

Saipem's Anti-Corruption procedures

Saipem has been active for several years now in the fight against corruption. The Company's Code of Ethics is adhered to by all Saipem personnel and expressly accepted by all vendors as part of the qualification process. Indeed, the Code expressly prohibits 'corrupt practices, illegal favours, collusive behaviour, and requests, both direct and/or through third parties, for personal and career benefits for themselves or for others'. Saipem is committed to observing the United Nations Convention against Corruption, the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, and Transparency International's Business Principles for Countering Bribery. In an effort to improve the reference framework of rules and procedures already in place in the area of anti-corruption, which are implemented by Saipem on an ongoing basis in order to ensure maximum compliance with applicable national and international Anti-Corruption laws and conventions, on April 23, 2012, the Board of Directors of Saipem SpA approved the new 'Anti-Corruption' Management System Guideline (MSG). As part of the ongoing development of the Saipem procedural corpus on the subject, this guideline has replaced the previous procedure 'Anti-Corruption Compliance Guidelines' issued in February 2010.

The 'Anti-Corruption' MSG has been formally acknowledged by the Boards of Directors of all companies in the Saipem Group. With regard to associated companies, Saipem representatives on their Boards of Directors have formally announced the adoption by Saipem of the 'Anti-Corruption' procedure, and have gone as far as they can to lay the groundwork for acceptance in those companies of the standards defined in the abovementioned MSG.

The main features of the 'Anti-Corruption' MSG are:

- reference to so-called 'private corruption', with explicit
- mention of the UK Bribery Act, where applicable;
- explicit prohibition of 'facilitation payments';
- the provision of a 'Registry' in which any 'gifts, economic or other benefits offered or received by Saipem personnel' are duly recorded;
- a ban on political contributions, unless required under local law and only after following a specific authorisation procedure, which includes conducting a Due Diligence on the beneficiary;
- explicit inclusion of 'vendors' among the parties required to comply with Saipem's ethical standards and pre-qualification requirements, as defined in the MSG 'Procurement';
- extension of the notion of 'Covered Business Partners' to any party that may have significant contact with a public official, including consultants (who will be subject to Due Diligence and specific Anti-Corruption clauses, declarations and guarantees);
- a duty to report any requests for unlawful payments, gifts, personal benefits, meals or entertainment expenses, employment or other benefits made by a public official or a private person that are not considered reasonable and in good faith.

Saipem requires compliance with Anti-Corruption laws from all intermediaries, business partners and 'Covered Business Partners' who may have significant contact with public officials when conducting business on behalf of Saipem.

Every Saipem staff member is responsible for compliance with Anti-Corruption legislation. All documents pertaining to this are easily accessible via the Corporate intranet portal. Any suspected or known violations of the Anti-Corruption laws or guidelines must be reported immediately. Disciplinary measures will be taken against anyone who violates Saipem's Anti-Corruption rules, who does

not attend the training programmes, who fails to report any violations of which they are aware, or who retaliates against anyone else who reports violations. Saipem has also issued more specific Anti-Corruption regulatory instruments on different topics and areas that are particularly vulnerable to the risk of corruption. These internal procedures are subject to constant checks to ensure that they are updated if necessary.

Specifically, in addition to the Corporate Standards on 'Intermediary Contracts' and 'Joint Venture Agreements - Prevention of illegal activities' revised in 2012, during 2014 further ancillary procedures to the Anti-Corruption programme were approved.

Information on Saipem's legal proceedings can be found in the 2014 Annual Report.

Training programme on business ethics

Training plays a central role in Saipem's Anti-Corruption programme. The Company is constantly investing in ongoing education programmes in Italy and abroad in order to provide adequate knowledge of Anti-Corruption laws and regulations and internal anti-corruption rules. This renders the adoption of the 'Anti-Corruption' MSG and ancillary procedures, where provided, more effective. The programme is divided into different types of training. There are classroom and e-learning modules (in cooperation with Eni Corporate University) on the theme of the Organisation, Management and Control Model (which includes the Code of Ethics) and Anti-Corruption procedures.

The Company organises institutional training meetings dubbed 'Welcome to Saipem', for newly-recruited graduates, with the goal of providing a general overview of the Saipem Group and its activities. It also organises courses on the 'Legal, contractual and insurance aspects of projects' for employees with a more advanced level of seniority and expertise in the field of Procurement, Project Management, and so forth. The goal is to explore the language and main types and phases of contracts and project management. Specifically, this training provides the appropriate tools to assess the impact of national and international regulations on contractual provisions and the precautions required to mitigate any associated risks. The Company also supplies a special intensive course called 'Maximising Performance-Managing Director', organised in cooperation with Eni Corporate University for the Managing Directors of foreign subsidiaries.

It includes a specific module called 'Legal and regulatory context'. During 2014, a specific lecture on the Code of Ethics, Anti-Corruption procedures and Nominated Sub-Contractors was inserted into the training meeting 'Working with the Board' aimed at providing practical instruments to members of the Boards of Saipem subsidiaries when carrying out their duties of office. Moreover, a new specific e-learning module on anti-corruption is available to Saipem personnel in Italy and abroad. In addition, specific training sessions are organised for At-Risk Personnel (employees who have contacts with public officials or who may enter into contracts with third parties on Saipem's behalf) working in the countries where Saipem operates. Finally, all At-Risk Personnel are subject to a mandatory Anti-Corruption training programme.

To this end:

- when hired or given new responsibilities, or, if this is not practicable, as soon as reasonably possible, At-Risk Personnel receive a copy of and training in the Anti-Corruption MSG and relevant Anti-Corruption laws;
- At-Risk Personnel are themselves responsible for completing the relevant courses and must receive periodic refresher training. Each manager of At-Risk Personnel must ensure that this commitment is met.

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PARTICIPANTS IN ANTI-CORRUPTION, GOVERNANCE AND COMPLIANCE TRAINING