

(Translation for the readers' convenience only. In case of inconsistency, the Italian text shall prevail)



**Board's recommendations on the Directors' maximum number of offices in
management and control bodies**



Board's recommendations on the Directors' maximum number of offices in management and control bodies

In accordance with the recommendations of the Corporate Governance Code (paragraphs 1.C.2 and 1.C.3), which Saipem has adopted, the Board of Directors, through a resolution on February 26th, 2018, set forth its recommendations on the maximum number of offices that Saipem Directors may hold and weights associated with them.

With regard to the Directors of Saipem SpA, pursuant to the maximum number of administrative and control positions as defined by art. 144-duodecies of the Issuers' Regulations - the same rules apply as established by the Issuers' Regulations for members of the control bodies (Articles 144-duodecies and 144-terdecies), with the indication that:

- 1) an executive Director should not hold the office of: *i*) executive Director in any other listed company, whether Italian or foreign, or in any financial, banking or insurance company or in a company with shareholders' equity exceeding 1 billion euros; *ii*) non-executive Director of another issuer, whether Italian or foreign, in the event that the executive Director of the same issuer is a Director of Saipem;
- 2) Saipem's Chairman should not hold the office of Board Director in more than 4 listed companies, whether Italian or foreign;
- 3) a non-executive Director should not hold the office of: *i*) executive Director of another issuer, whether Italian or foreign, in the event that a non-executive Director of the same issuer is an executive Director of Saipem;



- 4) in accordance with the provisions introduced in 2015 by the Corporate Governance Code for listed companies, which requires that the Board of Directors take into consideration, in expressing the Board's recommendations on the maximum number of Directors' offices, the participation of Directors in Board Committees, the calculation model to be applied contained in Annex 5-bis, Table 1 of Article 144-terdecies of the Issuers' Regulation, attributes a weight of 0.10 for the office of Chairman of a Board Committee (other than the Executive Committee) and 0.05 for the office of member in a Board Committee (other than the Executive Committee);
- 5) a candidate for the position of non-executive Director of Saipem is allocated a fixed weight of 0.85 to take into account his/her future participation in Board committees. The weight attributed to the office of commissioner/administrator of a large company under special administration is the same as the weight attributed to the office of executive Director;
- 6) the limit on multiple offices excludes offices held in Saipem Group companies.

Hereafter, is the table detailing the “*Plurality of office calculation model*” included in the Annex 5-bis, Table 1, as per article 144-terdecies of Issuers’ Regulation and the relevant articles in full.

Plurality of office calculation model

Type of office by company category	Weighting	No of office held	Score		
ISSUERS	Issuer - Member of the internal control body	1		0,00	Limit to the no. of offices ≤ 5
	Issuer - Director with delegated management powers	2		0,00	
	Issuer - Director without delegated management powers but an executive committee member	1		0,00	
	Issuer - Director without delegated management powers and not executive committee member	0,75		0,00	
PUBLIC INTEREST COMPANY	Public interest company - Member of the internal control body	0,75		0,00	
	Public interest company - Member of the subsidiary internal control body	0,45		0,00	
	Public interest company - Director with delegated management powers	2		0,00	
	Public interest company - Director without delegated management powers but an executive committee member	0,75		0,00	
	Public interest company - Director without delegated management powers and not an executive committee member	0,6		0,00	
	UNLISTED COMPANIES AND COMPANIES NOT ISSUER OF WIDELY-DISTRIBUTED SECURITIES	Large - Statutory auditor with accounting control	0,6		
Large - Statutory auditor with accounting control of a subsidiary		0,36		0,00	
Large - Member of internal control body		0,4		0,00	
Large - Member of the subsidiary internal control body		0,24		0,00	
Large - Director with delegated management powers		1		0,00	Medium-sized companies ≤ 250 employees and < € 50 mln revenues or ≤ € 43 mln assets
Large - Director without delegated management powers but an executive committee member		0,4		0,00	
Large - Director without delegated management powers and not an executive committee member		0,3		0,00	
Medium - Statutory auditor with accounting control		0,4		0,00	
Media - Statutory auditor with accounting control of the subsidiary		0,2		0,00	
Medium - Member of the internal control body or Director		0,2		0,00	
Medium - Member of internal control body of the subsidiary	0,1		0,00	Small businesses: limits as per art. 2435-bis Italian civil code	
Small - Member of the internal control body or Director	0		---		
			0,00	Score limit ≤ 6	

In this table, “Weighting” refers to the individual value of each office, identified by taking into account the time commitment required for the type of office concerned and the characteristics of the company in which such office is held.



“Issuers’ Regulation, adopted by Resolution n. 11971 dated 14.5.1999” - extract

Chapter II

Limits to the cumulation of offices by the members of the control bodies

Article 144-duodecies

(Definitions)

1. In this Chapter:

- a) “member of the control body” shall mean: an acting member of the board of statutory auditors, the supervisory board or the internal control committee;
- b) “statutory auditor responsible for the audit” shall mean: the acting statutory auditor who performs the functions provided for in Article 2409-bis, subsection 3 of the Italian Civil Code;
- c) “director with management mandates” shall mean: the sole director or the managing director pursuant to Article 2381 of the Italian Civil Code;
- d) “issuers” shall mean: Italian companies with shares listed on regulated markets in Italy or in other EU countries and companies issuing financial instruments distributed widely amongst the public pursuant to Article 116 of the Consolidated Law;
- e) “public interest companies” shall mean: banks and financial intermediaries pursuant to Article 107 of the Legislative Decree no. 385 of 1 September 1993, investment firms pursuant to Article 1, subsection 1, paragraph e) of the Consolidated Law, open-end investment companies (SICAVs) pursuant to Article 1, subsection 1, paragraph i) of the Consolidated Law, asset management companies pursuant to Article 1, subsection 1, paragraph o) of the Consolidated Law, and insurance undertakings pursuant to Article 1, subsection 1, paragraphs s), t) and u) of Legislative Decree no. 209 of 7 September 2005, that are established as companies as specified in Book V, Title V, Chapters V, VI and VII of the Italian Civil Code and that are different to the issuers;
- f) “large companies” shall mean: the companies specified in Book V, Title V, Chapters V, VI and VII of the Italian Civil Code, other than issuers or public interest companies, that, if they draw up the consolidated financial statements, individually or overall at group level: i) employ on average at least 250 employees during the financial year; or ii) have revenues from sales and services exceeding 50 million euros and balance sheet assets exceeding 43 million euros;



g) “medium companies” shall mean: the companies specified in Book V, Title V, Chapters V, VI and VII of the Italian Civil Code, other than issuers and public interest companies, that are not classifiable as small companies as per the subsequent paragraph h) and that, if they draw up the consolidated financial statements, individually or overall at group level employ on average fewer than 250 employees during the financial year and do not exceed the following limits: i) 50 million euros of revenues from sales and services and ii) 43 million euros of balance sheet assets;

h) “small companies” shall mean: the companies specified in Book V, Title V, Chapters V, VI and VII of the Italian Civil Code, other than issuers and public interest companies, that also alternatively:

1) employ on average during the year less than 250 employees and do not exceed the limits established in Article 2435 bis of the Italian Civil Code;

2) carry out credit securitisation activities referred to in Italian Law No. 130 of 30 April 1999;

3) is newly constituted and has not yet approved its first separate annual financial statements;

4) are subject to the procedure pursuant to Book V, Title V, Chapter VIII of the Italian Civil Code or the procedures envisaged by Article 2409, subsection 4 of the Italian Civil Code or to the procedures envisaged by Italian Royal Decree No. 267 of 16 March 1942 and by special laws.

i) “subsidiary company” shall mean: a company included within the consolidation area whose administrative or control body has a member that covers the same role in the parent company;

j) “exempt positions” shall mean: positions of liquidator assumed during the proceeding referred to in Book V, Title V, Chapter VIII of the Italian Civil Code, or positions assumed as a result of an assignment made by the judicial or administrative authorities in the proceedings provided for in Article 2409, subsection 4 of the Italian Civil Code, and the proceedings provided for in Royal Decree no. 267 of 16 March 1942 and the special laws, including those involving public interest companies.

1-bis. Without prejudice to subsection 1, paragraph h), for the purpose of weighting envisaged in Annex 5-bis, Model 1, “small company” shall mean a public interest company which may, alternatively:

a) be subject to the procedure pursuant to Book V, Title V, Chapter VIII of the Italian Civil Code or the procedures envisaged in Article 2409, subsection 4 of the Italian Civil Code or to the procedures envisaged in Italian Royal Decree No. 267 of 16 March 1942 and in special laws;



b) has not yet commenced its business activities.

2. The quantitative parameters specified in items f), g) and h) of subsection 1 refer to the figures contained in the latest approved financial statements.

Article 144-terdecies
(Limits on the cumulation of offices)

1. The position of member of the control body of an issuer may not be assumed by those who hold the same position in five issuers.

2. A member of the control body of an issuer may assume other administrative or control positions in the companies referred to in Book V, Title V, Chapters V, VI and VII of the Italian Civil Code, up to the maximum limit corresponding to six points resulting from the application of the calculation model contained in Annex 5-bis, Model 1, without prejudice to where the office of member of the control body is held in just one issuer.

3. Exempt positions and administrative and control positions in small companies are not material for the purposes of the cumulation of the positions referred to in subsection 2.

4. The articles of association of the issuers may reduce the limits to the cumulation of positions provided for in subsections 1 and 2 or, without prejudice to the provisions of said subsection, may establish further limits.

4-bis. Without prejudice to the provisions of subsections 1 and 2, a member of an internal control body who – for reasons not attributable to themselves – exceeds such limits, shall resign from one or more of the offices previously held within ninety days of becoming aware of having exceeded such limits. This provision shall also apply to alternate auditors becoming members of the internal control body with effect from the date of the shareholders' meeting resolution approving the appointment pursuant to Article 2401 of the Italian Civil Code.

4-ter. Consob shall inform a member of an internal control body of having exceeded the plurality of office limit in accordance with the methods and deadlines established in the special Technical Manual.