

REMUNERATION REPORT

2018

Approved by
the Board of Directors
on March 5, 2018



Mission

Our mission is to implement challenging, safe and innovative projects, leveraging on the competence of our people and on the solidity, multiculturalism and integrity of our organisational model.

With the ability to face and overcome the challenges posed by the evolution of the global scenarios, we must seize the opportunities to create economic and social value for all our stakeholders

Values

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

Countries in which Saipem operates

EUROPE

Austria, Bulgaria, Croatia, Cyprus, Denmark, France, Greece, Italy, Luxembourg, Netherlands, Norway, Poland, Portugal, Principality of Monaco, Romania, Spain, Sweden, Switzerland, Turkey, United Kingdom

AMERICAS

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

CIS

Azerbaijan, Georgia, Kazakhstan, Russia, Turkmenistan

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

REMUNERATION REPORT

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LETTER FROM THE CHAIRMAN OF THE COMPENSATION AND NOMINATION COMMITTEE



Maria Elena Cappello

Dear Shareholders,

I am pleased to present the Saipem Remuneration Report for the year 2018, also on behalf of the Compensation and Nomination Committee and the Board of Directors. The purpose of this document is to increase awareness of our stakeholders regarding remuneration policies, highlighting their consistency with Saipem's business strategy.

2017 was a year full of activities for the Compensation and Nomination Committee, which saw us engaged both in the implementation of planned policies and in their further development. We have operated with a view to consolidating and adapting existing compensation tools with a responsible and performance-oriented approach.

As the main element of innovation, the Remuneration Policy Guidelines for 2018 provide for the adoption of a renewed annual variable incentive system, with a simplified architecture, in line with the new division organisational model and more in line with market practices, oriented towards greater differentiation of the performance of the various businesses while ensuring a balance with Saipem's overall performance.

This annual incentive plan, together with the long-term stock-based incentive plan launched in 2016, represents another important step in the changes made to the variable remuneration system promoted by the Committee during its current mandate. These changes are aimed at simplification and transparency, as well as strengthening the link between sustainable performance over time, value creation and compensation for management.

In the first part of the year the committee focused on the finalisation of the 2016 performance results and on the definition of objectives for 2017. In the second part of the year the Committee launched a review of the Remuneration Policy Guidelines for 2018 to provide further investigation into contextual evolution and market practices that are applied nationally and internationally.

In carrying out its duties, the Committee has maintained constant focus on an effective and transparent dialogue with shareholders and investors, aimed at receiving indications and feedback to maximise consensus on the policies presented at the annual meeting. The results of the Shareholders' Meeting vote on Section I of the 2017 Remuneration Report, which were the subject of specific analysis by the Committee, have confirmed a high appreciation of the policies planned.

Special thanks go to the Directors Federico Ferro-Luzzi and Francesco Antonio Ferrucci for their continuous contribution to the work of the Committee together with a heartfelt appreciation for the role played by Saipem's structures and its people. Trusting that the Report submitted for your examination can once again testify to the constant commitment assured in recent years by the Committee, also on behalf of the other Directors, I thank you in advance for your support for the Remuneration Policy planned for 2018.

March 5, 2018

*The Chairman of the Compensation
and Nomination Committee*



FOREWORD

The Saipem Remuneration Policy was approved by the Board of Directors on March 5, 2018 at the proposal of the Compensation and Nomination Committee, which is formed by non-executive independent Directors, and has been defined in line with the Governance model adopted by the Company and the recommendations regarding compensation in the Corporate Governance Code of Listed Companies of Borsa Italiana (hereinafter Corporate Governance Code), as found in the most recent version adopted by Saipem which was approved in July 2015¹. 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 shareholders in the medium-long term.

This Report, in compliance with current legislative and regulatory obligations², has been prepared taking into consideration analyses and further details regarding the results of the Shareholders' Meeting vote, and the feedback received from the shareholders and the main Proxy advisors on the Saipem 2017 Report, their 2018 Policy indications, as well as the results of the engagement activities with the Proxy advisors and the market practices of the main listed companies.

Furthermore, the Compensation and Nomination Committee has taken the regulatory framework and governance into consideration, with the goal of ensuring greater clarity, completeness and usability of the information provided.

(1) For more information on the terms of Saipem's adoption of the Corporate Governance Code, please refer to the 'Governance' section of the Company's website (<http://www.saipem.com>) and to the document 'Corporate Governance Report and Shareholding Structure 2017'.

(2) Article 123-ter of Italian Legislative Decree No. 58/1998 and Article 84-*quater* of the Consob Issuers Regulation (No. 11971 and subsequent amendments and additions).

OVERVIEW

This 2018 Remuneration Report defines and explains:

- in Section I, the Policy adopted by Saipem SpA ('Saipem' or the 'Company') for 2018 for the compensation of Company Directors and Senior Managers with strategic responsibilities³, specifying 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 also apply to the determination of the compensation policies of Saipem's direct or indirect subsidiaries;
- in the Section II, the compensation paid in 2017 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 2018 Policy.

The Report also shows shares held in the company by the Directors, Statutory Auditors and by Senior Managers with strategic responsibilities and contains information regarding the implementation in 2017 of the 2016-2018 Share-based Long-Term Incentive Plan, in accordance with provisions in current regulations⁴.

The Report shall be submitted to the Borsa Italiana and shall be made available to the public at the Company's registered office and posted on Saipem's website twenty-one days before the Shareholders' Meeting called to approve the 2017 financial statements and to pass a non-binding resolution in favour or against the Section I of the Report, in accordance with applicable legislation⁵.

Information related to financial instrument-based compensation plans currently in force is available in the 'Governance' section of Saipem's website⁶.

2018 Remuneration Policy

The goal of Saipem's Remuneration Policy, which is explained in detail in the first section of this Report, is to (i) attract, motivate and retain high profile, professional and managerial personnel, (ii) incentivise the achievement of strategic objectives and sustainable growth of the company, (iii) align the interests of management with the priority objective of value creation for the shareholders in the medium-long term, and (iv) promote the company's mission and values.

The 2018 Remuneration Policy provides for, as the main update to the 2017 policy, the revision of the short-term variable incentive system updated with the goal of aligning the system with market practices and to the new organisational structure of the company and the divisions, further improving the ability to incentivise resources that perform at higher levels without significantly affecting the overall total of incentives.

Specifically, the areas for which the proposed changes to the short-term incentive system will be made refer to the balance between company and division performance, the system's ability to provide rewards and the simplification of the system in order to achieve greater alignment with market practices.

Finally, it should be noted that the current Board of Directors will end its mandate with the Shareholders' Meeting called for May 3, 2018, for the approval of the financial statements for the financial year which closed on December 31, 2017.

The 2018 Remuneration Policy Guidelines will therefore be applied by the new Board of Directors, which will be responsible for the specific determination of compensation of the Directors with executive powers and the compensation of the non-executive Directors for participation in Board committees, in line with the legislative provisions and company regulations⁷.

The following table ('2018 Remuneration Policy') shows the main elements of the Guidelines approved for the compensation of the Chief Executive Officer-CEO, as well as of Managers with strategic responsibilities (SMSR).

(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. Saipem Senior Managers with strategic responsibilities, other than Directors and Statutory Auditors, are those who sit on the Advisory Committee and, in any case, those that report directly to the Chief Executive Officer-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_en_IT/area/GOVERNANCE-saipem-governance.page

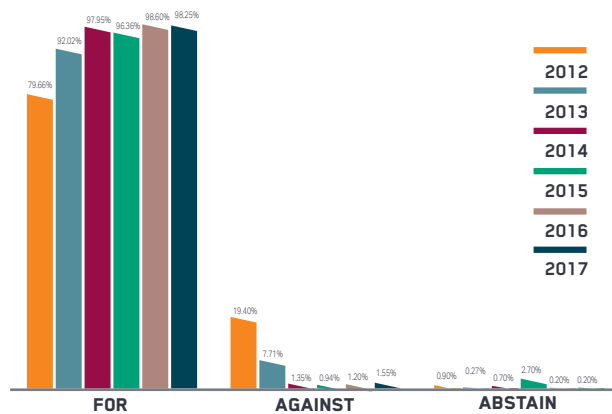
(7) Resolutions regarding the compensation of new Directors will be made public in the 2019 Remuneration Report, in the Section detailing the implementation of 2018 remuneration policies and compensation paid during the same period.

2017 Remuneration Report (Section I) - Results of vote held at Shareholders' Meeting

The Shareholders' Meeting of April 28, 2017, in accordance with current legislation (Article 123-ter, paragraph 6 of Italian Legislative

Decree No. 58/1998), voted on Section I of the 2017 Remuneration Report, with 98.25% of the votes in favour.

RESULTS OF VOTE

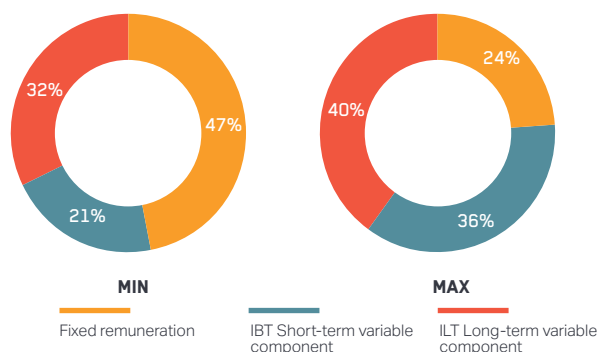


2018 REMUNERATION POLICY

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: compensation determined by the new Board of Directors based on proposal by the Compensation and Nomination Committee in relation to the position and powers conferred, taking into account average salaries in the reference market. SMSR: compensation determined on the basis of the role assigned with possible adjustments in relation to competitive positioning targets (average market values).
STI - Short-term variable incentives	Promote the achievement of annual budget objectives. All managerial resources are included in the Plan.	2018 CEO objectives: Adjusted Free Cash Flow (weight 35%); Adjusted EBITDA (weight 35%); New Contracts (weight 15%); HSE & Sustainability (weight 15%). 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 70-130 points ¹ with minimum threshold to receive the incentive set at 70 points for individual performance.	CEO: maximum incentive level corresponding to 150% of fixed remuneration. SMSR: maximum target incentive levels differentiated based on the role assigned, up to a maximum of 58,5% of fixed remuneration.
LTI - Long-Term Incentive Plan (2016-2018)	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 170% of fixed remuneration. SMSR: maximum differentiated incentive level for the management role up to a maximum of 100% of fixed remuneration, in addition to a further 25% in shares at the end of the co-investment period (Retention Share). The maximum value at the end of the vesting period 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: supplemental termination indemnities due to the early termination of the 2018-2021 administrative mandate, also due to resignation caused by essential reduction of mandates; <i>non-competition agreement</i> . SMSR: <i>severance pay</i> : agreed to upon consensual termination of employment; <i>Severance Payment</i> : cases of change of control which result in termination of employment due to resignation or dismissal and/or demotion; <i>non-competition agreements</i> : activated upon termination of the employment relationship. <i>Minimum term agreement</i> to protect know-how.	CEO: <i>early termination indemnities</i> : defined in line with recommendations contained in the Corporate Governance Code and not more than two years of fixed remuneration; <i>non-competition agreement</i> : not more than 12 months' annual pay for every year of the agreement. SMSR: <i>severance pay</i> : established by the collective labour agreement and internal policies; <i>Severance Payment</i> : maximum of two years' fixed remuneration; <i>non-competition agreement</i> : 12 months' annual pay for every year of the agreement; <i>minimum term agreement</i> : 12 months' annual pay for every year of the agreement.

(1) Below the minimum threshold (70 points) the performance is considered equal to zero.

PAY-MIX CEO



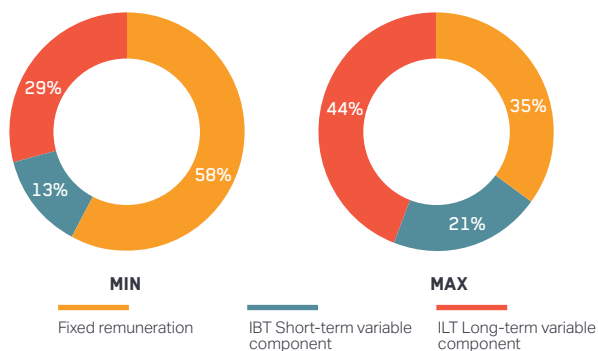
Pay-mix

The 2018 Remuneration Policy Guidelines set pay-mixes consonant 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 the monetisation of short and long-term incentives in the hypothesis of both minimum and maximum results.

The pay-mix for the Chief Executive Officer-CEO is defined on the basis of maximum values approved by the Board of Directors meeting of March 5, 2018.

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 and 19 N.B. For information on compensation for outgoing directors please refer to page 17.
Forecasts of diverse performance targets, predetermined, measurable and complementary, indicative of the company's and divisions' annual performance, with forecasts of incentive gate conditions for issuing individual incentives. Definition of maximum 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 was attained.	Pages 14 and 19 N.B. For information on compensation for outgoing directors please refer to page 17.
Forecasts of diverse performance targets, predetermined, measurable ex post, 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 at the end of the vesting period. 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 and 19 N.B. For information on compensation for outgoing directors please refer to page 18.
	Subject to periodic reviews in cases of role reassignment.	Pages 17 and 21 N.B. For information on compensation for outgoing directors please refer to page 19.
Ex-ante determination of the maximum number of months to be paid. Existence of penalties for violating the non-competition agreement.	Activated at the termination of employment or for retention purposes in continuity of employment. Pre-established term limits are provided for.	Pages 16 and 21 N.B. For information on compensation for outgoing directors please refer to page 18.

PAY-MIX SENIOR MANAGERS WITH STRATEGIC RESPONSIBILITIES



SECTION I - 2018 REMUNERATION POLICY

Governance of the Compensation process

Bodies and persons involved

The Remuneration Policy for the Saipem Board of Directors is defined in accordance

with legislation and company regulations and the Saipem Governance model, which defines the bodies and persons involved as the following: Shareholders Meeting, Board of Directors and Compensation and Nomination Committee.

BODIES AND PERSONS INVOLVED

BODY	ROLE AND RELEVANT ACTIVITIES
Shareholders' Meeting	Establishes the compensation of the members of the Board of Directors when they are appointed, for the whole of their term of office.
Board of Directors	<ol style="list-style-type: none"> Establishes the compensation for Directors assigned special functions (Chairman* and Chief Executive Officer-CEO) and for service on Board Committees, having consulted the Statutory Auditors. Defines performance targets and the approval of results for performance plans used to establish the variable compensation of the CEO. Approves the general criteria for the compensation of Senior Managers with Strategic Responsibilities. Defines the compensation of the Internal Audit Manager in accordance with the company's Compensation policy and having consulted the Audit and Risk Committee and the Board of Statutory Auditors.
Compensation and Nomination Committee	Provides support to the Board of Directors by proposing and consulting on issues regarding compensation issues.

(* Where not provided for by the Shareholders' Meeting.

COMPENSATION AND NOMINATION COMMITTEE

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

11 meetings in 2017: 16; average length: 1 hours and 50 minutes; average rate of participation: 97%.

Saipem Compensation and Nomination Committee

Composition, appointment and powers

The Compensation Committee, which as of February 13, 2012, was renamed the 'Compensation and Nomination Committee', was established 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 web site.

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

The Committee, as of April 30, 2015, has the following non-executive and independent Directors: Maria Elena Cappello as Chairman, Federico Ferro-Luzzi and Francesco Ferrucci. The Human Resources, Organisation and Services Director, or in his place, the Corporate Head of Human Resources, will act as Committee Secretary.

Role of the Committee

The Committee acts in a proposal and advisory role to the Board of Directors in line with the recommendations contained in the Corporate Governance Code (Article 6, paragraph 4 and Article 6, paragraph 5):

- submits the Remuneration Report and in particular the Policy regarding the remuneration paid to the Directors and Senior Managers with strategic responsibilities to the Board of Directors for its approval prior to the report's presentation to the Shareholders' Meeting convened to approve the annual financial statements in accordance with the applicable legislation;
- periodically checks the adequacy, the overall consistency and the implementation of the Policy adopted, formulating proposals to the Board in this regard;
- makes proposals regarding the various forms of compensation and pay of the Chairman and the Chief Executive Officer-CEO;
- makes proposals regarding the compensation of the non-executive Directors appointed to the Committees formed by the Board;
- proposes general criteria for the compensation 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 compensation of Directors vested with executive/special powers, taking into account instructions provided by the CEO;

- monitors the implementation of resolutions taken by the Board regarding compensation;

- reports to the Board of Directors every six months on the work it has carried out. As part of its duties, 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 and is quorate when at least the majority of its members in office are present and decides with the absolute majority of those in attendance. The Chairman of the Committee convenes and presides over the meetings. To fulfil its duties, the Committee has the right to access the necessary Company information and departments and to avail of external advisors who do not find themselves in situations that could compromise the impartiality of their opinion, within the limits of the budget approved by the Board of Directors. On a yearly basis, the Committee drafts a budget that it submits to the Board of Directors simultaneously with the annual report. The Chairman of the Board of Statutory Auditors, or a statutory auditor designated by the Chairman, may attend Committee

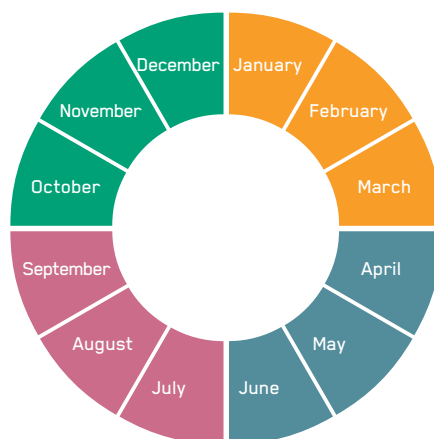
ACTIVITIES

OCTOBER - DECEMBER

- Analysis of market practices in terms of remuneration

JULY - SEPTEMBER

- Implementation of the Long-Term Incentive Plan (LTI)



JANUARY - MARCH

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

APRIL - JUNE

- Presentation of the Remuneration Report to the Shareholders' Meeting
- Analysis of results of voting on the Remuneration Policy at Shareholders' Meetings

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 invitation of the Committee Chairman, other parties may attend the meetings to provide information and make assessments within their field of competence in relation to individual agenda items. No Director can take part in Committee meetings where proposals are being made to the Board of Directors concerning his/her compensation.

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:

- periodic checks of 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 annually to the Shareholders' meeting and 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 developments in the regulatory framework and the voting policy of main proxy advisors, as part of the preliminary activities planned to support the policy proposals for the following year.

Activities carried out and planned

In 2017, the Committee convened on a total of 11 occasions, with an average member attendance of 97%. The Chairman of the Board of Statutory Auditors or a Statutory Auditor designated by the Chairman, took part in all the meetings which were duly recorded. The Committee, with reference to only issues of compensation, specifically focused its activities on the following:

MAIN ISSUES DISCUSSED/DEALT WITH IN 2017

Month	Issues
January	<ol style="list-style-type: none"> 1. Formulation of Saipem 2017 indicators for short and long-term Incentive Plans. 2. Salary Policy: implementation assessment 2016.
March	<ol style="list-style-type: none"> 1. Reporting 2016 Saipem results in order to prepare short and long-term management incentive plans and to propose objectives for 2017. 2. Annual Monetary Incentive Plan for the CEO, the Internal Audit Manager and other Senior Managers. 3. Review of the 2017 Remuneration Report (Sections I and II). 4. Proposal to purchase treasury shares for the 2016-2018 Long-Term Incentive Plan for allocation in 2017.
May	<ol style="list-style-type: none"> 1. Assessment of proposal to review current management short-term incentive system. 2. Analysis of voting results of the 2017 AGM season.
July	<ol style="list-style-type: none"> 1. Long-Term Incentive Plan 2016-2018: promise of CEO 2017 allocation and determination of number of shares to allocate and approval of 2017 Allocation Regulations. 2. Position of compensation for the Head of Internal Audit. 3. Analysis of proposals for actions to take on the short-term management incentive system.
September-October	<ol style="list-style-type: none"> 1. Definition of metrics for the new management short-term incentive system to be submitted for approval by the Board of Directors. 2. Approval of the 2018 Compensation and Nomination Committee's Budget.
November-December	<ol style="list-style-type: none"> 1. Proposal of Saipem 2018 indicators for short and long-term Incentive Plans. 2. Proposal of Guideline on the 2018 Remuneration Policy. 3. Analysis of the salary package of the CEO for the new board mandate.

The Committee has scheduled at least nine meetings in 2018. At the date of approval of this Report, the first three meetings had already been held. These focused on: (i) an assessment of the compensation policies implemented in 2017 with a view to defining a

compensation policy proposal for 2018; (ii) company results in 2017 and the definition of performance objectives for 2018 connected to variable incentive plans; (iii) the definition of annual monetary incentives for the Chief Executive Officer-CEO.

Successive meetings will be scheduled after the renewal of company bodies, by the new Committee which will first be called on to formulate compensation proposals for Directors with executive powers and the compensation of the non-executive Directors for taking part in Board committees, to be submitted for approval by the Board of Directors, after the Board of Statutory Auditors had been consulted in accordance with the Corporate Governance Code (Article 6, paragraph 5) and with applicable legislation and company regulations.

In the second half of 2018, in line with defined annual activities, the results of the 2018 AGM season is reviewed and the implementation of the LTI Scheme for the Chief Executive Officer and management resources.

Every 6 months the Committee reports, through its Chairman, to the Board of Directors and the Shareholders' Meeting convened to approve the annual financial statements on the performance of its duties, in accordance with its own Regulations, the recommendations of the Corporate Governance Code and with the aim of establishing a channel for dialogue with its shareholders and investors.

2018 Remuneration Policy approval process

In accordance with its remit, the Committee defined the structure and content of the Remuneration Policy for the purpose of preparing this Report in its meetings of January 29, February 23 and March 5 in accordance with the recent recommendations contained in the Corporate Governance Code.

In reaching its conclusions, the Committee took account of the results of periodic assessment of adequacy, overall consistency and concrete application of the 2017 Policy Guidelines, as well as the resolutions passed in relation to the renewal of the Company bodies:

The Saipem 2018 Remuneration policy for the Chief Executive Officer-CEO and Senior Managers with strategic responsibilities was approved by the Board of Directors on March 5, 2018 at the proposal of the Compensation and Nomination Committee, together with this Report.

In order to prepare this Report, the Committee availed itself of compensation benchmarks prepared by independent international consulting companies for the preliminary analysis aimed at preparing Remuneration Policy proposals for 2018. Implementation of the compensation 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 the shareholders in the medium-long term.

The Saipem Compensation Policy contributes to the achievement of the company mission and strategy by:

- promoting actions and conduct consistent with the Company culture and with the principles of diversity, equal opportunities, the maximisation and leveraging of knowledge and skills of personnel, fairness, and non-discrimination as outlined in the Code of Ethics and in the 'Our people' Policy;
- recognising and rewarding responsibilities assigned, the results achieved and the quality of the professional contribution made, taking into account the specific context and compensation benchmarks;
- defining performance-based incentive systems linked to the attainment of a series of financial/profit, business development and operating and personal targets set with a view to achieving long-term sustainable growth in line with the Company's Strategic Plan and with responsibilities assigned.

General principles

In line with the above aims, the compensation paid to the Directors and the Senior Managers with strategic responsibilities is defined in accordance with the following principles and criteria.

Remuneration of the Chairman and non-executive Directors

Compensation paid to non-executive Directors to be commensurate with their scope of duties also as a member of Board Committees, established in accordance with Regulations, with differentiation of the Committee Chairman's compensation with respect to that of Committee members in recognition of their duties of coordinating works and liaising with company bodies and functions.

Unless otherwise resolved by the Shareholders' Meeting, the exclusion of non-executive Directors from participation in variable incentive plans, including share-based plans.

Compensation of the Chief Executive Officer-CEO and Senior managers with strategic responsibilities

The compensation structure for the Chief Executive Officer-CEO and for Senior Managers with strategic responsibilities should be a balanced mix of a fixed component commensurate with powers and/or responsibilities assigned and a variable component with a maximum limit designed to link compensation to targets that are actually achieved.

Consistency with market benchmarks

Overall consistency of compensation compared with applicable market benchmarks for similar positions or roles of a similar level of responsibility and complexity within a panel of companies comparable to Saipem, using specific benchmarks created with the support of international compensation data providers.

Variable compensation

Variable compensation 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 targets

Objectives related to the variable compensation for objectives that are predetermined, measurable and complementary to each other, in order to represent the priorities for the overall performance of the Company, in line with the strategic plan and with the expectations of shareholders and stakeholders, promoting strong results-based orientation.

These objectives are defined in order to ensure: (i) assessment of annual, business and individual performance, based on a balanced score card defined in relation to the specific targets of the area of responsibility and in line with tasks assigned; (ii) definition of long-term incentive plan designed to enable an assessment of company performance both in absolute terms, with reference to the company's capacity to pursue mid and long term economic and financial performance, and in relative terms with respect to a peer group, for its capacity to generate levels of share performance and value creation that are superior to those of its main international competitors and to guarantee greater alignment of shareholders' interests in the mid and long term.

Consistency with results achieved

Incentives linked with variable compensation paid following a scrupulous process of checking results actually achieved, assessing

performance targets assigned net of the effects of exogenous variables, with a view to maximising the actual company performance arising from management action.

Benefits in line with market practices

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

Clawback clauses to hedge risks of error and for significant violations

Adoption, through a specific Regulation approved by the Board of Directors, on the proposal of the Compensation and Nomination Committee, of clawback mechanisms that make it possible to request the return of variable components of compensation already paid, or not to proceed with the final allocation of the shares at the end of the vesting period or request the return of the corresponding value of the shares already paid or to retain the corresponding value from compensation due to the beneficiaries, where the maturation took place based on data that was later proven to be manifestly incorrect, or return of all incentives (or shares/corresponding value) relating to the year (or years) with reference to which (all) fraudulent alteration of the data used to calculate the results was ascertained in order to achieve the right to the incentive and/or the commission of serious and intentional violations of laws and/or regulations, of the Code of Ethics or of company rules which are relevant to or imply an impact within the framework of the employment contract, affecting the related fiduciary relationship, in any case without prejudice to any action permitted by the law to protect the interests of the Company.

Terms and conditions for applying clawback

Regulations provide for revocation of allocating shares or the recovery of the equivalent monetary value of the shares of Variable Monetary Incentives within a maximum of three years from the date of payment or award of shares, whenever the incentives have been determined on the basis of data relating to the results and/or performance, which are subsequently revealed to be mistaken.

The Regulation also provides for the application of recovery measures within a maximum of five years from the corresponding issue or award for persons who are shown to be responsible for altering, due to misconduct or gross negligence, the data used to report results for assigned objectives in order to achieve the right to the incentive and/or in violation of laws and/or regulations, the Code of Ethics or company rules which are relevant

to or imply an impact within the framework of the employment contract, and are of such significance as to compromise trust. In such cases, following the outcome of audits carried out by the relevant company compliance and control functions regarding the existence of errors that impact the final results, the company must, subject to rectification of the data, review the results, and the relevant company bodies and functions must recalculate the incentives, which may lead to the possibility of total or partial recovery in relation to the results achieved and to the incentives due. For the purposes of these Regulations, errors that do not impact the final determination of the incentive sum are to be considered of no importance.

Severance pay and non-competition agreements within pre-set limits and to safeguard interests

Additional severance pay and non-competition agreements for executive positions which are subject to a high risk of competition, defined within a specific amount or for a specific number of years of service or number of months of salary, in line with level of compensation received.

2018 Remuneration Policy Guidelines

This section contains the Guidelines for compensation regarding the new 2018-2021 mandate, approved by the Board of Directors

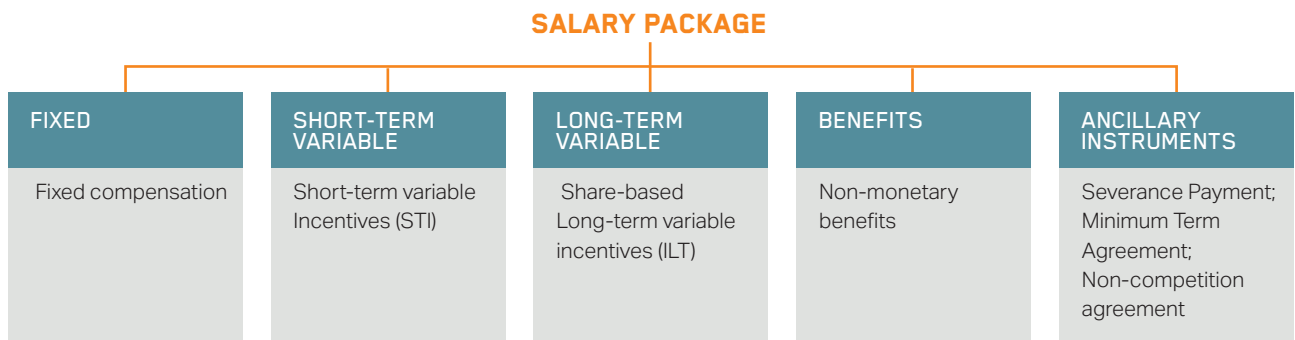
on March 5, 2018 for the Directors who will be appointed in the Shareholders' Meeting May 3, 2018. The new Board of Directors retains the prerogative to determine, on the proposal of the Compensation and Nomination Committee, the specific compensation for the assigned powers and for participation in Committees.

The Remuneration Guidelines for Directors in office until May 3, 2018 are summarised below. These reflect the decisions already taken by the Board of Directors on May 25, 2015 and which are fully described in the 2017 Remuneration Report.

Board of Director Policies for 2018-2021

The 2018 Remuneration Policy Guidelines provide for, in light of the market scenario and the full implementation of the new division structure, focusing on the definition of the objectives for 2018 in line with the Company's strategic plan and the new organisational model, as well as on the revision of the short-term incentive system for the Chief Executive Officer-CEO and for all Managers, in order to simplify the mechanisms that connect management's efforts and the value created for the shareholder.

For the Chairman, the non-executive Directors and the Chief Executive Officer-CEO, the 2018 Guidelines provide for the definition of adequate remuneration with respect to powers attributed and to market references.



Market references

For the Chairman, the non-executive Directors and the Chief Executive Officer-CEO, unless otherwise decided by the new Board of Directors, the hypothesis of considering analogous roles in the main international and Italian companies that are comparable to Saipem in terms of capitalisation, income, number of employees and geographical coverage was discussed.

For Senior Managers with strategic responsibilities the market references are analogous roles with the same level of complexity and responsibility in large national and international companies comparable to Saipem in terms of revenues, capitalisation,

number of employees and geographical international presence in various industries with a prevalence of companies that operate in the engineering and construction of large scale works and infrastructures.

Chairman of the Board of Directors and non-executive Directors

Remuneration for the Chairman of the Board of Directors

For the Chairman, who will be appointed for the new mandate, the Remuneration Policy Guidelines provide for the definition of

remuneration commensurate with the complexity of the role, the considerable commitment required and any additional roles or powers that may be assigned, in line with the aforementioned general principles and with the decisions taken by the Shareholders' Meeting of May 3, 2018 and in line with market benchmarks.

Remuneration of non-executive Directors

For non-executive Directors who will be appointed for the new mandate, the Remuneration Policy Guidelines provide for the definition of remuneration consistent with the complexity of the role and the considerable commitment required, in line with market benchmarks.

Additional remuneration for service on Board Committees

For non-executive Directors who will be appointed for the new mandate and who will be called on to serve on Board Committees, the Remuneration Policy Guidelines provide for the definition of remuneration commensurate with the complexity of the role and the considerable commitment required, in line with market benchmarks.

Payment in the event of office expiry or termination of employment

For the Chairman and non-executive Directors, no specific payments are provided for in the event of expiry of term of office or early termination.

Benefits

There are no benefits for the Chairman and for non-executive Directors.

Chief Executive Officer-CEO

The Policy Guidelines for the Chief Executive Officer-CEO take into account the specific powers conferred in accordance with the Articles of Association, the instructions contained in the chapter 'Aims and general principles of the Remuneration Policy', as well

as the remuneration levels and market best practices.

Fixed remuneration

Remuneration shall be determined by the new Board of Directors based on proposal by the Compensation and Nomination Committee in relation to the position and powers conferred, taking into account average salaries in the reference market.

The fixed remuneration includes both compensation which will be determined by the Shareholders' Meeting of May 3, 2018 for the Directors and the compensation that may be owed for serving on the Boards of subsidiary or associated companies.

Annual variable incentives

The new annual variable incentive plan is associated with achievement of pre-set 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 70 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 (70 points), a target level performance (100 points) and a maximum level performance (130 points), corresponding respectively to 50%, 100% and 130% of the target incentive.

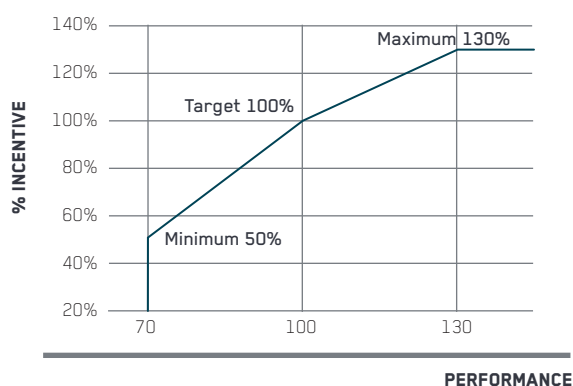
Compared to the previous Plan, the incentive curves were revised to obtain a greater leverage effect (maximum bonus differential vs. minimum) and a greater penalty for performance lower than the target.

PERFORMANCE VS. EXPECTED TARGET

Minimum (70)	50% (*)
Target (100)	100% (*)
Maximum (130)	130% (*)

(*) Percentage of target incentive.

INCENTIVE CURVE



The maximum level of incentive attributed by the Plan for the Chief Executive Officer-CEO is defined in relation to fixed remuneration, consistent with the principles laid down in the Guidelines and with market benchmarks up to a maximum of 150% of fixed remuneration, corresponding to achievement of the maximum level of performance (130 point on a performance scale of 70÷130).

The 2018 targets resolved by the Board of Directors on March 5, 2018 for the annual variable incentive plan are in line with the business model and strategic guidelines. The structure and weight of different objectives are represented in the table below.

2018 TARGETS FOR THE 2019 ANNUAL VARIABLE INCENTIVE PLAN

FINANCIAL TARGETS	FINANCIAL TARGETS	STRATEGIC TARGETS	HSE & SUSTAINABILITY TARGETS
Adjusted Free Cash Flow ⁽¹⁾ (weight: 35%)	Adjusted EBITDA ⁽¹⁾ (weight: 35%)	New contracts (weight: 15%)	HSE and Sustainability ⁽²⁾ (weight: 15%) 1. TRI (weight: 5%) 2. GHGs emissions (weight: 5%) 3. Global Compact (weight: 5%)

(1) Adjustment, both for EBITDA and for FCF, refers to so-called 'special items', explained in the financial statements and reported to the market through press releases.

(2) The HSE and Sustainability target is focused on issues regarding health, safety and the environment divided among the following indicators:

- Total Recordable Injury Frequency Rate;
- targets regarding the monitoring of Green House Gas emissions;
- the target regarding the 'Global Compact' aimed at guaranteeing respect for human rights and labour throughout the entire supply chain through training for Human Rights and Labour issues, as well as strengthening the control system for vendors during contract execution phases.

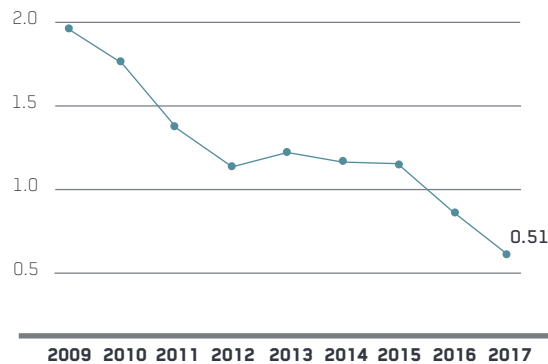
Long-term variable incentives

The Share-based Long-Term Incentive Plan (LTI) 2016-2018 (approved by the Board of Directors on March 16, 2016 and by the Shareholders' Meeting of April 29, 2016) 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

TRIFR HISTORIC TREND



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:

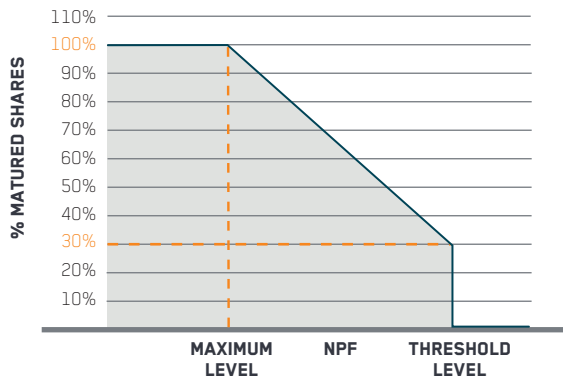
TOTAL SHAREHOLDER RETURN (TSR)

Ranking	Performance equal to or greater than average						Performance below average					
	1	2	3	4	5	6	7	8	9	10	11	12
Maturation of shares	100%	100%	100%	100%	75%	50%	0%	0%	0%	0%	0%	0%

(8) 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 2017 and January 2018 and the average of the closing share price during the period between December 2020 and January 2021.

- Net Financial Position (NFP): objective that measures Saipem's medium to long-term financial performance at the end of the three-year reference period, with a 50% weight.

NET POSITION FINANCIAL



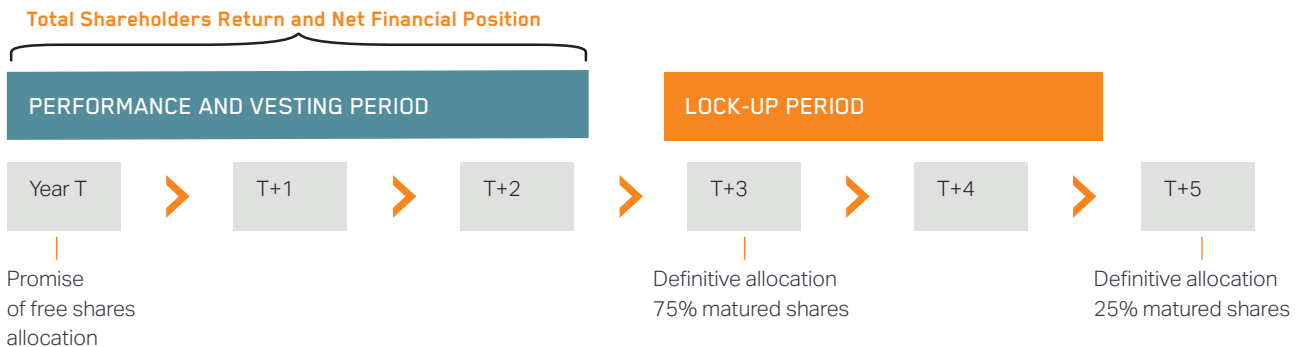
The performance conditions operate independently of each other. This means that, in the presence of an adequate performance in at least one of the two objectives, a part of the award will mature regardless of the performance achieved in the other objective.

The achievement of the maximum result level for each performance condition leads to the payment of 100% of the shares promised, while an 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 Chief Executive Officer-CEO will be defined in relation to fixed remuneration, consistent with the principles laid down in the Guidelines and with reference to the market, for a maximum of 170% of fixed remuneration. 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.

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 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 Chief Executive Officer-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, according to the conditions, methods and terms of application described in the 'Aims and general principles of the Remuneration Policy' section of this Report (page 11).

Accessory remuneration instruments

The following payments are envisaged for the Chief Executive Officer-CEO, who will be appointed after the next renewal of the executive body, 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:

- Indemnities for termination of office or termination of employment.
 - Supplemental termination indemnities due to early termination of the 2018-2021 administrative mandate, also due to resignation caused by essential reduction of mandates. The indemnity for the office for Directors will be defined in line with the recommendations of the Corporate Governance Code and not more than two years of fixed remuneration. For any employment relationship the same regulations will apply as those provided for in this Report for Managers with strategic responsibilities. Also with reference to the criteria for application, Article 6, paragraph 1, letter g) of the Corporate Governance Code, this indemnity is not paid in the case of dismissal for 'just cause' pursuant to Article 2119 of the Civil Code, or in case of resignation from the position of

Chief Executive Officer-CEO before the expiry of the mandate not justified by an essential reduction of mandates, or in the case of death disciplined by Article 2122 of the Civil Code.

- b) Non-competition agreements.
- Non-competition agreement, to protect the interests of the company, with compensation determined in relation to the fixed remuneration, as well as in relation to the nature, extent and duration of the commitments made not exceeding 12 months of annual remuneration per year of the agreement.

Benefits

For the Chief Executive Officer-CEO, the benefits envisaged for all managers will be applied (supplementary pensions, health care, insurance coverage, cars for business and personal use), as well as any travel allowances and reimbursement of travel expenses.

Board of Director Policies for 2015-2018

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.

For the Chairman in office, the Board of Directors Meeting of June 15, 2015, resolved on an annual fixed remuneration 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.

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 and €15,000 for other members.

Chief Executive Officer-CEO

For the Chief Executive Officer-CEO the 2018 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 compensation

In line with the resolutions of 2017, the gross fixed remuneration of the Chief Executive Officer-CEO is set at €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 2018, as already described in the Remuneration Report 2017, 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 annual variable incentive pay-out purposes is 85 points. The incentive plan will be determined based on results achieved by Saipem in the previous year, measured on a performance scale consisting of a minimum level performance (85 points), a target level performance (100 points) and a maximum level performance (130 points), corresponding respectively to 51%, 60% and 78% of fixed remuneration. The 2017 objectives approved by the Board of Directors on January 27, 2017 for the purposes of the 2018 annual variable incentive plan concerned in particular: (i) Free Cash Flow (weight 35%); (ii) Adjusted EBITDA⁹ (weight 30%); (iii) Strategic objectives connected to the 'Fit For the Future' programme related to fixed monetary costs (weight 20%) and 'Fit For the Future 2.0'¹⁰ (weight 5%); (iv) Sustainability & HSE objectives relating to TRI indicators¹¹ (weight 5%), the We Want Zero¹² programme (weight 2.5%) and the Global Compact¹³ (weight 2.5%).

Long-term variable incentives

Within the framework of the Share-based Long-Term Incentive Plan (LTI) 2016-2018

(9) The adjustment refers only to reorganisation/restructuring and corporateisation costs.

(10) As part of this programme, which aims to define the new Saipem industrial and organisational model with a view to greater organisational agility and competitiveness, the two objectives refer to the issue of the division organisational structure and the matrices of the divisions' powers.

(11) Total Recordable Injury Frequency Rate.

(12) The 'We Want Zero' objective provides for fatal injury prevention programmes for continually reducing the injury rate and achieving the target of zero.

(13) 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.

(approved by the Board of Directors on March 16, 2016 and by the Shareholders' Meeting of April 29, 2016), and in line with contractual agreements stipulated with the Chief Executive Officer-CEO in office, the last if the three annual allocations is provided for, reduced by comparison with previous allocations.

The Plan 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) 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, Técnicas 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 on page 15.
- Net Financial Position (NFP): objective that measures Saipem's medium to long-term financial performance at the end of the three-year reference period, with a 50% weight.

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 an 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 Chief Executive Officer-CEO is defined in relation to fixed remuneration, in line with contractual provisions stipulated with the Chief Executive Officer-CEO and will be equal to 88.4% of fixed remuneration.

The maximum value at the end of the vesting period cannot be any more than four times the value of the shares at the moment of their allocation.

If 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 Chief Executive Officer-CEO cannot dispose of them.

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, according to the conditions, methods and terms of application described in the 'Aims and general principles of the Remuneration Policy' section of this Report (page 11).

Accessory remuneration instruments

The following payments are envisaged for the Chief Executive Officer-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 2015-2018 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 Chief Executive Officer-CEO, when this is not justified by demotion, said resignation must be communicated to the Board of Directors with 4 months' notice or, alternatively, the Chief Executive Officer-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 Chief Executive Officer-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 paid in 3 annual instalments). It envisages the payment of an amount against the commitment taken on by the Chief Executive Officer-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 June 15, 2015, amounts to €1,800,000. Any breach of the non-competition agreement will lead to non payment (or the restitution on the part of the payee, where the violation has come to Saipem's knowledge subsequent to payment), as well as the obligation to pay the damages consensually and conventionally determined in an amount equal to double the payment agreed, without prejudice to Saipem's faculty to request fulfilment of the agreement in a specific form.

At the date of approval of this Report, the Board has not yet expressed its opinion on the activation of the agreement.

Benefits

The Chief Executive Officer-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.

Policies for 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 2018 Guidelines will employ selective criteria designed to ensure adequate levels of competitiveness and motivation.

Specifically, the proposed actions will concern: (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 new short term variable incentive plan envisages a remuneration calculated with reference to Saipem, divisions 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 70 points, below which no bonus is payable, in line with that previously described for the Chief Executive Officer-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 45% and 58.5% 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, respect for human rights and labour, 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 Chief Executive Officer-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:

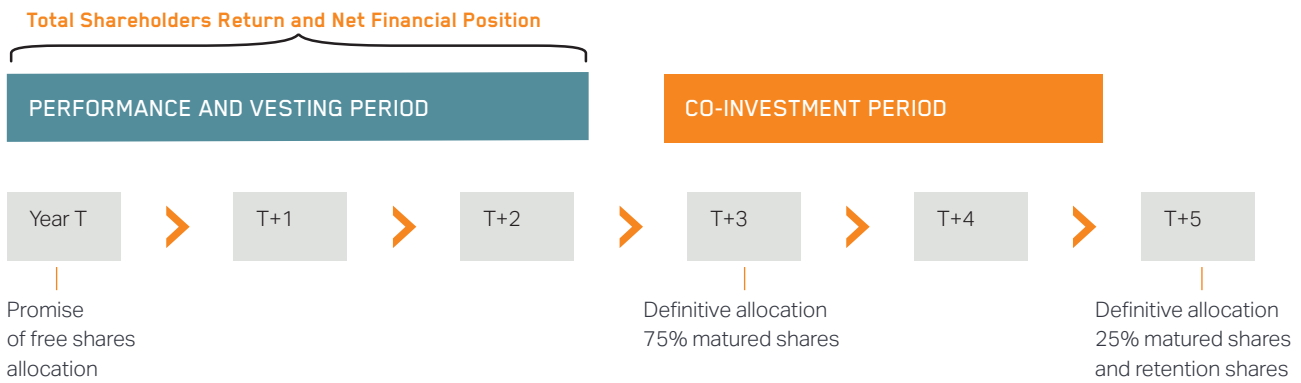
- Total Shareholder Return (TSR) of the Saipem share, with a weighting of 50%, measured on a three-year basis in terms of positioning relative to the peer group

- Net Financial Position (NFP): objective that measures Saipem's medium to long-term financial performance at the end of the three-year reference period, with a 50% weight.

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 Chief Executive Officer-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.

ILT FOR SENIOR MANAGERS WITH STRATEGIC RESPONSIBILITIES - TIMELINE



The Plan further provides that 25% of the shares matured at the end of the three-year vesting period by virtue of the degree of achievement of the above mentioned performance conditions will be invested in a co-investment scheme for a two-year period during which the beneficiaries cannot in any way dispose of the part of matured shares, and at the end of which the beneficiaries will receive one additional share for each share invested. The co-investment aims 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.

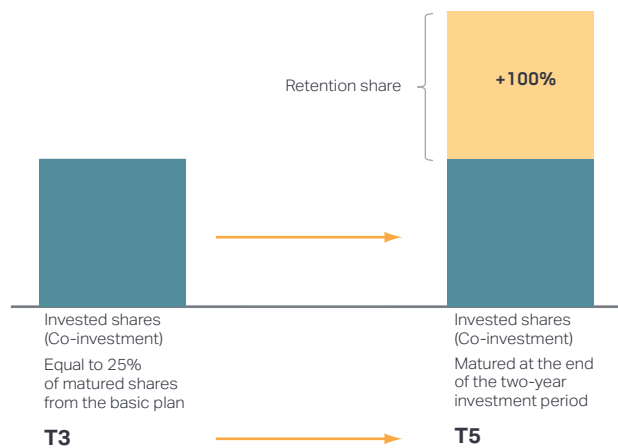
Clawback clause

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 11 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 Agreements.
 - Minimum term agreements 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 annual remuneration.

CO-INVESTMENT PLAN



- 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 annual remuneration per year of the agreement.

Benefits

In continuity with the remuneration policies implemented in 2017 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 FOPDIRE¹⁴/PREVINDAI¹⁵ and the Supplementary Healthcare Fund FISDE¹⁶, death and disability insurance coverage and a company car for business and personal use.

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

(15) Capital funded pension scheme established in the form of a notarised association. www.previndai.it.

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

SECTION II - COMPENSATION AND OTHER INFORMATION

Implementation of 2017 compensation policies

This section of the Report provides a description of the remuneration policies implemented in 2017 for the Chairman of the Board of Directors, non-executive Directors, the Chief Executive Officer-CEO and Senior Managers with strategic responsibilities. Implementation of the 2017 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 2017 Remuneration Policy approved by the Board of Directors on March 16, 2017, 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 Chief Executive Officer-CEO. Based on the evaluation expressed by the Committee, the 2017 Policy is in line with the market benchmarks.

Fixed compensation

Directors

The Chairman was paid the compensation for the position approved by the Board of Directors on June 15, 2015, in line with market practices and at a higher level than the compensation assigned for the office of Chairman during the previous mandate, due to the duties and the increased powers envisaged by the Board of April 30, 2015. 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, unvaried with relation to the previous mandate. With reference to the Chief Executive Officer-CEO, the compensation approved by the Board of Directors on June 15, 2015 was paid, increasing compared to the previous mandate and in line with market references. This compensation includes the amount for the position of Director, approved by the Shareholders' Meeting of April 30, 2015, in continuity with the previous mandate.

Senior Managers with strategic responsibilities

For Senior Managers with strategic responsibilities, as part of the annual salary review envisaged for all managers, in 2017 adjustments were made to the fixed remuneration for positions whose perimeter of responsibility has increased or are placed below the average market benchmarks. In addition, extraordinary one-off payments were provided during 2017, connected to excellent performance on projects of particular relevance or aimed at recovering competitiveness, as well as considering retention needs and excellent performance, for a total amount equal to €313,500. 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 2017'.

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, unvaried with relation to the previous mandate, 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 2017'.

Variable incentives

Annual variable incentives

Saipem results for 2016 evaluated on a constant currency basis and approved by the Board of Directors at the proposal of the Compensation and Nomination Committee in the meeting held on March 16, 2017 generated a performance score equal to 72.9 points on the measurement scale used, which sets the minimum performance level at 70 points. The table shows the weights and performance levels reached for each objective.

2016 TARGETS FOR THE 2017 VARIABLE INCENTIVE PLAN

Target	Weight	Minimum	Target	Maximum
1. Free Cash Flow	40%		√	
2. Adjusted EBIT	30%	√		
3. Cost savings ('Fit For the Future' programme)	20%			√
4. Sustainability and HSE	10%		√	

In accordance with the 2017 Remuneration Policy Guidelines, the performance score achieved did not activate the annual monetary incentive system for the Chief Executive Officer-CEO.

For the purposes of variable remuneration for Senior Managers with strategic responsibilities, the annual variable incentive was paid out in March 2017, calculated in line with the Remuneration Policy, is connected to company performance and a series of individual objectives assigned based on the responsibilities of the role, in line with the Saipem 2016 performance plan. For the purposes of the variable remuneration paid in 2017, the final performance determined for Senior Managers with strategic responsibilities the provision of bonuses calculated on the basis of specific objectives achieved, in line with incentive levels differentiated based on the role held, up to a maximum of 41.5% of fixed remuneration, taking into account the target (35%) and maximum (52%) incentive levels assigned. 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 2017'.

Long-term variable incentives

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

- Deferred Monetary Incentive Scheme (DMI) including all managerial resources, linked to the performance of the Company measured in terms of EBITDA¹⁷. 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).
- The Long-term Monetary Incentive Plan (LTMI) for critical managerial resources,

linked to the return of the share achieved by the Company in relation to that of main international competitors (measured by Total Shareholder Return) and the results of return on invested capital (ROACE¹⁸).

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 schemes, which involves free allocation of ordinary shares in the Company against the achievement of performance conditions, measured via a business objective and an objective relating to the trend of the Saipem share price, 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 Scheme

In 2017, the deferred monetary incentive awarded by Eni in 2014 to the managerial resources subsequently subject to mobility towards Saipem came to maturity.

In order to determine the incentive percentage for Senior Managers with strategic responsibilities and that were subject to mobility, the percentages defined by Eni were therefore used based on the performance achieved during the vesting period by both companies.

The incentives awarded to the Senior Managers with strategic responsibilities and that were subject to mobility from Eni, are indicated under the item 'Bonuses from prior years payable/paid out' in Table No. 3B of the section 'Remuneration paid in 2017'.

Long-Term Monetary Incentive

In 2017, the long-term monetary incentive allocated in 2014 to managerial resources accrued. On March 16, 2017, the Board of Directors, at the proposal of the

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

(18) Return On Average Capital Employed.

Compensation and Nomination Committee, set the factor to be applied to the base incentive to calculate the award at 0% based on ROACE and TSR results for the period 2014-2016.

The incentives awarded to the Senior Managers with strategic responsibilities and that were subject to mobility from Eni, are indicated under the item 'Bonuses from prior years payable/paid out' in Table No. 3B of the section 'Remuneration paid in 2017'.

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 Chief Executive Officer-CEO approved by the Board of Directors on June 27, 2016, the Board of Directors decided at the meeting of July 24, 2017 on 397,500 ordinary shares in Saipem SpA as the number of shares subject to the 2016 allocation to the Chief Executive Officer-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 2017 allocation was made in an amount of shares of 1,166,100, 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 Chief Executive Officer-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 No. 7) of the Consob Issuers Regulation, with the associated detail in Table No. 3A of the section 'Remuneration paid in 2017'.

Benefits

Table No. 1 of the chapter 'Remuneration paid in 2017' shows the taxable value of benefits paid in 2017, 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 for a three-year period (the value stated is exclusive of the contribution paid by the assignee); (iv) amount payable for the weekly return flights between Milan and Rome.

Accessory remuneration instruments

Indemnities for termination of office or termination of employment

During 2017 no indemnities for termination of office were deliberated and/or paid to Directors and other Senior Managers with strategic responsibilities.

Minimum term agreements

For the Senior Managers with strategic responsibilities, in line with 2017 Remuneration Policy Guidelines, minimum term agreements may be required to protect know-how with the goal of guaranteeing continuity in the achievement of business objectives for an amount of up to 12 months salary. In 2017, the total amount of €100,000 was paid for minimum term agreements.

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

For the Chief Executive Officer-CEO in office, in line with the 2017 Remuneration Policy Guidelines, the third and last tranche was paid in the amount of €150,000, of the €450,000 gross total that was to be paid in three annual payments starting in 2015, provided for under the non-compete option reserved to the Board of Directors for implementation of the non-competition agreement with the Chief Executive Officer-CEO.

Compensation paid in 2017

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

The following table shows remuneration paid to Directors and Statutory Auditors, who are listed by name, and remuneration paid to other Senior Managers with strategic responsibilities¹⁹, which is shown on an aggregated basis. Separate indication is supplied for compensation received from subsidiaries and/or associated companies, not including those renounced or paid into the Company. All persons who held the above-mentioned positions are included in the table, even if they only held such office for a part of the year.

Specifically:

- the column 'Fixed compensation' 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 compensation, as well as a separate indication of any allowances and other entitlements related to employment;
- the column 'Compensation for participation in 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 'Non-equity variable

compensation' 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 incentive for Directors and Senior Managers with strategic responsibilities'. In addition, the very selective extraordinary one-off payments provided in consideration of excellent performance on projects of particular relevance or aimed at a recovery of competitiveness, as well as in consideration of retention needs and excellent performance. 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 benefits paid;
- the column 'Other compensation' 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 compensation' 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 other Senior Managers with strategic responsibilities';
- the column 'Indemnities for termination of office or employment' show indemnities accrued, including indemnities not yet paid, in relation to termination of office or employment.

(19) There is no current legal requirement for disclosure on an individual basis for Senior Managers with strategic responsibilities.

Table 1: Compensation paid to members of management and control bodies and other Senior Managers with strategic responsibilities

(€ thousand)

Name and surname	Office held	Period of office	Expiry of term ^(*)	Non-equity variable compensation						Total	Fair value of equity compensation	Indemnities for termination of office or employment
				Fixed compensation	Compensation for participation in Committees	Bonuses and other incentives	Profit sharing	Non-monetary benefits	Other compensation			
Board of Directors												
Colombo Paolo Andrea	Chairman ⁽¹⁾	01.01-31.12	04.18	278 ^(a)	20 ^(b)					298		
Cao Stefano	Chief Executive Officer-CEO ⁽²⁾	01.01-31.12	04.18	900 ^(a)				21 ^(b)		921	490	
Cappello Maria Elena	Director ⁽³⁾	01.01-31.12	04.18	60 ^(a)	20 ^(b)					80		
Ferrucci Francesco Antonio	Director ⁽⁴⁾	01.01-31.12	04.18	60 ^(a)	30 ^(b)					90		
Mazzarella Flavia	Director ⁽⁵⁾	01.01-31.12	04.18	60 ^(a)	24 ^(b)					84		
Pattofatto Leone	Director ⁽⁶⁾	01.01-31.12	04.18	60 ^(a)	15 ^(b)					75		
Guzzetti Guido	Director ⁽⁷⁾	01.01-31.12	04.18	60 ^(a)	39 ^(b)					99		
Picchi Nicla	Director ⁽⁸⁾	01.01-31.12	04.18	60 ^(a)	30 ^(b)					90		
Ferro-Luzzi Federico	Director ⁽⁹⁾	01.01-31.12	04.18	60 ^(a)	15 ^(b)					75		
Board of Statutory Auditors												
Busso Mario	Chairman ⁽¹⁰⁾	01.01-31.12	04.20	70 ^(a)						70		
Invernizzi Massimo	Statutory Auditor ⁽¹¹⁾	01.01-28.04		17 ^(a)						17		
Perotta Riccardo	Statutory Auditor ⁽¹²⁾	28.04-31.12	04.20	33 ^(a)								
De Martino Giulia	Statutory Auditor ⁽¹³⁾	01.01-31.12	04.20	50 ^(a)						50		
Senior Managers with strategic responsibilities ^(**)												
				4,262 ^(a)		1,545 ^(b)		126 ^(c)		5,933	1,261	
				6,030	187	1,545		147		7,881	1,751	

(*) 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 that are required to serve on the Executive Committee and in any case all direct reports of the Chief Executive Officer-CEO (fourteen senior managers).

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

(a) Includes the fixed compensation set by the Board of Directors' Meeting of June 15, 2015 (€278,000) which includes the compensation for the office of Director (€60,000).

(b) The amount corresponds to compensation as President of the Corporate Governance Committee and Scenarios (€20,000).

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

(a) The amount corresponds to the fixed compensation approved by the Board on June 15, 2015 (€900,000) which includes the base salary as Chief Executive Officer-CEO as established by the Shareholders' Meeting (€60,000), to which €150,000 is added, issued as the third annual tranche related to stock options connected to the non-competition agreement required for the Chief Executive Officer-CEO for a total amount equal to €450,000.

(b) The amount includes the valuation of automobile benefits, supplemental health insurance paid by the company and the taxable amount for weekly round trip flights between Milan and Rome.

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

(a) The amount corresponds to the fixed board meeting fees.

(b) The amount corresponds to compensation for the role of President of the Compensation and Nomination Committee (€20,000).

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

(a) The amount corresponds to the fixed board meeting fees.

(b) The amount corresponds to compensation for serving on the Compensation and Nomination Committee (€15,000) and the Corporate Governance Committee and Scenarios (€15,000).

(5) **Flavia Mazzarella - Director**

(a) The amount corresponds to the fixed board meeting fees.

(b) The amount corresponds to compensation for serving on the Audit and Risk Committee (€24,000).

(6) **Leone Pattofatto - Director**

(a) The amount corresponds to the fixed board meeting fees.

(b) The amount corresponds to compensation for serving on the Corporate Governance Committee and Scenarios (€15,000).

(7) **Guido Guzzetti - Director**

(a) The amount corresponds to the fixed board meeting fees.

(b) The amount corresponds to compensation for serving on the Audit and Risk Committee (€24,000) and the Corporate Governance Committee and Scenarios (€15,000).

(8) **Nicla Picchi - Director**

(a) The amount corresponds to the fixed board meeting fees.

(b) The amount corresponds to compensation for the role of President of the Audit and Risk Committee (€30,000).

(9) **Federico Ferro-Luzzi - Director**

(a) The amount corresponds to the fixed board meeting fees.

(b) The amount corresponds to compensation for serving on the Compensation and Nomination Committee (€15,000).

(10) **Mario Busso - Presidente Collegio Sindacale**

(a) The amount corresponds to the fixed board meeting fees.

(11) **Massimo Invernizzi - Sindaco Effettivo**

(a) The amount corresponds to the pro-rata board meeting fees.

(12) **Riccardo Perotta - Sindaco Effettivo**

(a) The amount corresponds to the pro-rata board meeting fees.

(13) **Giulia De Martino - Sindaco Effettivo**

(a) The amount corresponds to the fixed board meeting fees.

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

(a) To the amount of €4,262,000 for gross annual compensation allowances for assignments in Italy and overseas can be added that are in line with the national contract for senior managers and with supplementary company agreements, and other compensation included in the employment contract, for a total amount of €148,000.

(b) The amount includes the 2017 annual monetary incentive of €1,007,000 for performance in 2016, the issue of €125,500 in deferred monetary incentives allocated in 2014, the issue of €99,500 regarding long-term incentives allocated in 2014 and the issue of extraordinary bonuses for €313,500.

(c) The amount includes the valuation of automobile benefits and supplementary health insurance paid by the Company.

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

The following table shows long-term variable monetary incentives based on financial instruments other than stock options payable to the Chief Executive Officer-CEO and, as an aggregated figure, to Senior Managers with strategic responsibilities.

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 'Fair value for the year' 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 other Senior Managers with strategic responsibilities

Name and surname	Office held	Plan	Financial Instruments allocated in previous years not vested during the year		Financial instruments allocated during the year					
			Number and type of financial instruments	Vesting period	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	2017 Long-term Incentive Plan BoD, July 24, 2017			397,500	1,059	three-year ⁽²⁾	July 24, 2017	3.42	155
		2016 Long-term Incentive Plan BoD, July 27, 2016	365,349 ^(*)	three-year ⁽²⁾						335
Senior Managers with strategic responsibilities ⁽¹⁾		2017 Long-term Incentive Plan BoD, July 24, 2017			1,166,100	3,909	three-year ⁽³⁾	July 24, 2017	3.42	479
		2016 Long-term Incentive Plan BoD, July 27, 2016	847,757 ^(*)	three-year ⁽³⁾						782
Total			1,213,106			4,968				1,751

(*) The number of financial instruments subject to the promised 2016 allocation has been updated by virtue of the resolution passed by the Extraordinary Shareholders' Meeting held on April 28, 2017 which established the grouping of the ordinary and savings shares with a ratio of: one new ordinary share for every 10 (ten) existing ordinary shares.

(1) All Senior Managers that are required to serve on the Executive Committee and in any case all direct reports of the Chief Executive Officer-CEO (fourteen senior managers).

(2) At the end of the vesting period the plan requires that 25% of the matured shares be subject to a lock-up period of two years.

(3) At the end of the vesting period the plan requires that the strategic resources invest 25% of the matured shares for a further two years (co-investment period), at the end of which the beneficiaries will receive an addition free share for every share invested.

Table 3B - Monetary incentive plan for Directors and other Senior Managers with strategic responsibilities

The following table shows the short and long-term variable monetary incentives payable to the Chief Executive Officer-CEO and (as an aggregated figure) to Senior Managers with strategic responsibilities. 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 incentives paid to Directors and other Senior Managers with strategic responsibilities

(€ thousand)			Annual bonus			Bonuses from previous years			Other bonuses
Name and surname	Office held	Plan	To be paid out/ paid out	Deferred	Deferral period	No longer payable	To be paid out/ paid out	Still deferred	
Stefano Cao	Chief Executive Officer-CEO	2015 Long-term Monetary Incentive Plan BoD, October 12, 2015						450	
Senior Managers with strategic responsibilities ⁽¹⁾		2017 Annual Monetary Incentive Plan BoD, March 16, 2017	1,007						
		2015 Deferred Monetary Incentive Plan BoD, July 28, 2015						584	
		2015 Long-term Monetary Incentive Plan BoD, October 12, 2015						964	
		2014 Deferred Monetary Incentive Plan Eni BoD, March 17, 2014; BoD, March 16, 2017				0.1 ⁽²⁾	125 ⁽³⁾		
		2014 Long-term Monetary Incentive Plan BoD, October 28, 2014; BoD, March 16, 2017					804 ⁽⁴⁾	99 ⁽⁵⁾	
Total			1,007			804	225	1,547	313

(1) All Senior Managers that are required to serve on the Executive Committee and in any case all direct reports of the Chief Executive Officer-CEO (fourteen senior managers).

(2) Pro-rata amount of the deferred monetary incentive awarded in 2014 by Eni and no longer payable following the finalisation of the EBITDA performance during the three-year reference period 2014-2016.

(3) Payout of deferred monetary incentive awarded in 2014 by Eni, based on EBITDA performance during the three-year reference period 2014-2016.

(4) Pro-rata amount of the long-term monetary incentive awarded in 2014 and no longer payable following the finalisation of the ROACE and TSR performance during the three-year reference period 2014-2016.

(5) Payout of long-term monetary incentive awarded in 2014, based on the ROACE and TSR performance during the three-year reference period 2014-2016.

Shares held

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

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

Name and surname	Office held	Company	Number of shares held at end of previous year	Number of shares purchased	Number of shares sold	Number of shares held at end of current year
The Board of Directors						
Paolo Andrea Colombo	Chairman	Saipem SpA	290,000			29,000 ^(*)
Stefano Cao	Chief Executive Officer-CEO	Saipem SpA	290,285		285 ⁽²⁾	29,000 ^(*)
Riccardo Perotta	Statutory Auditor	Saipem SpA	184,000			18,400 ^(*)
Other Senior Managers with strategic responsibilities⁽¹⁾						
		Saipem SpA	397,100			16,439 ^(*)

(*) The number of shares held at the end of the year is the result of the resolution passed by the Extraordinary Shareholders' Meeting held on April 28, 2017 which established the grouping of the ordinary and savings shares with a ratio of: one new ordinary share for every 10 (ten) existing ordinary shares.

(1) All Senior Managers that are required to serve on the Executive Committee and in any case all direct reports of the Chief Executive Officer-CEO (fourteen 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 non-strategic during 2017.

(2) Transaction not subject to mandatory reporting pursuant to Article 19 of EU regulation No. 596/2014 and Article 152-*quinquies*.1 of the Issuers Regulations.

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

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 2017 allocation for the Plan, pursuant to Article 84-bis (Annex 3A, scheme No. 7) of the Consob Issuers Regulation.

Table No. 1 of form 7, Attachment 3A to Regulation No. 11971/1999

Box 1 - Financial instruments other than stock options											
Section 2 - Newly allocated instruments based on decisions made by the relevant company body to implement a resolution of the Shareholders' Meeting											
Name and surname	Office held (include only for named subjects)	Date of resolution	Type of financial instrument	Number of financial instruments	Allocation date	Purchase price of instruments	Market price of allocation	Vesting period			
Stefano Cao	Chief Executive Officer-CEO	April 29, 2016	stock grant	397,500	BoD July 24, 2017 CC July 18, 2017	-	3.420	3 years ⁽²⁾			
Senior Managers with strategic responsibilities ⁽¹⁾		April 29, 2016	stock grant	1,166,100	BoD July 24, 2017 CC July 18, 2017	-	3.420	3 years ⁽³⁾			
Other Senior Managers		April 29, 2016	stock grant	5,178,800	BoD July 24, 2017 CC July 18, 2017	-	3.420	3 years ⁽³⁾			

- (1) All Senior Managers that are required to serve on the Executive Committee and in any case all direct reports of the Chief Executive Officer-CEO (fourteen senior managers).
(2) At the end of the vesting period the plan requires that 25% of the matured shares be subject to a lock-up period of two years.
(3) At the end of the vesting period the plan requires that the strategic resources invest 25% of the matured shares for a further two years (co-investment period), at the end of which the beneficiaries will receive an addition free share for every share invested.

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Cortemaggiore (Piacenza) - Italy
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Publications
Relazione finanziaria annuale (in Italian)
Annual Report (in English)

Interim Consolidated Report as of June 30
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