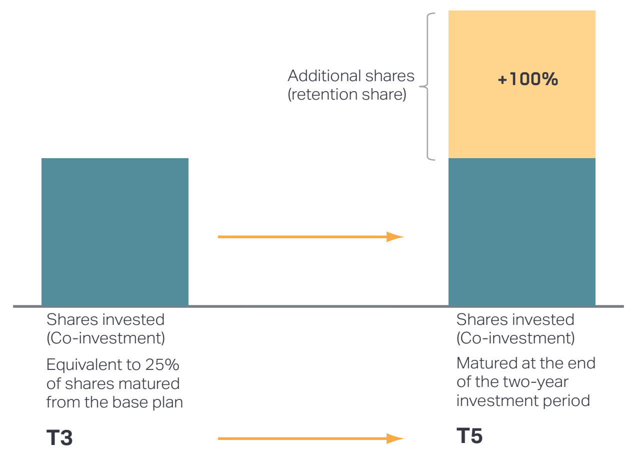
Senior Managers with strategic responsibilities, in line with that defined for the CEO, participate in the long-term incentive plan defined by the Board of Directors on March 16, 2016 and approved by the Shareholders' Meeting on April 29, 2016.
The Long-Term Incentive Plan (LTI) 2016-2018, which includes 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:

- 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): target which measures medium- to long-term economic-financial performance of Saipem at the end of the reference three-year period, with a 50% weighting.

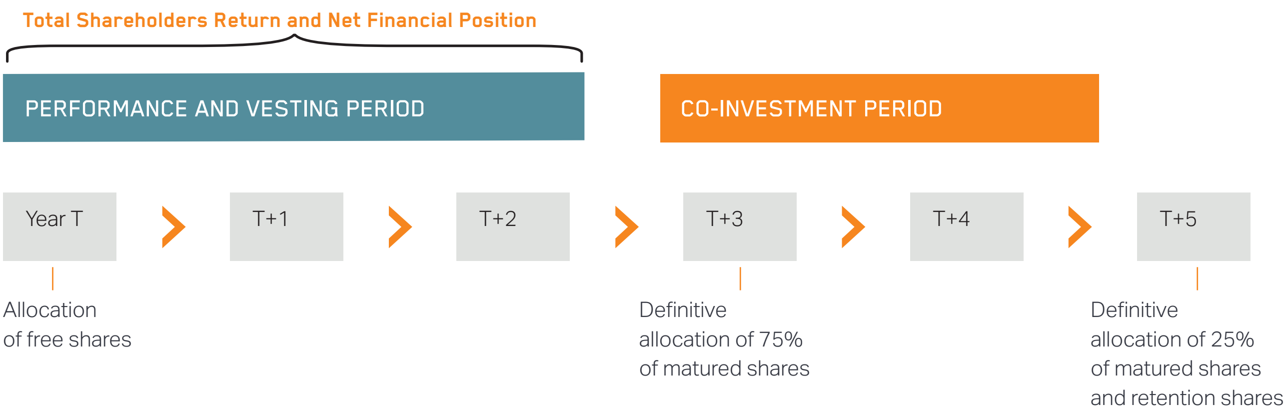
The TSR is measured in relation to the following peer group: Subsea 7, Petrofac, Hyundai E&C, McDermott International, Samsung Engineering Co, Aker Solutions, Technip, Tecnicas Reunidas, Noble Corporation, Ensco, Nabors Industries.
The plan requires that a part of the award for the performance condition measured in terms of Saipem's TSR be at least equal to the median performance of the peer group as illustrated in relation to the CEO.
The performance conditions operate independently of each other. This means that, in the presence of an adequate performance in at least one of the two objectives, a part of the award will mature regardless of the performance achieved in the other objective. 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 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 plan 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 to 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.

CO-INVESTMENT PLAN



ILT FOR SENIOR MANAGERS WITH STRATEGIC RESPONSIBILITIES - TIMELINE



Clawback clause

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

Accessory remuneration instruments

a) Indemnities for termination of 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.

b) Minimum Term Agreement.
   - Minimum Term Agreement may be prescribed to protect the know-how with the aim of guaranteeing continuity in achieving the business objectives for a maximum period of 12 months of remuneration.

c) Non-competition agreements.
   - Specific remuneration may be envisaged for cases where the need is found to enter into non-competition agreements for a maximum amount of 12 months of remuneration per year of the agreement.

Benefits

In continuity with the remuneration policies implemented in 2016 and in accordance with the relevant collective labour agreement established at national level and supplementary agreements reached at company level for Saipem Senior Managers, Senior Managers with strategic responsibilities are granted membership of the supplementary pension fund FOPDIRE[9] and the Supplementary Healthcare Fund FISDE[10], death and disability insurance coverage and a company car for business and personal use.

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

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

SECTION II - REMUNERATION AND OTHER INFORMATION

Implementation of 2016 remuneration policies

This section of the report provides a description of the remuneration policies implemented in 2016 for the Chairman of the Board of Directors, non-executive Directors, the CEO and Senior Managers with strategic responsibilities.
Implementation of the 2016 Remuneration Policy, according to what has been verified by the Compensation and Nomination Committee on the periodic evaluation envisaged by the Corporate Governance Code, was found to be in line with the 2016 Remuneration Policy approved by the Board of Directors on March 16, 2016, according to the provisions of the resolutions taken by the Board of Directors on May 25, 2015, June 15, 2015 and June 27, 2016, regarding the remuneration of non-executive Directors participating in Board Committees and the definition of the remuneration of the Chairman and the CEO. Based on the evaluation expressed by the Committee, the 2016 Policy is in line with the market benchmarks.

Fixed remuneration

Directors

The Chairman was paid the remuneration for the office approved by the Board of Directors on June 15.
This remuneration includes that for the office of Director approved by the Shareholders' Meeting of April 30, 2015. The Chairman was also paid the remuneration for the post of Chairman of the Corporate Governance Committee and Scenarios.
Non-executive Directors were paid the fixed remuneration approved by the Shareholders' Meeting of April 30, 2015.
The CEO was paid the remuneration approved by the Board of Directors on June 15, 2015. This remuneration includes that for the office of Director approved by the Shareholders' Meeting of April 30, 2015.

Senior Managers with strategic responsibilities

For Senior managers with strategic responsibilities, as part of the annual salary review envisaged for all managers, in 2016 adjustments were made to the fixed remuneration for positions whose perimeter of responsibility has increased or are placed below the average market benchmarks.
During 2016 special one-off bonus payments (up to a maximum amount of 25% of the individual fixed remuneration) were also paid, associated with achieving particularly significant results or projects during the year or through having contributed to operations associated with the demerger from Eni and improvement of the Company's financial stability, also through debt refinancing transactions, for a total amount of € 329,000.
The sums for fixed remuneration and, as regards employment salaries, for indemnities covered under the national contract for senior managers and under supplementary company agreements, are specified in the relevant item of Table No. 1 of the chapter 'Remuneration paid in 2016'.

Remuneration for service on Board Committees

Non-executive Directors were paid the additional remuneration due for service on Board Committees, according to the resolution of the Board of Directors dated May 25, 2015, according to the criteria of differentiation between the Chairman and other members.
Remuneration for service on Board Committees is shown in Table No. 1 of the section 'Remuneration paid in 2016'.

Variable incentives

Annual variable incentives

The Saipem results for 2015, evaluated and approved by the Board of Directors on the proposal of the Compensation and Nomination Committee at the Meeting on March 16, 2016, led to the calculation of a performance score less than the set minimum threshold. In accordance with the 2016 Remuneration Policy Guidelines, the performance score achieved did not activate the annual monetary incentive system for the CEO and for the Senior Managers with strategic responsibilities, apart from for those roles belonging to control functions having their own autonomy and independence from the corporate results.
The incentives awarded to the Senior Managers with strategic responsibilities are indicated under the item 'Non-equity variable remuneration/bonuses and other incentives' in Table No. 1, and detailed in Table No. 3 of the section 'Remuneration paid in 2016'.

Long-term variable incentives

Up to 2015, the Saipem long-term variable component consisted of two separate incentive plans:

- Deferred Monetary Incentive Plan (DMI) including all managerial resources, linked to the performance of the Company measured in terms of EBITDA[11]. The incentive actually paid out at the end of the three-year vesting period is calculated on the basis of the average annual EBITDA results obtained in the vesting period, as a percentage ranging from 0 to 170% of the value assigned. The annual performance is assessed according to a scale between 70% and 170% (below the minimum threshold of 70% the performance is considered equal to zero).
- Long-Term Monetary Incentive Plan (LMIT) for critical management, linked until 2013 to Adjusted Net Profit + Depreciation & Amortisation achieved by the Company in proportion to its primary international competitors and, starting from 2014, to the performance of the share price achieved by the Company in proportion to its primary international competitors (measured by Total Shareholder Return weighting 60%) and profitability of invested capital (measured by the ROACE indicator weighting 40%). The amount to be paid out at the end of the three-year vesting period is calculated as a percentage of the amount allocated, based on the results achieved during the three-year vesting period. The annual performance is assessed according to a scale between 70% and 130% (below the minimum threshold of 70% the performance is considered equal to zero).

In 2016, a new share-based Long-Term Incentive (LTI) Plan was introduced to replace the previous DMI and LMIT plans, which involves free allocation of ordinary shares in the Company against the achievement of performance conditions, measured via a business objective (Net Financial Position, weighting 50%) and an objective relating to the trend of the Saipem share price (Total Shareholder Return in proportion to its primary international competitors, weighting 50%), both measured over a period of 3 years, maintaining the maximum incentive percentages envisaged by the previous 2 long-term plans unchanged.

Deferred Monetary Incentive

In 2016, the deferred monetary incentive allocated in 2013 to critical managerial resources accrued. On March 16, 2016, on the proposal of the Compensation and Nomination Committee, the Board of Directors decided on a 3-year average factor of 23% to be applied to the incentive base for calculating the 2013 allocation, based on the Saipem EBITDA for the period 2013-2015. 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

Deferred Monetary Incentives (DMI)	Performance during vesting period			% incentive
	2013	2014	2015	
EBITDA > Max level	170%	170%	170%	23%
Budget < EBITDA < Max level	130%	130%	130%	
Threshold < EBITDA < Budget	70%	70%	70%	
EBITDA < Threshold	0%	0%	0%	

The incentives awarded to the Senior Managers with strategic responsibilities are indicated under the item 'Bonuses from prior years payable/paid out' in Table No. 3B of the section 'Remuneration paid in 2016'.

Long-Term Monetary Incentive

In 2016, the long-term monetary incentive allocated in 2013 to managerial resources accrued. On July 27, 2016, on the proposal of the Compensation and Nomination Committee, the Board of Directors decided on a 3-year average factor of 33% to be applied to the incentive base for calculating the allocation, based on the final Saipem Net Adjusted Profit + D&A for the period 2013-2015. Table 2 shows the performances achieved during the vesting period as used to

(11) Earnings before interest, tax, depreciation and amortisation.

determine the percentage of the incentive paid out to Senior Managers with strategic responsibilities.

TABLE 2

Long-Term Monetary Incentive (LTMI)	Performance during vesting period			% incentive
Positioning in the peer group (*)	2013	2014	2015	
1°	130%	130%	130%	
2°	115%	115%	115%	
3°	100%	100%	70%	
4°	85%	85%	85%	33%
5°	70%	70%	70%	
6°	0%	0%	0%	
7°	0%	0%	0%	

(*) Positioning in the peer group based on Saipem Net Adjusted Profit + Depreciation & Amortisation results.

The incentives awarded to the Senior Managers with strategic responsibilities are indicated under the item 'Bonuses from prior years payable/paid out' in Table No. 3B of the section 'Remuneration paid in 2016'.

Share-based Long-Term Incentive

In accordance with the 2016 Remuneration Policy Guidelines and the contractual conditions relating to the 2015-2017 mandate associated with the post of CEO approved by the Board of Directors on June 27, 2016, the Board of Directors decided at the meeting of July 27, 2016 on 3,653,489 ordinary shares in Saipem SpA as the number of shares subject to the 2016 allocation to the CEO. This forms part of the 2016-2018 share-based Long-Term Incentive Plan, according to the criteria and methods defined by the Board of Directors on March 16, 2016 and approved by the Shareholders' Meeting of April 29, 2016.
For Senior Managers with strategic responsibilities the 2016 allocation was made in an amount of shares of 10,274,645, within the sphere of the maximum incentive levels attributed by the Plan for Saipem management, defined in relation to the position held and the fixed remuneration or average remuneration of the relevant management band.
The shares subject to the allocation to the CEO and the Senior Managers with strategic responsibilities are reported in Table No. 1 of scheme 7 of Annex 3A of Regulation No. 11971/1999, according to the requirements of Article 84-*bis* (Annex 3A, scheme 7) of the Consob Issuers Regulation, with the associated detail in Table 3A of the section 'Remuneration paid in 2016'.

Indemnities for termination of office or termination or employment

During 2016 no indemnities for termination of office were deliberated and/or paid to Directors and other Senior Managers with strategic responsibilities.

Benefits

Table No. 1 of the chapter 'Remuneration paid in 2016' shows the taxable value of benefits paid in 2016, 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); (iv) amount payable for the weekly return flights between Milan and Rome.

Payment against the Board of Directors' option for implementation of the non-competition agreement

In line with the 2016 Remuneration Policy Guidelines, the CEO was paid the second tranche, in the amount of €150,000 gross, of the €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 2016

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

The following table shows remuneration paid to Directors and Statutory Auditors, who are listed by name, and remuneration paid to other Senior Managers with strategic responsibilities[12], which is shown on an aggregated basis. 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 the financial year are included in the table, even if they only held the position for part of the year. In particular:

- the column 'Fixed remuneration' shows fixed emoluments and remuneration for employed work due for the year. The amounts shown are gross before deductions for social security and tax payable by the employee. They do not include attendance fees, 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 service on Board Committees' shows compensation pertaining to the year paid to Directors for participation in Committees created by the Board. The footnote provides a separate indication of remuneration for each Committee on which the Director sits;
- the item 'Bonuses and other incentives' in the column 'Variable non-equity 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 Table No. 3B, 'Monetary incentives paid to Directors and 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 compensation paid pertaining to the year and relating to other services performed;
- the column 'Total' shows the total of the preceding items;
- the column 'Fair value of equity remuneration' shows the fair value for the year of stock grant plans in place as estimated in accordance with International Financial Reporting Standards which require costs to be distributed over the vesting period, as further detailed in Table No. 3A, 'Incentive plans based on financial instruments other than stock options payable to Directors and to the Senior Managers with strategic responsibilities';
- the column 'Indemnities for termination of office or termination of 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.

Table 1. Amounts paid to members of management and control bodies and to Senior Managers with strategic responsibilities

(€ thousand)

Name and surname	Office held	Period of office	Expiry of term [*]	Fixed remuneration	Remuneration for service on Board Committees	Non-equity variable remuneration: Bonuses and other incentives	Non-equity variable remuneration: Profit sharing	Non-monetary benefits	Other remuneration	Total	Fair value of equity remuneration	Indemnities for termination of office or termination of employment
Board of Directors												
Colombo Paolo Andrea	Chairman [1]	01.01-12.31	04.18	278 [a]	20 [b]					298		
Cao Stefano	Chief Executive Officer (CEO) [2]	01.01-12.31	04.18	900 [a]				29 [b]		929	140	
Cappello Maria Elena	Director [3]	01.01-12.31	04.18	60 [a]	20 [b]					80		
Ferrucci Francesco Antonio	Director [4]	01.01-12.31	04.18	60 [a]	30 [b]					90		
Mazzarella Flavia	Director [5]	01.01-12.31	04.18	60 [a]	24 [b]					84		
Siragusa Stefano	Director [6]	01.01-01.21		3 [a]	1 [b]					4		
Pattofatto Leone	Director [7]	01.21-12.31		57 [a]	14 [b]					71		
Guzzetti Guido	Director [8]	01.01-12.31	04.18	60 [a]	33 [b]					93		
Picchi Nicla	Director [9]	01.01-12.31	04.18	60 [a]	30 [b]					90		
Ferro-Luzzi Federico	Director [10]	01.01-12.31	04.18	60 [a]	15 [b]					75		
Board of Statutory Auditors												
Busso Mario	Chairman [11]	01.01-12.31	04.17	70 [a]						70		
Invernizzi Massimo	Statutory Auditor [12]	01.01-12.31	04.17	50 [a]						50		
De Martino Giulia	Statutory Auditor [13]	01.01-12.31	04.17	50 [a]						50		
Senior Managers with strategic responsibilities [**]	[14]			4,139 [a]		984 [b]		146 [c]		5,268	409	
				5,908	**187**	**984**		**175**		**7,252**	**549**	

(*) Term of office of Directors appointed by Shareholders' Meeting on April 30, 2015 expires at Shareholders' Meeting convened to approve the financial statements at December 31, 2017.
(**) All Senior Managers serving on the Advisory Committee, and at any rate all direct reports of the CEO (14 Senior Managers)
(1) **Paolo Andrea Colombo - Chairman**
(a) The sum corresponds to the fixed remuneration set by the Board of Directors' Meeting of June 15, 2015 at €278,000, which includes the remuneration for the office of Director set by the Board of Directors' Meeting of April 30, 2015 (€60,000).
(b) The sum corresponds to the remuneration for the role of Chairman of the Corporate Governance Committee and Scenarios (€20,000).
(2) **Stefano Cao - Chief Executive Officer (CEO)**
(a) The amount corresponds to the fixed remuneration approved by the Board on June 15, 2015 (€900,000) which incorporates the base remuneration as CEO set by the Shareholders' Meeting (€60,000), added to which is the amount of €150,000 paid as the 2nd annual tranche of the non-competition option prescribed for the CEO for a total amount of €450,000.
(b) The amount includes the value of the car benefit, the supplementary healthcare fund contributions paid by the company and the amount payable for the weekly return flights between Milan and Rome.
(3) **Maria Elena Cappello - Director**
(a) The sum corresponds to the fixed Board meeting fees.
(b) The sum corresponds to remuneration for the role of Chairman of the Compensation and Nomination Committee (€20,000).
(4) **Francesco Antonio Ferrucci - 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 (€15,000) and in the Corporate Governance Committee and Scenarios (€15,000).
(5) **Flavia Mazzarella - 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 (€24,000).
(6) **Stefano Siragusa - Director**
(a) The sum corresponds to the pro-rata portion of the fixed remuneration set by the Board of Directors' Meeting on April 30, 2015 (€60,000).
(b) The sum corresponds to the pro-rata portion of the remuneration for participation in the Corporate Governance Committee and Scenarios (€15,000).
(7) **Leone Pattofatto - Director**
(a) The sum corresponds to the pro-rata portion of the fixed remuneration set by the Board of Directors' Meeting on April 30, 2015 (€60,000).
(b) The sum corresponds to the pro-rata portion of the remuneration for participation in the Corporate Governance Committee and Scenarios (€15,000).
(8) **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 (€24,000) and to the remuneration for participation in the Corporate Governance Committee and Scenarios (€15,000).
(9) **Nicla Picchi - Director**
(a) The sum corresponds to the fixed Board meeting fees.
(b) The sum corresponds to remuneration for the role of Chairman of the Audit and Risk Committee (€30,000).
(10) **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 (€15,000).
(11) **Mario Busso - Chairman of the Board of Statutory Auditors**
(a) The sum corresponds to the fixed Board meeting fees.
(12) **Massimo Invernizzi - Statutory Auditor**
(a) The sum corresponds to the fixed Board meeting fees.
(13) **Giulia De Martino - Statutory Auditor**
(a) The sum corresponds to the fixed Board meeting fees.
(14) **Senior Managers with strategic responsibilities**
(a) To the sum of €4,139,000 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 related to employment, for a total amount of €216,000.
(b) The amount includes the payment of €64,500 for the 2016 annual monetary incentive linked to the 2015 performance, the payment of €305,000 relating to the deferred monetary incentives awarded in 2013, the payment of €280,000 relating to the long-term incentives awarded in 2013 and the payment of an extraordinary bonus in the amount of €329,000.
(c) The amount includes the value of the car benefit, the supplementary healthcare fund and supplementary pension fund contributions payable by the Company and the payment of the bonus for the 25th year of service at the Company.

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

The following table shows long-term variable incentives based on financial Instruments other than stock options payable to the CEO and, as an aggregated figure, to SMSR.
In particular:
- the column 'Number and type of financial instruments' indicates the number of free shares allocated during the year, in implementation of the share-based long-term incentive plans;
- the column 'Fair value at date of award' shows the total fair value of stock grant plans in place at the date of allocation;
- the column 'Vesting period' shows the vesting period for long-term monetary incentives awarded during the year;
- the column 'Fair value for the year' shows the fair value of stock grant plans in place as estimated in accordance with International Financial Reporting Standards which require costs to be distributed over the vesting period.

The total of the column 'Financial instruments pertaining to the year - Fair value' corresponds with the amount indicated in Table No. 1.

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

(€ thousand)

			Financial instruments allocated during the year					
Name and surname	Office held	Plan	Number and type of financial instruments	Fair value at date of award	Vesting period	Award date	Market price on allocation	Financial instruments pertaining to the year - Fair value
Stefano Cao	Chief Executive Officer (CEO)	2016 Long-term Incentive Plan BoD, July 27, 2016	3,653,489	1,005	three-year [2]	07.27.2016	0.4396	140
Senior Managers with strategic responsibilities [1]		2016 Long-term Incentive Plan BoD, July 27, 2016	10,274,645	3,493	three-year [3]	07.27.2016	0.4396	409
Total				**4,498**				**549**

(1) All Senior Managers serving on the Advisory Committee, and at any rate all direct reports of the CEO (14 Senior Managers).
(2) The Plan requires that 25% of the shares matured at the end of the vesting period are to be locked up for a period of two years.
(3) The Plan also calls for the strategic resources to invest 25% of the matured shares at the end of the vesting period for a further two-year period (co-investment period), after which beneficiaries will receive an additional free share for every share invested.

Table 3B - Monetary Incentive Plan for Directors and 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. In particular:

- 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 'Bonuses from previous years - no longer payable' shows long-term incentives which can no longer be paid out on due to the performance recorded during the vesting period or to portions of incentives which have been cancelled in connection with events relating to the employment contract pursuant to the Plan Rules;
- the column 'Bonuses from previous years - to be paid out/paid out' shows long-term variable incentives paid out on during the year that were earned due to the performance recorded during the vesting period or to portions of incentives which were paid out on in connection with events relating to the employment contract pursuant to the Plan Rules;
- the column 'Bonuses from previous years - still deferred' shows incentives awarded in previous years as part of long-term incentives that have not yet vested;
- the column 'Other bonuses' shows incentives paid out on an extraordinary one-off basis in relation to the achievement of particularly important results or projects during the year.

The total of the columns '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 3B - Monetary Incentive Plan for Directors and Senior Managers with strategic responsibilities

(€ thousand)

		Annual bonus			Bonuses from previous years			
Office held	**Plan**	**To be paid out/paid out**	**Deferred**	**Deferral period**	**No longer payable**	**To be paid out/paid out**	**Still deferred**	**Other bonuses**
Senior Managers with strategic responsibilities [1]	2016 Annual Monetary Incentive Plan BoD, March 16, 2016	70						
	2015 Deferred Monetary Incentive Plan BoD, July 28, 2015						664	
	2015 Long-term Monetary Incentive Plan BoD, October 12, 2015						1,202	
	2014 Deferred Monetary Incentive Plan BoD, March 17, 2014						97	
	2014 Long-term Monetary Incentive Plan BoD, October 28, 2014						1,115	
	2013 Deferred Monetary Incentive Plan BoD, July 30, 2013; BoD, March 16, 2016				327 [2]	305 [3]		
	2013 Long-term Monetary Incentive Plan BoD, October 28, 2013; BoD, July 27, 2016				720 [4]	280 [5]		
Total		**70**			**1,047**	**585**	**3,078**	**329**

(1) All Senior Managers serving on the Advisory Committee, and at any rate all direct reports of the CEO (14 Senior Managers).
(2) Pro-rata amount of the deferred monetary incentive awarded in 2013 and no longer payable following the finalisation of the EBITDA performance during the three-year reference period 2013-2015.
(3) Payout of deferred monetary incentive awarded in 2013, based on EBITDA performance during the three-year reference period 2013-2015.
(4) Pro-rata amount of the long-term monetary incentive awarded in 2013 and no longer payable following the finalisation of the Net Adjusted Profit + Depreciation & Amortisation performance during the three-year reference period 2013-2015.
(5) Payout of long-term monetary incentive awarded in 2013, based on Net Adjusted Profit + Depreciation & Amortisation performance during the three-year reference period 2013-2015.

Shares held

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

Pursuant to Article 84-*quater*, paragraph 4, of the Consob Issuers Regulation, the following table shows shares held in Saipem SpA by the Directors, Statutory Auditors and other 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	Company	Number of shares held at end of previous year	Number of shares purchased	Number of shares sold	Number of shares held at end of current year
Board of Directors						
Paolo Andrea Colombo	Chairman	Saipem SpA	-	290,000	-	290,000
Stefano Cao	Chief Executive Officer (CEO)	Saipem SpA	285	290,000	-	290,285
Federico Ferro-Luzzi	Director	Saipem SpA	-	40,500	40,500	-
Other Senior Managers with strategic responsibilities (1)		Saipem SpA	56,100	341,000	-	397,100

(1) All Senior Managers serving on the Executive Committee, and at any rate all direct reports of the CEO (14 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 2016.

Annex pursuant to Article 84-*bis* of the Consob Issuers Regulation - Implementation for 2016 of the share-based Long-Term Incentive Plan 2016-2018

With reference to the 2016-2018 share-based Long-Term Incentive Plan approved by the Shareholders' Meeting on April 29, 2016, in conformity with the conditions and objectives illustrated in the Information Document available on the Internet site www.saipem.com, the following table provides the details of the 2016 allocation for the Plan, pursuant to Article 84-*bis* (Annex 3A, scheme 7) of the Consob Issuers Regulation.

Table 1 of scheme 7 from Annex 3A of Regulation No. 11971/1999

		Scheme 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 (to be indicated only for the named individuals)	Date of the associated shareholders' meeting resolution	Type of financial instruments	Number of financial instruments	Award date	Any purchase price of instruments	Market price on allocation	Vesting period
Stefano Cao	Chief Executive Officer (CEO)	April 29, 2016	stock grants	3,653,489	BoD 07.27.2016 CpR 07.20.2016	n.a.	0.4396	3 years (2)
Senior Managers with strategic responsibilities (1)		April 29, 2016	stock grants	10,274,645	BoD 07.27.2016 CpR 07.20.2016	n.a.	0.4396	3 years (3)
Other Senior Managers		April 29, 2016	stock grants	47,106,968	BoD 07.27.2016 CpR 07.20.2016	n.a.	0.4396	3 years (3)

(1) All Senior Managers serving on the Advisory Committee, and at any rate all direct reports of the CEO (14 Senior Managers).
(2) The Plan requires that 25% of the shares matured at the end of the vesting period are to be locked up for a period of two years.
(3) The Plan also calls for the strategic resources to invest 25% of the matured shares at the end of the vesting period for a further two-year period (co-investment period), after which beneficiaries will receive an additional free share for every share invested.

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Publications
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Annual Report (in English)

Interim Consolidated Report as of June 30
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