

BASE PROSPECTUS dated 29 June 2020



## SAIPEM FINANCE INTERNATIONAL B.V.

(incorporated with limited liability under the laws of the Netherlands)  
as Issuer

€3,000,000,000

Euro Medium Term Note Programme

unconditionally and irrevocably guaranteed by

**Saipem (Portugal) - Comércio Marítimo, Sociedade Unipessoal Lda.** (incorporated with limited liability under the laws of Portugal), **Saipem SA** (a *société anonyme* incorporated under the laws of France), **Sofresid SA** (a *société anonyme* incorporated under the laws of France), **Saipem Limited** (incorporated with limited liability under the laws of England and Wales), **Saipem Offshore Norway AS** (incorporated with limited liability under the laws of Norway), **Saipem Drilling Norway AS** (incorporated with limited liability under the laws of Norway), **Saipem Contracting Netherlands B.V.** (incorporated with limited liability under the laws of The Netherlands), **Saipem Contracting Nigeria Limited** (a private limited liability company incorporated under the laws of the Federal Republic of Nigeria), **Saipem Luxembourg S.A.** (a *société anonyme* incorporated under the laws of the Grand Duchy of Luxembourg), **Global Petroprojects Services AG** (incorporated with limited liability under the laws of Switzerland), **Snamprogetti Saudi Arabia Co Limited** (a limited liability company incorporated under the laws of the Kingdom of Saudi Arabia), **Saudi Arabian Saipem Limited** (a limited liability company incorporated under the laws of the Kingdom of Saudi Arabia) and **Saipem S.p.A** (incorporated with limited liability in Italy).

Under the €3,000,000,000 Euro Medium Term Note Programme (the "**Programme**") described in this base prospectus (the "**Base Prospectus**"), Saipem Finance International B.V. ("**SFI**") (the "**Issuer**") may issue notes ("**Notes**") on a continuing basis to one or more of the Dealers (as defined below) and any additional Dealer appointed under the Programme from time to time (each a "**Dealer**" and together the "**Dealers**").

The Notes will be constituted by an amended and restated trust deed dated 29 June 2020 (as amended, supplemented and/or restated from time to time, the "**Trust Deed**") between the Issuer and BNP Paribas Trust Corporation UK Limited (the "**Trustee**"). The payments of all amounts due in respect of Notes issued by the Issuer will be unconditionally and irrevocably guaranteed on a joint and several basis by Saipem (Portugal) - Comércio Marítimo, Sociedade Unipessoal Lda. (incorporated with limited liability under the laws of Portugal), Saipem SA (a *société anonyme* incorporated under the laws of France), Sofresid SA (a *société anonyme* incorporated under the laws of France), Saipem Limited (incorporated with limited liability under the laws of England and Wales), Saipem Offshore Norway AS (incorporated with limited liability under the laws of Norway), Saipem Drilling Norway AS (incorporated with limited liability under the laws of Norway), Saipem Contracting Netherlands B.V. (incorporated with limited liability under the laws of The Netherlands), Global Petroprojects Services AG (incorporated with limited liability under the laws of Switzerland), Saipem Contracting Nigeria Limited (a private limited liability company incorporated under the laws of the Federal Republic of Nigeria) and Saipem Luxembourg S.A. (a *société anonyme* incorporated under the laws of the Grand Duchy of Luxembourg), Snamprogetti Saudi Arabia Co Limited (a limited liability company incorporated under the laws of the Kingdom of Saudi Arabia), Saudi Arabian Saipem Limited (a limited liability company incorporated under the laws of the Kingdom of Saudi Arabia) and Saipem S.p.A (incorporated with limited liability in Italy) ("**Saipem**") (each an "**Original Guarantor**" and, together with any Additional Guarantors (as defined in the Terms and Conditions of the Notes) appointed pursuant to the terms and conditions of the Notes, the "**Guarantors**", which term shall not include any Guarantor which ceases to guarantee the Notes pursuant to Condition 7(d) pursuant to the Trust Deed and the Deed of Guarantee (as defined herein). The guarantees given by the Guarantors will be subject to contractual and legal limitations (see "**Risk Factors – The Guarantees may be limited by applicable laws or subject to certain defences that may limit their validity and enforceability**").

The aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed €3,000,000,000 (or its equivalent in other currencies calculated as described herein), subject to increase as described herein.

Application has been made to the Luxembourg Stock Exchange for Notes issued under the Programme during the period of twelve months following the date of this document to be admitted to the official list of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF market of the Luxembourg Stock Exchange (the "**Euro MTF Market**"). The Euro MTF Market is not a regulated market for the purposes of the Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014, as amended, on markets in financial instruments. The Programme provides that the Notes may be listed or admitted to trading, as the case may be, on such further or other stock exchanges or markets as the Issuer and the relevant Dealer(s) (as defined herein) may agree as specified in the applicable Final Terms (as defined herein), subject to compliance with all applicable laws and the rules of such stock exchange. The applicable Final Terms will specify whether the Notes are to be listed or will be unlisted Notes. This Base Prospectus is a "prospectus" for the purposes of admission to listing on the Official List of the Luxembourg Stock Exchange and admission to trading of the Notes on the Euro MTF Market in accordance with the rules and regulations of the Luxembourg Stock Exchange and Part IV of the Luxembourg law dated 10 July 2005 on prospectuses for securities, as amended. This Base Prospectus constitutes a prospectus for the purposes of Part IV of the Luxembourg law on prospectuses for securities dated July 16, 2019.

**Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the abilities of the Issuer and the Guarantors to fulfil their respective obligations under the Notes are discussed under "Risk Factors" below.**

The Programme has been rated BB+ and Ba1 respectively by S&P Global Ratings Europe (Standard & Poor's) and Moody's Deutschland GmbH ("**Moody's**"). Each of Standard & Poor's and Moody's is established in the European Economic Area (the "**EEA**") or in the United Kingdom (the "**UK**") and registered under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**"). As such, each Standard & Poor's Credit and Moody's appears on the latest update of the list of registered credit rating agencies (as of 1 December 2015) on the European Securities Market Authority ("**ESMA**") website <http://www.esma.europa.eu>.

**A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.**

The Notes have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States, and Notes in bearer form are subject to U.S. tax law requirements. The Notes may not be offered, sold or (in the case of Notes in bearer form) delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act ("**Regulation S**")) except in certain transactions exempt from the registration requirements of the Securities Act.

BNP PARIBAS

Joint Arrangers and Dealers

UniCredit Bank

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## IMPORTANT NOTICES

### Responsibility for this Base Prospectus

The Issuer accepts responsibility for the information contained in this Base Prospectus and each of the Original Guarantors accepts responsibility for the information relating to itself contained in this Base Prospectus. To the best of the knowledge of the Issuer and, in respect of the information relating to itself only, each Original Guarantor (each having taken all reasonable care to ensure that such is the case) the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

### Final Terms/Drawdown Prospectus

Each Tranche (as defined herein) of Notes will be issued on the terms set out herein under "*Terms and Conditions of the Notes*" (the "**Conditions**") as completed by a document specific to such Tranche called final terms (the "**Final Terms**") or in a separate prospectus specific to such Tranche (the "**Drawdown Prospectus**") as described under "*Final Terms and Drawdown Prospectuses*" below.

### Other relevant information

This Base Prospectus must be read and construed together with any supplements hereto and with any information incorporated by reference herein and, in relation to any Tranche of Notes which is the subject of Final Terms, must be read and construed together with the relevant Final Terms. In the case of a Tranche of Notes which is the subject of a Drawdown Prospectus, each reference in this Base Prospectus to information being specified or identified in the relevant Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus unless the context requires otherwise.

The Issuer and, in respect of the information relating to itself only, each Original Guarantor, have confirmed to the Dealers named under "Subscription and Sale" below that this Base Prospectus contains all information which is (according to the particular nature of the Issuer and the Original Guarantors and in the context of the Programme, the issue, offering and sale of the Notes and the guarantees of the Notes) material and necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and the Original Guarantors and of the rights attaching to the Notes; that such information is true and accurate in all material respects and is not misleading in any material respect; that any opinions, predictions or intentions expressed herein are honestly held or made and are not misleading in any material respect; that this Base Prospectus does not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in the context of the Programme, the issue, offering and sale of the Notes and the guarantees of the Notes) not misleading in any material respect; and that all proper enquiries have been made to verify the foregoing. The Issuer and, in respect of the information relating to itself only, each Original Guarantor accept responsibility accordingly.

### Unauthorised information

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other document entered into in relation to the Programme or any information supplied by the Issuer or any Original Guarantors or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuer, any Original Guarantors, any Dealer or the Trustee.

Neither the Joint Arrangers nor the Dealers nor any of their respective affiliates nor the Trustee have authorised the whole or any part of this Base Prospectus and none of them makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this Base Prospectus or any responsibility for the acts or omissions of the Issuer, the Guarantors, or any other person (other than the relevant Dealer) in connection with the issue and offering of the Notes. Neither the delivery of this Base Prospectus or any Final Terms nor the offering, sale or delivery of any Note shall, in any circumstances, create any implication that the information contained in this Base Prospectus is true subsequent to the date hereof or the date upon which this Base Prospectus has been most recently supplemented or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the prospects or financial or trading position of the Issuer or any Original Guarantors

since the date thereof or, if later, the date upon which this Base Prospectus has been most recently supplemented or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

### **Restrictions on distribution**

The distribution of this Base Prospectus and any Final Terms or Drawdown Prospectus and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus or any Final Terms or Drawdown Prospectus comes are required by the Issuer, the Original Guarantors and the Dealers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of this Base Prospectus or any Final Terms and other offering material relating to the Notes, see "*Subscription and Sale*".

The Notes have not been, and will not be, registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States, and Notes in bearer form are subject to U.S. tax law requirements. The Notes may not be offered, sold or (in the case of Notes in bearer form) delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) except in certain transactions exempt from the registration requirements of the Securities Act.

Neither this Base Prospectus nor any Final Terms constitutes an offer or an invitation to subscribe for or purchase any Notes and should not be considered as a recommendation by the Issuer, any Original Guarantors, the Joint Arrangers, the Dealers, the Trustee or any of them that any recipient of this Base Prospectus or any Final Terms should subscribe for or purchase any Notes. Each recipient of this Base Prospectus or any Final Terms shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer and any Original Guarantors.

**IMPORTANT – EEA AND UK RETAIL INVESTORS** - If the applicable Final Terms in respect of any Notes includes a legend entitled "Prohibition of Sales to EEA and UK Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA or in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA or the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or the UK may be unlawful under the PRIIPs Regulation.

**MIFID II product governance / target market** – The applicable Final Terms in respect of any Notes may include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes but otherwise neither the Joint Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

### **Benchmark Regulation**

Interest and/or other amounts payable under the Notes may be calculated by reference to certain reference rates. Any such reference rate may constitute a benchmark for the purposes of Regulation (EU) 2016/1011 (as amended the "**Benchmark Regulation**"). If any such reference rate does constitute such a benchmark,

the Final Terms will indicate whether or not the benchmark is provided by an administrator included in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 (*Register of administrators and benchmarks*) of the Benchmark Regulation. Transitional provisions in the Benchmark Regulation may have the result that the administrator of a particular benchmark is not required to appear in the register of administrators and benchmarks at the date of the Final Terms. The registration status of any administrator under the Benchmark Regulation is a matter of public record and, save where required by applicable law, the Issuer does not intend to update the Final Terms to reflect any change in the registration status of the administrator.

### **Programme limit**

The maximum aggregate principal amount of Notes outstanding and guaranteed at any one time under the Programme will not exceed €3,000,000,000 (and for this purpose, any Notes denominated in another currency shall be translated into Euro at the date of the agreement to issue such Notes (calculated in accordance with the provisions of the Dealer Agreement)). The maximum aggregate principal amount of Notes which may be outstanding and guaranteed at any one time under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Dealer Agreement as defined under "Subscription and Sale".

### **Certain definitions**

In this Base Prospectus, unless otherwise specified:

- the "**Group**" means the group consisting of Saipem S.p.A. and its consolidated subsidiaries;
- references to a "**Member State**" are references to a Member State of the European Economic Area;
- references to "**EUR**" or "**euro**" are to the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the euro, as amended;
- references to "**USD**" are to United States dollars; and
- references to "**GBP**" or "**£**" are to the lawful currency of the UK.

Certain figures included in this Base Prospectus have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

### **Ratings**

Tranches of Notes issued under the Programme will be rated or unrated. Where a Tranche of Notes is rated, such rating will not necessarily be the same as the rating(s) described above or the rating(s) assigned to Notes already issued. Where a Tranche of Notes is rated, the applicable rating(s) will be specified in the relevant Final Terms. Whether or not each credit rating applied for in relation to a relevant Tranche of Notes will be (1) issued by a credit rating agency established in the EEA or in the UK and registered under the CRA Regulation, or (2) issued by a credit rating agency which is not established in the EEA or in the UK but will be endorsed by a CRA which is established in the EEA or in the UK and registered under the CRA Regulation or (3) issued by a credit rating agency which is not established in the EEA or in the UK but which is certified under the CRA Regulation will be disclosed in the Final Terms. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the EEA or in the UK and registered under the CRA Regulation or (1) the rating is provided by a credit rating agency not established in the EEA or in the UK but is endorsed by a credit rating agency established in the EEA or in the UK and registered under the CRA Regulation or (2) the rating is provided by a credit rating agency not established in the EEA or in the UK which is certified under the CRA Regulation.

### **Forward-looking statements**

All statements (other than statements of historical fact) included in this Base Prospectus regarding the Group's business, financial condition, results of operations and certain of the Group's plans, objectives, assumptions, expectations or beliefs with respect to these matters and statements regarding other future

events or prospects are forward-looking statements. These statements include, without limitation, those concerning: the Group's strategy and the Group's ability to achieve it; expectations regarding revenues, profitability and growth; plans for the launch of new services, businesses and activities; the Group's possible or assumed future results of operations; research and development, capital expenditure and investment plans; adequacy of capital; and financing plans. The words "aim", "may", "will", "expect", "anticipate", "believe", "future", "continue", "help", "estimate", "plan", "intend", "should", "could", "would", "shall" or the negative, or other variations thereof, as well as other statements regarding matters that are not historical fact, are or may constitute forward-looking statements. In addition, this Base Prospectus includes forward-looking statements relating to the Group's potential exposure to various types of market risks, such as foreign exchange rate risk, interest rate risks and other risks related to financial assets and liabilities.

These forward-looking statements have been based on the Group's management's current view with respect to future events and financial performance. These views reflect current estimates and assumptions that the Group's management makes to the best of its knowledge but involve a number of risks and uncertainties which could cause actual results to differ materially from those predicted in such forward-looking statements and from past results, performance or achievements. Although the Group believes that the estimates reflected in the forward-looking statements are reasonable, such estimates may prove to be incorrect. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements. Prospective investors are cautioned not to place undue reliance on these forward-looking statements, as a prediction of actual results or otherwise.

The Issuer does not intend to update or revise any forward-looking statements, whether as a result of new information, future events or circumstances or otherwise. In addition, all subsequent written or oral forward-looking statements attributable to the Issuer or persons acting on its behalf, are expressly qualified in their entirety by the cautionary statements contained throughout this Base Prospectus including any document incorporated by reference herein. Prospective purchasers are urged to review and consider carefully the various disclosures made by the Issuer in this Base Prospectus, including any document incorporated by reference herein, which attempt to advise interested parties of the factors that affect the Issuer, the Group and their business, including the disclosures made under the sections headed "Risk Factors" and "*Risks Related to the Group*".

### **Industry and market data**

Information regarding markets, market size, market share, market position, growth rates and other industry data pertaining to the Group's business contained in this Base Prospectus consists of estimates based on data reports compiled by professional organisations and analysts, on data from other external sources, and on the Group's knowledge of its sales and markets. In many cases, there is no readily available external information (whether from trade associations, government bodies or other organisations) to validate market-related analyses and estimates, requiring the Group to rely on internally developed estimates. While the Group has compiled, extracted and, to the best of its knowledge, correctly reproduced market or other industry data from external sources, including third parties or industry or general publications, neither the Group nor the Dealers have independently verified that data. The Group cannot assure investors of the accuracy and completeness of, and takes no responsibility for, such data other than the responsibility for the correct and accurate reproduction thereof. Similarly, while the Group believes such information to be reliable and believes its internal estimates contained in such information to be reasonable, they have not been verified by any independent sources and the Group cannot assure investors as to their accuracy. Undue reliance should therefore not be placed on such information. In addition, information regarding the sectors and markets in which the Group operates is normally not available for certain periods and, accordingly, such information may not be current as of the date of this Base Prospectus.

### **Stabilisation**

**In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the**

**relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the Stabilising Manager(s) (or persons acting on behalf of the Stabilising Manager(s)) in accordance with all applicable laws and rules.**

#### **Alternative Performance Measures**

This Base Prospectus contains certain non-IFRS financial measures, including.

**"Margine operativo lordo (EBITDA)"** (or "Gross operating profit (EBITDA)") shall be calculated as the "Utile (perdita) dell'esercizio di competenza Saipem" (or "Profit (loss) for the year attributable to owners of the Parent") before:

- (a) "Utile (perdita) dell'esercizio di competenza di terzi azionisti" (or "Profit (loss) for the year attributable to non-controlling interests");
- (b) "Imposte sul reddito" (or "Income taxes");
- (c) "Proventi (oneri) netti su partecipazioni" (or "Net gains (losses) on equity investments");
- (d) "Proventi (oneri) finanziari netti" (or "Net financial income (expense)"); and
- (e) "Ammortamenti e svalutazioni" (or "Depreciation, amortisation and impairment losses") (which include impairment of tangible and intangible assets);.

**"Risultato operativo (EBIT)"** (or "Operating profit (EBIT)") calculated as the "Utile (perdita) dell'esercizio" (or "Profit (loss) for the year attributable to owners of the parent") before:

- (a) "Utile (perdita) dell'esercizio di competenza di terzi azionisti" (or "Profit (loss) for the year attributable to non-controlling interests");
- (b) "Imposte sul reddito" (or "Income taxes");
- (c) "Proventi (oneri) netti su partecipazioni" (or "Net gains (losses) on equity investments");
- (d) "Proventi (oneri) finanziari netti" (or "Net financial income (expense)").

**"Indebitamento finanziario netto"** (or "Net financial debt") calculated as

- (a) "Passività finanziarie a breve termine verso banche" (or "Current bank loans and borrowings"), plus
- (b) "Passività finanziarie a lungo termine" (or "Non-current bank loans and borrowings"), plus
- (c) "Passività finanziarie a breve termine verso entità correlate" (or "Current financial liabilities - related parties"), plus
- (d) "Prestiti obbligazionari" (or "Ordinary bonds"), plus
- (e) "Passività finanziarie a lungo termine verso entità correlate" (or "Non-current financial liabilities - related parties"), plus
- (f) "Altre passività finanziarie a breve termine" (or "Other current financial liabilities"), plus
- (g) "Altre passività finanziarie a lungo termine" (or "Other non-current financial liabilities"), plus
- (h) "Passività per leasing" (or "Lease liabilities"), minus
- (i) "Disponibilità liquide ed equivalenti" (or "Cash and cash equivalents"), minus
- (j) "Attività finanziarie valutate al fair value con effetto a OCI" (or "Financial assets measured at fair value through OCI"), minus
- (k) "Attività per leasing" (or "Lease assets"), minus

(l) “*Crediti finanziari*” (or “Loan assets”), minus

(m) “*Crediti finanziari non correnti*” (or “Non-current loan assets”).

The following table shows the calculation of EBIT, EBITDA and Net financial debt:

<i>(in millions of Euro)</i>	For the year ended December 31,	
	2019	2018
<b>Profit (loss) for the year attributable to owners of the parent</b>	<b>12</b>	<b>(472)</b>
+ Profit (loss) for the year attributable to non-controlling interests	86	62
+ Income Taxes	130	194
-/+ Net gains (losses) on equity investments	18	88
+ Net financial income (expense)	210	165
<b>Operating profit (EBIT)</b>	<b>456</b>	<b>37</b>
+ Depreciation, amortisation and impairment losses	690	811
<b>Gross operating profit (EBITDA)</b>	<b>1,146</b>	<b>848</b>

<i>(in millions of Euro)</i>	For the year ended December 31,					
	2019			2018		
	Current	Non-current	Total	Current	Non-current	Total
A. Cash and cash equivalents	2,272	-	2,272	1,674	-	1,674
B. Financial assets measured at fair value through OCI	87	-	87	86	-	86
<b>C. Liquidity (A+B)</b>	<b>2,359</b>	<b>-</b>	<b>2,359</b>	<b>1,760</b>	<b>-</b>	<b>1,760</b>
<b>D. Lease assets</b>	<b>8</b>	<b>-</b>	<b>8</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>E. Loan assets</b>	<b>178</b>	<b>-</b>	<b>178</b>	<b>32</b>	<b>-</b>	<b>32</b>
F. Current bank loans and borrowings	153	-	153	73	-	73
G. Non-current bank loans and borrowings	206	676	882	187	655	842
H. Current financial liabilities - related parties	-	-	-	-	-	-
I. Ordinary bonds	38	1,994	2,032	38	1,991	2,029
L. Non-current financial liabilities - related parties	-	-	-	-	-	-
M. Other current financial liabilities	11	-	11	7	-	7
N. Other non-current financial liabilities	-	-	-	-	-	-
O. Lease liabilities	149	477	626	-	-	-
<b>P. Gross financial debt (F+G+H+I+L+M+N+O)</b>	<b>557</b>	<b>3,147</b>	<b>3,704</b>	<b>305</b>	<b>2,646</b>	<b>2,951</b>
<b>Q. Net financial position pursuant to Consob Communication No. DEM/6064293/2006 (P-C-D-E)</b>	<b>(1,988)</b>	<b>3,147</b>	<b>1,159</b>	<b>(1,487)</b>	<b>2,646</b>	<b>1,159</b>
<b>R. Non-current loan assets</b>	<b>-</b>	<b>69</b>	<b>69</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>S. Lease assets</b>	<b>-</b>	<b>8</b>	<b>8</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>T. Net financial debt (Q-R-S)</b>	<b>(1,988)</b>	<b>3,070</b>	<b>1,082</b>	<b>(1,487)</b>	<b>2,646</b>	<b>1,159</b>

It should be noted that these non-IFRS financial measures are not recognised as a measure of performance under IFRS and should not be recognised as an alternative to operating income or net income or any other performance measures recognised as being in accordance with IFRS or any other generally accepted accounting principles. These non-IFRS financial measures are used by Saipem's management to monitor the underlying performance of the business and operations but are not indicative of the historical operating results of the Issuer, nor are they meant to be predictive of future results. Since companies do not all calculate these measures in an identical manner, the Saipem's presentation may not be consistent with similar measures used by other companies. Therefore, undue reliance should not be placed on any such data.

## RISK FACTORS

*In purchasing Notes, investors assume the risk that the Issuer and the Guarantors may become insolvent or otherwise unable to make all payments due in respect of the Notes. There is a wide range of factors which individually or together could result in the Issuer or the Guarantors becoming unable to make all payments due in respect of the Notes. It is not possible to identify all such factors or to determine which factors are most likely to occur, as the Issuer and the Guarantors may not be aware of all relevant factors and certain factors which they currently deem not to be material may become material as a result of the occurrence of events outside of the Issuer's and the Guarantors' control. The Issuer and the Guarantors have identified in this Base Prospectus a number of factors which could materially adversely affect their businesses and ability to make payments due under the Notes.*

*In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.*

*Please note that the following risk factors affect the Issuer and each of the Guarantors as they form part of the same Group and operate in the same business and industry.*

### **Risks Related to the Group**

#### ***The Group's ability to execute its 2020–2023 strategic plan is not assured.***

The 2020–2023 strategic plan is based on general assumptions regarding inflation rates, exchange rates, interest rates and commodity prices, over which the directors have no influence insofar as they depend on the overall market trend.

The budget figures in the 2020–2023 strategic plan are based on a set of critical assumptions, including a series of corporate actions by the board of directors of Saipem.

In the event that one or more of the strategic plan's underlying assumptions proves incorrect or events evolve differently than assumed in the strategic plan, including events that may not be foreseeable or quantifiable as of the date hereof, the anticipated events and results of operations indicated in the strategic plan (and in this Base Prospectus) could differ from actual events and results of operations.

On April 15, 2020, following an analysis of the evolution of the effects of the COVID-19 pandemic on the global economic scenario and on the business activities, the Company resolved to withdraw the 2020 guidance, communicated on February 26, 2020, reserving the right to issue a new guidance should the market conditions become more stable.

On April 23, 2020 the Company confirmed the withdrawal of 2020 guidance and, as a result of the performance of an impairment test on all the Group cash generating units for the occasion of the first quarter 2020 results, communicated an impairment loss of €257 million, recorded on some cash generating units in the Offshore Drilling Division.

Any failure by the Group to execute its strategic plan within the scheduled deadlines may have a material adverse effect on the Group, its business prospects, its financial condition and its results of operation.

#### ***Risks related to the existing indebtedness of the Group.***

The total net financial debt of the Group, excluding IFRS 16 net lease liabilities of Euro 610 million, amounted to Euro 472 million as of 31 December 2019 compared to Euro 1,159 million as of 31 December 2018.

As of 31 December 2019, the Group's current financial liabilities amounted to Euro 164 million while the non-current financial liabilities and current portion of non-current financial liabilities totaled Euro 2,914 million, of which the current portion of non-current financial liabilities amounted to Euro 244 million.

On 27 October 2015, Saipem signed a mandate letter (the "**Mandate Letter**") with Banca IMI S.p.A., Deutsche Bank AG, London Branch, Citigroup Global Markets Limited, Mediobanca – Banca di Credito Finanziario S.p.A., UniCredit S.p.A., with Goldman Sachs International and J.P. Morgan Limited, Intesa Sanpaolo S.p.A., Citibank, N.A., Milan Branch, Deutsche Bank AG, Luxembourg branch, Goldman Sachs Lending Partners LLC and J.P. Morgan Chase Bank, N.A., Milan Branch related to the establishment of unsecured credit facilities for a maximum amount of Euro 4,700,000,000 (the "**Loan**") for the benefit of Saipem and to Saipem Finance International B.V. ("**SFI**", and together with Saipem, the "**Beneficiaries**").

On 10 December 2015 (the "**Signing Date**") the Beneficiaries and Citigroup Global Markets Limited and Mediobanca—Banca di Credito Finanziario S.p.A., in the capacity of Documentation Agents, Banca IMI S.p.A. in the capacity of agent as well as Citigroup Global Market Limited, Deutsche Bank AG, London Branch, Banca IMI S.p.A., Mediobanca – Banca di Credito Finanziario S.p.A., UniCredit S.p.A., J.P. Morgan Limited, and Goldman Sachs, International Bank in the capacity of Initial Arrangers, Bank of China Limited, Luxembourg Branch, BNP Paribas, Italian Branch, DNB Bank ASA, London Branch, ABN AMRO Bank N.V., HSBC Bank plc, Milan branch, ING Bank N.V.—Milan Branch, ING Bank N.V.—Milan Branch, and Standard Chartered Bank, in the capacity of Additional Mandated Lead Arrangers, Intesa Sanpaolo S.p.A., Citibank N.A., Milan Branch, Deutsche Bank Luxembourg S.A., Mediobanca – Banca di Credito Finanziario S.p.A., UniCredit S.p.A., Goldman Sachs International Bank, JP Morgan Chase Bank N.A., Milan Branch, Bank of China Limited, Luxembourg Branch, BNP Paribas, Italian Branch, DNB Bank ASA, London Branch, HSBC Bank plc Milan Branch, ING Bank N.V. – Milan Branch, Standard Chartered Bank, Banca Popolare di Sondrio S.c.p.A., Banca Popolare di Milano Soc. Coop.a r.l., Banco Santander S.A., Milan Branch, ICBC (Europe) S.A., Milan Branch, Mizuho Bank, LTD, Milan Branch and Banca Monte dei Paschi di Siena S.p.A., Unione di Banche Italiane S.p.A. and ABN AMRO Bank N.V. in the capacity of Original Lenders (the "**Original Lending Banks**" and, jointly with any of their successors or assignees, the "**Lending Banks**") signed the Loan, governed by English law and drafted on the basis of the model prepared by the Loan Market Association for loan agreements of similar nature.

During 2016 Saipem successfully negotiated the renewal of existing credit facilities or the granting of new credit facilities for a total amount of Euro 904 million, including:

- Euro 250 million of the UniCredit bank facility (renewal);
- Euro 554 million of the GIEK export credit agency (ECA) facility (new facility); and
- Euro 100 million of the BPER bank facility (new facility).

On 1 September 2016, Saipem successfully launched a dual tranche fixed rate note issue with 4.5- and 7-year tenors, for a total amount of Euro 1 billion. The notes were issued by Saipem Finance International B.V. under the EMTN Programme. The 4.5-year notes amounted to Euro 500 million and pay a fixed annual coupon of 3.0%. The 7-year notes amounted to Euro 500 million and pay a fixed annual coupon of 3.75%. The notes have been listed on the Euro MTF of the Luxembourg Stock Exchange and were purchased by institutional investors mainly in France, Germany, Italy and UK.

The proceeds of the issuance of the notes, together with (i) the draw-down of two tranches of the GIEK ECA Facility, (ii) the draw-down of the BPER bank facility and (iii) the use of available cash, allowed Saipem to fully repay, between July 2016 and December 2016, the bridge-to-bond facility of Euro 1.6 billion disbursed on 26 February 2016.

On 29 March 2017, Saipem launched a new fixed rate note issue with 5-year tenor for an amount of Euro 500 million. The notes were issued by Saipem Finance International B.V. under the EMTN Programme and pay a fixed annual coupon of 2.75%. The notes were listed on the Euro MTF of the Luxembourg Stock Exchange and were purchased by institutional investors mainly in Italy, UK, France, Germany and Switzerland.

The proceeds of the issuance of the were used to prepay an equal amount of the term loan facility of Euro 1.6 billion disbursed on 26 February 2016.

In addition, on 30 March 2017 Saipem signed a new credit facility for an amount of Euro 260 million guaranteed by the Dutch ECA Atradius. A first tranche in the amount of Euro 15 million was drawn in May 2017.

On 31 July 2017 Saipem made a pre-payment of an amount of Euro 525 million of the term facility by utilizing an amount of Euro 300 million of available cash and by a draw-down of an amount of Euro 225 million of the facility guaranteed by the Dutch ECA Atradius.

On 27 October 2017, Saipem launched a new fixed rate note issue with 7.2 year tenor for an amount of Euro 500 million. The notes were issued by Saipem Finance International B.V. under the EMTN Programme and pay a fixed annual coupon of 2.625%. The notes were listed on the Euro MTF of the Luxembourg Stock Exchange and were purchased by institutional investors mainly in France, UK, Italy and Germany.

The proceeds of the issuance of the notes were used, together with the use of available cash, to fully repay the term loan facility.

During December 2017 Saipem negotiated two new bank facilities for a total amount of Euro 150 million, with BPER (Euro 75 million) and UBI Banca (Euro 75 million).

On 27 July 2018 Saipem entered into an agreement with a group of seventeen national and international banks to extend and amend the "revolving facility" originally signed on 10 December 2015.

The agreement provides for the extension of the maturity of the facility from December 2020 to July 2023, the reduction of the amount from the original Euro 1,500 million to Euro 1,000 million, and the improvement of certain economic conditions.

On 12 December 2019 Saipem fully reimbursed, through the utilization of available cash, the BPER bank facility negotiated in 2016 for a total amount of Euro 100 million.

On 31 January 2020 Saipem elected to redeem, through the utilization of available cash, 100% of the principal amount of the outstanding notes due 8 March 2021 for a total amount of Euro 500 million. On 3 March 2020 the transaction was settled.

The following table shows the debt maturity as of 31 December 2019:

<i>(in € mln)</i>	2020	2021	2022	2023	2024	2025	2026+
Other debt	152	0	0	0	0	0	0
Notes	0	500	500	500	0	500	0
ECA facilities	95	106	91	100	89	62	72
Bank facilities	113	63	63	38	0	0	0
<b>Total</b>	<b>360</b>	<b>669</b>	<b>654</b>	<b>638</b>	<b>89</b>	<b>562</b>	<b>72</b>

The Group's leverage, debt service obligations and requirements to comply with related covenants could have negative consequences for the Group in the longer term, including the following: (i) limiting the Group's ability to obtain additional financing in the future, including its ability to refinance its debt; (ii) because certain of the Group's current and future borrowings are or will be subject to variable interest rates, the Group is exposed to increases in interest rates, thereby reducing the Group's ability to use its cash flow in the longer term to fund working capital, capital expenditures and general corporate requirements, which could affect the Group's ability to expand its business further in the future; (iii) limiting the Group's ability to pay dividends; and (iv) placing the Group at a competitive disadvantage to other, less leveraged competitors or those who are not reliant on external funding.

In addition, any failure by the Group to make any of its scheduled debt repayments, or to reschedule such debt on favorable terms, would have a material adverse effect on the Group, its business prospects, its financial condition and its results of operation, with potential adverse consequences on the ability of the Issuer to pay interest on the Notes or repay the principal at maturity.

As of 31 December 2019, the Group had unused committed credit lines totaling Euro 1,000 million and unused uncommitted credit lines totaling Euro 235 million (respectively Euro 1,258 million and Euro 283 million as of 31 December 2018 and Euro 1,786 million and Euro 267 million as of 31 December 2017).

If the Group were to be forced to sustain additional costs to meet its financial commitments, the Group might be unable to meet its payment commitments or, as an extreme consequence, become insolvent, which would place the Group's assets at risk.

The inability to raise new funds (funding liquidity risk) or to liquidate assets on the market (asset liquidity risk) might lead to additional costs for the Group, or the insolvency of Saipem, either of which would have a material adverse effect on the Group, its business prospects, its financial condition and its results of operation with potential adverse consequences on the ability of the Issuer to pay interest on the Notes or repay the principal at maturity.

In addition, future changes in the accounting principles might have a material impact on (i) the financials of the Group, (ii) its ability to comply with covenants related to the existing indebtedness and (iii) its ability to refinance existing debt or to obtain additional financing.

***The Group is and may in the future be subject to a large variety of litigation and regulatory proceedings and cannot offer assurances regarding the outcomes of any particular proceeding.***

The Group and certain of its current and former directors, officers and employees are and may in the future be subject to some civil, tax and administrative proceedings, as well as some criminal and arbitral proceedings. The Group has accrued in its consolidated financial statements provisions for contingent liabilities related to particular proceedings in accordance with the advice of internal and external legal counsel. As of 31 December 2019, the sum of provisions for taxes and provisions for disputes amounted to Euro 135 million as compared to Euro 191 million as of 31 December 2018. Such provisions were made according to the applicable accounting principles.

Notwithstanding the foregoing, the Group has not recorded provisions in respect of all of the proceedings to which it is subject. There can be no assurance, therefore, that the Group will not be ordered to pay an amount of damages with respect to a given matter for which it has not recorded an equivalent provision or any provision at all or that it may not suffer from publicity or other adverse effects from any such proceeding. In addition, the Group may be involved in further proceedings in the future. Any of these events could have a material adverse effect on the Group, its business prospects, its financial condition and its results of operation, with potential adverse consequences on the ability of the Issuer to pay interest on the Notes or repay the principal at maturity.

***The Group conducts its operations within a strict health and safety regime. Its failure to comply with the relevant regulations could adversely affect its reputation and future revenue.***

The Group is subject to environmental, health and safety laws and regulations at both the national and international level. More specifically, the activities of the Group are subject to potential accidents that may have an impact on people and the environment. Despite the procedures put in place by the Group, the risk of accidents during the normal course of activities of the Group cannot be eliminated. In addition, the occurrence of such events could lead to criminal and/or civil sanctions against the offenders and, in some instances of violation of safety regulations, including Legislative Decree 231/2001, which may lead the Group to incur costs related to the application of sanctions and costs arising from fulfilling obligations under applicable environmental, health and safety laws and regulations.

Accidents or non-compliance with environmental, health and safety laws and regulations would have a material adverse effect on the Group, its business prospects, its financial condition and its results of operation, with potential adverse consequences on the ability of the Issuer to pay interest on the Notes or repay the principal at maturity.

***Certain major projects and operations are conducted using joint venture partners and associates, thereby reducing the degree of control the Group may exercise and potentially increasing its exposure to liability.***

In some of the countries in which the Group conducts business, the Group also pursues its development plans by entering into joint ventures with local or international partners. Any failure to reach agreement with local or international partners on the procedures and terms for developing or managing a project could adversely affect the Group's ability to develop specific projects. Accordingly, the Group may have to change or downscale its development goals due to difficult relations with business partners, which may adversely affect the business, earnings and financial position of the Group. In the event any strategic partners were to cease being a party to such joint venture agreements, any contracts entered into by the joint venture containing termination clauses due to change of control would have to be renegotiated with third parties.

Furthermore, the Group's joint venture partners may have economic or business interests or objectives that are inconsistent with, or opposed to, its interests or objectives and may exercise veto rights to block certain key decisions or actions that the Group believes are in its or the joint venture's or associate's best interests or approve such matters without the Group's consent. In addition, should accidents or incidents occur in operations in which the Group participates, whether as operator or otherwise, and where it is held that its joint-venture or consortium partners are legally liable to share any aspects of the cost of responding to such incidents, the financial capacity of these third parties may prove inadequate to indemnify the Group fully against the costs it incurs on behalf of the joint venture or contractual arrangement.

The Group may be jointly and/or severally liable for the acts or omissions of its joint venture partners. This typically arises under the terms of the contract with its client or may also arise under the terms of the joint venture or consortium arrangement or because the Group is exposed to the losses of any joint venture or consortium vehicle as the Group typically accepts primary liability by way of a separate guarantee for the overall performance of the contract where the Group is only providing part of the goods or services to the customer. If a customer were to pursue claims against the Group or against a joint venture as a result of the acts or omissions of its partners, its ability to obtain compensation from such partners may be limited. Recovery under such arrangements may involve delay, management time, costs and expenses or may not

be possible at all, which may have a material adverse effect on its business, financial position and results of operations. As of the date of this Base Prospectus, there are no ongoing material legal proceedings with partners.

The occurrence of any such events would have a material adverse effect on the Group, its business prospects, its financial condition and its results of operations.

***The Group depends on a relatively small number of customers.***

A significant amount of revenues and profits of the Group are derived from a small number of customers in a given year. As of 31 December 2019, its five top customers represent 45% of its backlog, though none of these customers represent more than 18% of its commercial receivables. These customers include major integrated and national oil and gas companies. The Group's inability to continue to perform services for a number of these large existing customers, if not offset by contracts with new or other existing customers, or delays in collecting receivables from these customers, would have a material adverse effect on the Group, its business prospects, its financial condition and its results of operations with potential adverse consequences on the ability of the Issuer to pay interest on the Notes or repay the principal at maturity.

***The Group is dependent on a small number of large contracts at any given time.***

Due to the size of many of the Group's projects, the majority of the Group's revenue in any year is derived from a relatively small number of contracts. Consequently, should any one of those contracts prove less profitable for the Group than expected, revenues may decline significantly, which would have a material adverse effect on the Group, its business prospects, its financial condition and its results of operations with potential adverse consequences on the ability of the Issuer to pay interest on the Notes or repay the principal at maturity.

In addition, the Group may have multiple projects for the same customer and therefore one customer may comprise a significant percentage of its backlog or of its revenue for any given period.

***The Group is subject to counter-party credit risk of customers, joint ventures, partners and subcontractors.***

The Group provides its services to a variety of contractual counterparties and is therefore subject to the risk of non-payment for services the Group has rendered or non-reimbursement of costs the Group has incurred. The contracts the Group enters into may require significant expenditure by the Group prior to receipt of relevant payments from the customer and expose the Group to potential credit risk.

In addition, the Group is active in a number of markets where payment terms are not always met or where its counterparties may take a strict contractual approach to performance of KPIs regardless of the overall success of the project. In these markets, management intervention is often required in order to obtain payment, but such intervention may not always be successful in obtaining payment in whole or in part.

The Group also enters into contracts with joint ventures or consortiums and unless appropriate guarantees can be obtained by the Group, it is subject to a higher risk of non-payment when the Group's contractual counterparty is a special purpose joint venture or consortium vehicle which does not have significant financial resources of its own, as such counterparties (particularly local partners in developing countries) may not be able to meet their financial or other obligations to the projects, potentially threatening the viability of such projects.

Furthermore, should accidents or incidents occur in operations in which the Group participates, whether as operator or otherwise, and where it is held that its joint-venture and consortium partners or subcontractors are legally liable to share any aspects of the cost of responding to such incidents, the financial capacity or protection provided by these third parties may prove inadequate to indemnify the Group fully against the costs the Group incurs on behalf of the joint venture, consortium or contractual arrangements. There can be no guarantee that the Group will be able to recover such damages from the relevant third party.

Failure by any of the Group's contractual counterparties to pay for services provided, reimburse costs or indemnify claims incurred by the Group may have a material adverse effect on the Group's cash flows, business, financial position and results of operations, with potential adverse consequences on the ability of the Issuer to pay interest on the Notes or repay the principal at maturity.

***The Group's long-term contracts may be subject to early termination, variation or non-renewal.***

As of 31 December 2019, the Group had a backlog of Euro 21,153 million. The majority of the projects in the Group's backlog are long-term contracts performed over a period exceeding three years. Any of the contracts may be terminated earlier than expected by the Group's customers, either within the relevant

notice periods or upon the Group's default or non-performance. In such circumstances the Group may not receive compensation in the event of early termination.

In addition, if a contract were to be terminated early, the Group may not recover its capital invested.

Moreover, certain long-term contracts are subject to periodic renewal and there can be no guarantee that such contracts will be renewed and, if renewed, that the renewal will be on the same or improved commercial terms. The early termination or non-renewal of contracts would have an adverse impact on the Group's business, financial position and results of operations as they may not be replaced by new contracts. Delays in the completion may also expose the Group to liquidated damages or other claims. The Group's contracts may also be subject to variation by renegotiation, requiring the Group to provide a different level of service, which may result in reduced profitability or losses being incurred. As a result, the Group's backlog is subject to unexpected adjustments and project cancellations and is, therefore, not an accurate indicator of future earnings. There is no certainty that the Group's backlog will generate expected revenues or cash flows or generate them at the time expected.

Projects may remain in the Group's backlog for an extended period of time. In addition, unforeseen events or circumstances, including cancellation, interruption or scaling down of projects, project disposal, change of orders, increased time required to complete projects, delays in commencing work, disruption of work, irrecoverable cost overruns or other unforeseen events may affect projects comprising the backlog and may result in reduced profitability, or losses, which may have a material adverse effect on the Group, its business prospects, its financial condition and its results of operation, with potential adverse consequences on the ability of the Issuer to pay interest on the Notes or repay the principal at maturity.

***Any reduction in the Group's credit rating could increase its cost of funding, adversely affect its interest margins and make its ability to raise new funds or renew maturing debt more difficult.***

Credit ratings are an important component of the Group's liquidity profile and affect the cost and other terms upon which the Group is able to obtain funding.

There is no assurance that a rating will remain for any given period of time or that a rating will not be lowered or withdrawn by the relevant rating agency if, in its judgement, circumstances in the future so warrant. A decision by a rating agency to downgrade or withdraw Saipem's credit rating (for whatever reason) could reduce Saipem's funding options, increase its borrowing costs and adversely affect its results of operations.

The Group's ability to successfully compete in the market for funding depends on various factors, which include financial stability as reflected by the operating results and credit ratings determined by internationally recognized credit agencies. Therefore, a downgrade in credit ratings may impact the Group's ability to raise funding, and may have a material adverse effect on its business, with potential adverse consequences on the ability of the Issuer to pay interest on the Notes or repay the principal at maturity.

Any downgrading of one or more of the above ratings could have a material adverse effect on the Group, its business prospects, its financial condition and its results of operations.

***The Group is exposed to risks related to the cybersecurity and the protection of confidential information.***

In the performance of its activities, the Group relies on information and data of a sensitive nature, which are processed and contained in paper or electronic documents, the unauthorized access and dissemination of which could be detrimental to the Group.

Although the Group adopts security protocols and policies, the Group may face threats to the security of its IT infrastructure or illegal attempts to access its computer system (cyber-attack) which could result in loss of data or damage to intellectual property and assets, removal or alteration of information or the interruption of production processes.

In addition, interruptions or failures in the computer system could affect the Group's operations, causing errors in the execution of operations, procedural inefficiencies and delays in the performance of activities.

Finally, the Group may face attempts to obtain the physical or electronic access to personal, confidential or other sensitive information being held at its facilities.

The occurrence of such events would have a material adverse effect on the Group, its business prospects, its financial condition and its results of operations.

***Ethical misconduct or breaches of applicable laws by the Group's employees or those acting on its behalf could be damaging to its reputation and shareholder value.***

The Group is subject to the risk of fraud and/or illegal activities by employees and third parties. More specifically, in carrying out its activities, the Group uses sub-contractors and suppliers that could engage in fraudulent conduct, in concert with the employees and to the detriment of the Group. In addition, the Group carries out its activities in various countries characterized by a high level of fraud and corruption, according to the "Corruption Perception Index" of Transparency International<sup>1</sup>.

Misconduct, fraud, non-compliance with applicable laws and regulations, or other improper activities by one or more of its employees, agents or partners could have a significant negative impact on its business and reputation. Such misconduct could include the failure to comply with regulations on lobbying or similar activities, regulations pertaining to internal control over financial reporting and various other applicable laws or regulations.

Even though in June 2018 Saipem has achieved the international certificate ISO 37001:2016 "Anti-corruption management systems", which identifies a management standard that helps organizations in the fight against corruption and provides significant help in implementing effective measures to prevent and deal with corruption, nevertheless the precautions the Group takes to prevent and detect fraud, misconduct or failures to comply with applicable laws and regulations may not be effective.

The Group's failure to comply with applicable laws or regulations or acts of fraud or misconduct could subject the Group to fines and penalties, and/or lead to the suspension of operations, which would have a material adverse effect on the Group, its business prospects, its financial condition and its results of operations.

***The Group's international operations are subject to political, social, economic and other uncertainties.***

The Group carries out a significant part of its business activities in countries outside the EU and North America, some of which may have a lesser degree of stability from a political, social and economic standpoint. Developments in the political framework, economic crisis, internal social conflicts or conflicts with other countries may temporarily or permanently compromise the Group's ability to operate in financially viable conditions and the likelihood of recovering its fixed assets in these countries; furthermore, organizational changes and specific management actions may become necessary to pursue operations within a different environment from that originally planned, possibly in compliance with company policies.

Further risks associated with activities in those countries include: (i) the lack of a stable regulatory framework and uncertainty on the rights of foreign companies in the event of contractual breaches by private entities or state agencies; (ii) unfavorable developments or implementation of laws and regulations, unilateral changes in contractual clauses reducing the value of assets, forced sales and expropriations; (iii) various types of restrictions on construction, drilling, import and export activities; (iv) tax increases; (v) internal social unrest leading to sabotage, attacks, violence and similar incidents; (vi) corruption; and (vii) acts of terrorism, vandalism and piracy. These events have little predictability and may erupt and evolve at any time. In cases where the Group's ability to operate is temporarily compromised, demobilization is planned with a view to ensure the protection of personnel and business assets that remain in the country affected by political instability, and to minimize operational disruption by adopting solutions for a faster and less costly resumption of normal activities once favorable conditions are restored. Such measures may lead to additional costs and affect financial performance.

Despite the actions taken by the Group, any developments in the political, economic and social environment of the countries in which the Group do business could cause delays and/or cancellations of strategic projects, would have a material adverse effect on the Group, its business prospects, its financial condition and its results of operations with potential adverse consequences on the ability of the Issuer to pay interest on the Notes or repay the principal at maturity.

#### COVID -19

As widely reported in the press, there has been an outbreak of coronavirus disease (COVID-19) in China, which has spread to certain additional countries throughout the world, including Italy. This outbreak (and any future outbreaks) of coronavirus disease has led (and may continue to lead) to disruptions in China's economy and/or the economies of other nations where the coronavirus disease has arisen and may in the future arise, and may result in adverse impacts on the global economy in general. The outbreak has been declared as a public health emergency of international concern by the World Health Organization, and the Health and Human Services Secretary has declared a public health emergency in the United States in response to the outbreak. These circumstances have led to volatility in the capital markets, may lead to

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<sup>1</sup>Source: Company Annual Report 2019.

volatility in or disruption of the credit markets at any time and may adversely affect the value of the Notes. Investors should note the risk that the virus, or any governmental or societal response to the virus, may affect the business activities and financial results of the Issuer, as a consequence of, but not limited to, a decrease in energy demand, financial difficulties of customers, disruptions in the supply-chain, lay-offs of staff, or may impact the functioning of the financial system(s) needed to make regular and timely payments, and therefore the ability of the Issuer to pay interest on the Notes.

***The Group relies on and may be unable to attract or retain sufficiently skilled personnel to meet its operational requirements.***

The Group depends to a significant extent on the professional contribution of highly specialized people, who play a decisive role in the execution of operational projects and the growth and development of the Group. In the event the relationship between the Group and one or more of such key people were to be interrupted for any reason, there is no assurance that the Group would be able to replace them promptly with equally qualified and suitable persons who can ensure the same operating and professional contribution in the short-term. In addition, during the market expansionary phases, the Group may experience recruiting delays due to greater demand for skilled staff that could negatively affect the performance and reputation of the Group.

The development of the Group's strategies will depend to a significant extent on the ability of the Group to attract and retain highly qualified and skilled personnel. The continued expansion of the Group in areas and activities requiring additional knowledge will also lead to the hiring of managers and technicians, including local staff, with different skill sets.

Interruption of the relationship with one of the key people or the inability to attract and retain highly qualified and skilled management staff or to build up the organization with people capable of managing the growth of the Group could result in future adverse effects on the earnings, equity and/or financial position of the Group.

Any of the above factors could have a material adverse effect on the Group, its business prospects, its financial condition and its results of operations with potential adverse consequences on the ability of the Issuer to pay interest on the Notes or repay the principal at maturity.

***Accidents involving strategic assets may adversely affect the Group's business and financial results.***

The Group owns and leases many assets that are used in the performance of its projects. As of the date of this Base Prospectus, the Group owned a fleet of 32 specialized offshore vessels, 15 offshore drilling assets, and 9 principal logistics and manufacturing bases.

All vessels belonging to the offshore, drilling and floaters segment owned by the Group at the date of this Base Prospectus, are certified by Classification Societies (Rina, ABS, DNV, BV, LR) part of the International Association of Class Societies ("IACS") grouping the Class Societies with the highest standards. This certification confirms that the relevant vessel has been built, managed and modified in accordance with specific technical requirements prescribed by the Classification Societies, Flag Administration and International Maritime Organization (IMO) regulations and Conventions (STCW, SOLAS, MARPOL, to mention the more significant). Certification is valid for five years and has to be reviewed annually through vessel verifications carried out by the same Classification Societies. In addition the Group has appointed and certified (by the Flag Administrations) a subsidiary company as responsible for the compliance and relevant certification of the fleet for the Maritime Management Systems respectively for the Safety (ISM Code), Security (ISPS Code) and Welfare (MLC2006 Convention).

These assets are subject to normal risks related to ordinary operations and to catastrophe risks related to weather events and/or natural disasters such as earthquakes, floods, hurricanes, riots, typhoons and wars. The occurrence of any of these events may disrupt the Group's operations and would have a material adverse effect on the Group, its business prospects, its financial condition and its results of operation.

Moreover, the Group incurs significant expenses for the maintenance of Group-owned assets. Such costs may increase and adversely affect the Group's ability to conduct adequate maintenance by events, such as (i) increases in the cost of labor, materials and services; (ii) technological changes; and (iii) changes in safety; and environmental protection laws and regulations. The occurrence of such events would have a material adverse effect on the Group, its business prospects, its financial condition and its results of operation with potential adverse consequences on the ability of the Issuer to pay interest on the Notes or repay the principal at maturity.

***The Group ability to provide bid bonds, performance bonds or letters of credit is limited and could negatively affect its ability to bid on or enter into significant long-term agreements.***

The Group has in the past been, and may in the future be, required to provide bid bonds or performance bonds to secure its performance under customer contracts or, in some cases, as a pre-requisite to submit a bid on a potential project. The Group may also be required to collateralize a portion of the bond. The Group's customers may have the ability to draw upon these performance bonds in the event the Group fail to cure a material breach of the contract within the applicable cure period. In addition, some of the Group's customers also require collateral guarantees in the form of letters of credit to secure performance or to fund possible damages as the result of an event of default under its contracts with them. If the Group enters into significant long-term agreements that require the issuance of letters of credit, its liquidity could be negatively impacted. Moreover, an event of default triggering an acceleration of payment or other indemnities under the financing, the Group may be unable to meet its obligations arising from a performance bond or letter of credit. If such a breach were to occur and the Group failed to cure it with the applicable cure period, the Group could incur a loss that could have a material adverse effect on its future revenues and business prospects, with potential adverse consequences on the ability of the Issuer to pay interest on the Notes or repay the principal at maturity.

***The Group is exposed to potential labor strikes that could impact its results.***

In general, the activities of the Group may be affected by work stoppages or other demonstrations by certain categories of workers, likely to disrupt business activities and resulting in potential delays in production activity in the offices, the yards and the logistic bases, on specialized vessels and in construction sites during the various steps of the projects. These risks could also affect the activities of partners, subcontractors and suppliers selected by the Group.

The Group's recovery plans, called "Fit for the Future" and "Fit for the Future 2.0", include workforce rationalization measures that will lead to a significant reduction of employees. Such reductions may lead to possible interruptions in the Group's operations due to strikes or other forms of work stoppage or periods of stressed relations with trade unions. Such labor strikes and work stoppages may have a material adverse effect on the Group, its business prospects, its financial condition and its results of operations.

***The Group's insurance and indemnities may not adequately cover all risks or expenses.***

The activities of the Group are exposed to risks arising from defects or misuse of the equipment, from malfunctions, failures and natural disasters, which may compromise the full and efficient functioning of plants and machinery. Moreover, a significant part of the activities of the Group involves the construction and renovation of major infrastructure and facilities, the movement of cranes and other machinery and other operational risks. These risks may expose the Group to significant liability for personal injury, manslaughter, product liability, property damage, pollution and other environmental damage. The Group may be exposed to claims for damages related to such risks and may also be involved in disputes and/or claims for damages arising from the subsequent management of its fleet. In some of the jurisdictions in which the Group conducts its operations, it could be subject to strict liability in matters relating to environmental issues and workers' compensation.

In addition, the Group's services involve the risk of contractual non-compliance and professional errors and omissions and other liability claims being made against the Group, as well as negative publicity that may adversely affect its financial position and results of operations. Furthermore, the Group provides performance warranties as to the services the Group provides and as to the proper operation and adherence to specifications of the plants and equipment the Group designs, modifies or constructs. Failure of this equipment to operate properly or to meet specifications may give rise to claims against the Group and may increase its costs by requiring additional engineering resources and services, replacement of parts and equipment or monetary reimbursement to a customer and these failures may be significant and costly.

Despite the Group's effort to manage these risks by including contractual limitations of liability and compensation while simultaneously insuring its employees and all its significant items of property, plant and equipment, such contractual limitations of liability and compensation may not be sufficient. Specifically, customers, suppliers and subcontractors may not have adequate financial resources or not take out adequate insurance coverage to fulfill their compensation obligations to the Group. In addition, the insurance coverage of the Group may not be sufficient to compensate all losses and contingent liabilities in the event of an accident, catastrophe or natural disaster. Some of the perils covered by the insurance may not be covered in the future or, if covered, the premiums could increase or no longer be financially viable.

If the Group were to incur significant liability and the contractual limitations, compensation obligations or insurance coverages do not envisage or are not sufficient to cover the losses arising from these liabilities, or if the payment of compensation by the insurance company of the Group were delayed, such circumstance would have a material adverse effect on the Group, its business prospects, its financial condition and its results of operations, with potential adverse consequences on the ability of the Issuer to pay interest on the Notes or repay the principal at maturity.

***Low oil prices may adversely affect the Group's revenues and profitability.***

The services of the Group have a strong focus on activities in the oil and gas industry in remote areas and deep water. Low oil prices may affect customer demand for engineering and constructions services (engineering, procurement, project management, construction and installation) and for drilling services (onshore and offshore).

The impact on the individual contractors in a prolonged low oil prices market environment cannot be accurately quantified. However, it may be assumed that in such an environment there would be (i) customer consolidation (resulting in the disappearance of independent players focused on activities with higher marginal cost of production and the concentration of operators capable of exploiting potential synergies), (ii) reduction in the amount of investments by oil and gas companies and a subsequent decline in the number of projects developed, with a consequent drop in the visible market for contractors, (iii) consolidation among contractors (both in engineering and construction and drilling), (iv) economic and financial difficulties for operators with no distinctive success factors, and (v) an increase in competition among contractors with a likely decrease in development costs of upstream assets (resulting in a decline in the marginal cost of production). Some of these trends could result in a more competitive environment, while others would lead to an improvement of market conditions for the Group (for example, the decrease in the number of contractors and the drop in the marginal cost of development). Given the diversity and unpredictability of possible outcomes in market such as the one described above, no accurate predictions can be made on the commercial, operational and competitive evolution of the Group if oil prices were to return and stabilize at low levels in the medium to long term. In any event, such a situation would likely have a material adverse effect on the Group, its business prospects, its financial condition and its results of operation, with potential adverse consequences on the ability of the Issuer to pay interest on the Notes or repay the principal at maturity.

***The Group operates in a highly competitive industry and its failure to remain competitive with its competitors, many of which have greater resources than the Group does, including in relation to the implementation of new technologies, could adversely affect its results of operations.***

The Group carries out its activities in an industry characterized by increasing competition, due to the strengthening of international competitors and the volatility of raw material prices (especially oil prices). In recent years a growing number of Asian competitors have acquired the technical and financial capability to compete in markets previously characterized by a limited number of market participants. It is therefore possible that the entry of new competitors with leading-edge resources and technologies could jeopardize the Group's market positioning. Additional competitive pressure on the Group, also due to possible downturns in the markets in which the Group is engaged, could negatively affect its market share. Moreover, a market scenario characterized by persistent low oil prices could lead to a consolidation of the market. The Group may not have the types of skills and the financial resources that would enable it to compete under such market conditions.

The Group provides guarantees on the performance of the plants it constructs and the services it provides. Failure to comply with the terms and conditions associated with such guarantees could lead to lower margins on the individual projects, with additional costs for the Group and a consequent deterioration in working capital needs. In addition, any errors in estimating operational and business risks and inadequate monitoring of subcontractors could lead to lower margins on individual projects, with additional costs for the Group and consequent deterioration in working capital needs.

The occurrence of such situations may have a material adverse effect on the Group, its business prospects, its financial condition and its results of operation.

***The Group is subject to risks associated with contractual pricing in its industry, including the risk that, if its actual costs exceed the costs the Group estimates on its fixed-price contracts, its profitability will decline, and the Group may suffer additional losses.***

The Group enters into contracts principally on the basis of competitive bids. The Group frequently negotiates the final terms and prices of those contracts with the customer. Although the terms of its contracts

vary considerably, a majority of its revenues are based on fixed-price contracts in which the Group agrees to do the work for a fixed amount for the entire project. These projects can involve complex design and engineering, significant procurement of equipment and supplies, drilling in challenging areas and extensive construction management and other activities conducted over extended time periods, predominantly in remote locations. The Group's actual costs related to these projects could exceed its projections. The Group attempts to cover the increased costs of anticipated changes in labor, material and service costs of long-term contracts, either through estimates of cost increases, which are reflected in the original contract price, or through price escalation clauses. Despite these attempts, however, the cost and gross profit the Group realizes on a fixed-price contract could vary materially from the estimated amounts because of supplier, contractor and subcontractor performance, its own performance, changes in project conditions, unanticipated weather conditions, variations in labor and equipment productivity and increases in the cost of raw materials over the term of the contract.

Depending on the size of a particular project, variations from estimated project costs could have a significant impact on its operating results. In the future, these factors and other risks generally inherent in the industry in which the Group operates may result in actual revenues or costs being different from those the Group originally estimated and may result in reduced profitability and/or losses on projects.

Performance problems relating to any significant existing or future contract arising as a result of any of these or other risks could cause its actual results of operations to differ materially from those the Group anticipates at the time the Group enters into the contract and could cause the Group to suffer damage to its reputation within its industry and its customer base which would have a material adverse effect on the Group, its business prospects, its financial condition and its results of operation with potential adverse consequences on the ability of the Issuer to pay interest on the Notes or repay the principal at maturity.

***Demand for the Group's services is linked to the level of expenditure by the oil and gas industry and fluctuating prices of, and supply and demand for, crude oil, natural gas, oil products and chemicals.***

Demand for the majority of the Group's services is dependent on expenditure by the oil and gas industry for the exploration and development of and production from crude oil and natural gas reserves. The level of expenditure and activity of its clients is driven largely by current and expected market prices, as well as supply and demand, for oil and gas, among other factors, which determine the capital and operating expenditure budgets of its principal customers. Prices of oil, natural gas, oil products and chemicals are affected by supply and demand, both globally and regionally and, moreover, prices for oil and gas can move independently from each other.

The recent upheavals affecting the price of oil at the beginning of March, produced by the global health emergency of Covid-19 combined with the outcome of the OPEC+ meeting and the decision of Saudi Arabia to increase its production of crude, caused a sharp drop in oil prices.

A persistent low oil prices market environment may contribute to increase political and social instability in various countries in which the Group conducts its business. This condition may affect the investment policies of the Group's major clients and expose the Group to: (i) delays in the negotiation process and possible cancellation of commercial initiatives related to future projects, (ii) cancellation and suspension of projects in progress (whether lump sum contracts or service contracts), (iii) delays and difficulties in obtaining the payment of contractual penalties provided as compensation to the company for the cancellation and suspension of such contracts, (iv) delays and difficulties in obtaining variation orders for changes in the scope of work requested by clients and executed by the Group; and (v) delays and difficulties in renewing rental agreements of the Group's drilling fleet with similar economic conditions. This economic and business environment may negatively affect the Group's relationship with customers and, in more serious cases, might also lead to arbitration.

Deterioration in customer relationships, customer resistance to formalize contractual issues associated with claims and variation orders and the continued evolution of the analyzed scenarios, given the lump sum remuneration envisaged in major outstanding contracts, can be a source of inaccuracies or errors in the determination of accounting items associated with such measurements (pending revenues). These events may have a material adverse effect on the Group, its business prospects, its financial condition and its results of operations, with potential adverse consequences on the ability of the Issuer to pay interest on the Notes or repay the principal at maturity.

***New technologies may cause the Group to become less competitive.***

The engineering and construction and drilling sectors are characterized by constant developments in technology and in the assets used. As competitors and others use or develop new technologies, the Group

may be placed at a competitive disadvantage. Further, the Group may face competitive pressure to implement or acquire certain new technologies at a substantial cost. The Group may not be able to implement new technology and/or products on a timely basis or at an acceptable cost. Thus, the Group's inability to effectively use and implement new and emerging technologies may have a material adverse effect on the Group, its business prospects, its financial condition and its results of operations.

***The Group's business and operations are subject to local laws and regulations.***

The activities carried out by the Group in Italy and abroad are subject to compliance with the laws and regulations in force in the countries in which it conducts business, including laws implementing international protocols and conventions relating to the specific industry. More specifically, the Group is exposed to risks related to changes in national tax systems, incentives, laws, rules and regulations, international tax treaties, and to risks related to their application and interpretation in the countries in which the Group do business. Therefore, the Group may be exposed to risks related to tax disputes.

Moreover, the Group is exposed to changes in local laws and regulations that require the use of certain percentages of personnel and goods and services provided by local companies ("**Local content**"). Any changes in these laws and regulations require the Group to change the level of local content used, thereby exposing the company to additional costs and delays in the execution of its projects.

The adoption of more restrictive or unfavorable legislative measures, or new compliance obligations or additional formalities associated with carrying out engineering and construction and drilling activities, may result in changes in operating conditions and require an increase in capital expenditures and production costs or in any case slow down the progress of activities. Therefore, any changes in the regulatory framework could adversely impact the business and the earnings, equity and/or financial position of the Group. In addition, any violations of laws and regulations may result in restrictions on the activities of the Group or in the imposition of fines, sanctions or significant penalties in the event of non-compliance with environmental laws and regulations. Any of these events would have a material adverse effect on the Group, its business prospects, its financial condition and its results of operations.

***Increases in the Group's cost structure or disruption in its supply chain could have a material adverse effect on results of operations and cash flows***

The Group relies on numerous suppliers of goods and services. At 31 December 2019, the Group's supply chain costs for purchases, services and other costs (including logistics and transport) amounted to Euro 6,240 million (Euro 6,110 million at 31 December 2018). As of 31 December 2019, the amount of orders issued by the Group, related to the supply chain to the first five suppliers (in terms of turnover) was Euro 854 million (Euro 1,438 million at 31 December 2018).

Any inadequate performance by suppliers and subcontractors could generate inefficiencies in the supply chain and, as a result, lead to additional costs relating to the difficulty of replacing suppliers or procuring the goods and services necessary for performing the activities or result in goods and services being procured at higher prices, possible legal actions brought by suppliers and delays in the completion and delivery of projects. In addition, stronger relations between key suppliers and vendors could limit the ability of the Group to obtain goods and services at favorable prices.

Finally, the deterioration in relations with suppliers could result in a competitive disadvantage due the decreased bargaining power of the Group, with consequent increases in prices and deterioration of contractual terms and conditions. The occurrence of such situations may have a material adverse effect on the Group, its business prospects, its financial condition and its results of operations.

***Interest rate fluctuations could affect the Group's earnings and cash flow.***

As of 31 December 2019, Euro 2,525 million, or 82% of the total financial liabilities (current and non-current) of the Group of Euro 3,078 million, had fixed rates. The remaining amount of Euro 553 million, or 18% of the total financial liabilities (current and non-current) of the Group, had variable rates.

Fluctuations in interest rates may significantly affect the financial results of the Group and the comparability of such results across the financial years, and higher effective interest rates would have a material adverse effect on the Group, its business prospects, its financial condition and its results of operations, with potential adverse consequences on the ability of the Issuer to pay interest on the Notes or repay the principal at maturity.

***The Group is subject to fluctuations in foreign currency exchange rates.***

The Group does business in non-EU countries and therefore the revenues and costs of a large part of its projects are denominated and settled in currencies other than the Euro. This fact is reflected in (i) the income statement result of individual members of the Group, which may be significantly affected by exchange rate fluctuations on specific transactions arising from the time lag existing between the execution of a given transaction and the definition of the relevant contractual terms (economic risk) and by the conversion of foreign currency-denominated trade and financial payables and receivables (transaction risk) and (ii) the Group's reported results and shareholders' equity, as financial statements of subsidiaries denominated in currencies other than the Euro are translated from their functional currency into Euro (translation risk).

In order to minimize economic and transactional exposures arising from foreign currency fluctuations as of 31 December 2019, the Group companies had currency exchange risk hedging contracts in place in the form of forward, outright and swaps for a total notional value of Euro 5,287 million. The Group does not undertake any hedging activity for risks deriving from the translation of foreign currency denominated profits of subsidiaries that prepare financial statements in a currency other than the Euro.

In light of the above, it is possible that fluctuations in currency exchange rates may significantly affect the financial results of the Group and the comparability of such results across the financial years, which could have a material adverse effect on the Group, its business prospects, its financial condition and its results of operation.

***The Group's business is affected by changes in commodity prices.***

The Group's operating results may be affected by changes in the prices of oil and gas products (such as fuel oil, lubricants, and fuel for boats) and raw materials, which are a cost associated with the operation of vessels, bases and shipyards or the implementation of projects and/or capital expenditures.

In order to reduce such commodity price risk, in addition to adopting, when possible, appropriate contractual arrangements with clients and suppliers, the Group carries out some limited hedging activities by means of over the counter derivatives (swap and bullet swaps in particular) which are traded in organized financial markets.

Despite the hedging put in place by the Group to control and manage price risk, the Group cannot guarantee that such hedging will be effective or adequate, or that in the future the Group will be able to continue using these hedging instruments. The occurrence of such situations would have a material adverse effect on the Group, its business prospects, its financial condition and its results of operation.

***The United Kingdom leaving the European Union may affect the Group's results***

Through a national referendum held on 23 June 2016, the majority of citizens of the United Kingdom expressed their desire to withdraw from the European Union. On 29 March 2017, the United Kingdom served notice of its withdrawal to the European Council.

As of 1 February 2020, the United Kingdom ceased to be an EU Member State and no longer participates in the political and institutions and governance structures of the European Union. However, the withdrawal agreement, pursuant to Article 50 of the Treaty on European Union, signed by the representatives of the United Kingdom and the European Union provided a transitional period which would extend the application of EU law, and provide the United Kingdom with continuing access to the European Union single market until 31 December 2020. Such transitional period can be extended once, by up to one to two years. Such a decision must be taken jointly by the European Union and United Kingdom before 1 July 2020, subject to further extension.

The effects of Brexit can be multifarious and many will depend on any agreements the United Kingdom makes to retain access to European Union markets either during a transitional period or more permanently. Brexit could adversely affect European or worldwide economic market conditions and could contribute to instability in global financial and foreign exchange markets, including volatility in the value of the pound sterling or the euro. In addition, Brexit could lead to legal uncertainty and potentially divergent national laws and regulations as the United Kingdom determines which European Union laws to replace or replicate.

In light of the above, it is possible that any of these effects of Brexit, and others which cannot be anticipated, may significantly affect the financial results of the Group and the comparability of such results across the financial years, which could have a material adverse effect on the Group, its business prospects, its financial condition and its results of operation.

***The Group recognizes revenues over time based on the stage of completion and utilizing the cost-to-cost method of accounting which could result in a reduction in its results of operations.***

A significant portion of the Group's revenues are accounted for over time based on the stage of completion and utilizing the cost-to-cost method, which results in recognizing its contract revenues and earnings *pro rata* over the contract term in proportion to its incurrence of contract costs. The earnings or losses recognized on individual contracts are based on estimates of contract revenues, costs and profitability. The Group reviews its estimates of contract revenue, costs and profitability on an ongoing basis. Prior to contract completion, the Group may adjust its estimates on one or more occasions as a result of change orders to the original contract, collection disputes with the customer on amounts invoiced or claims against the customer for increased costs incurred by the Group due to customer-induced delays and other factors. To the extent these adjustments result in a reduction of previously reported profits with respect to a project, the Group would recognize a charge against current earnings, which could be material and result in a reduction of revenues in the relevant accounting period.

The Group current estimates of its contract costs and the profitability of its long-term projects, although reasonably reliable when made, could change as a result of the uncertainties associated with these types of contracts, and if adjustments to overall contract costs are significant, the reductions or reversals of previously recorded revenues and profits could be material in future periods. Although the Group has historically made reasonably reliable estimates of the progress towards completion of its construction contracts, the uncertainties inherent in the estimating process make it possible for actual costs to vary materially from estimates, including reductions or reversals of previously recorded revenues and profits. In addition, change orders, which are a normal and recurring part of the Group's business, can increase (and sometimes substantially) the future scope and cost of a project. Therefore, change order awards (although frequently beneficial in the long term) can have the short-term effect of reducing revenues and profits that otherwise would be recognized to date. This would have a material adverse effect on the Group, its business prospects, its financial condition and its results of operations.

***The Group depends on licenses, regulations and certifications.***

Certain business operations of the Group are dependent on obtaining various permits, licenses and authorizations issued by national and international governments. Each of these authorizations, licenses or permits may be revoked, canceled or amended. Despite the fact that permits, licenses and authorizations currently in force are regularly renewed by the various agencies; such renewal may be withheld, delayed or affected by several factors, including: (i) failure to submit adequate financial guarantees; (ii) non-compliance with laws and regulations on the environment and safety at work or other specific conditions linked to renewal of the said documents; (iii) opposition from local communities; (iv) enforcement action; and (v) legislative action.

Moreover, in the event of issue or entry into force or of changes in case law regarding the interpretation or application of new laws or regulations regarding the environment, health and safety at work or other issues concerning permits, licenses and authorizations, it may become necessary to obtain additional operating permits or approvals. Failure to obtain or failure to comply with the requirements for issuing or renewing such permits, licenses or approvals would have a material adverse effect on the Group, its business prospects, its financial condition and its results of operations.

***The Group relies on intellectual property law and confidentiality agreements to protect its intellectual property. Its failure to protect its intellectual property rights, or its inability to obtain or renew licenses to use intellectual property of third parties, could adversely affect its business.***

The Group's success depends, in part, on its ability to protect its proprietary information and other intellectual property. Its intellectual property could be challenged, invalidated, circumvented or rendered unenforceable. In addition, effective intellectual property protection may be limited or unavailable in some foreign countries where the Group operates. The Group relies significantly on proprietary technology, confidential information, processes and know-how that are not subject to patent or copyright protection.

The Group seeks to protect this information through trade secret or confidentiality agreements with its employees, consultants, subcontractors or other parties, as well as through other security measures. These agreements and security measures may be inadequate to deter or prevent misappropriation of its confidential information. In the event of an infringement of its intellectual property rights, a breach of a confidentiality agreement or divulgence of proprietary information, the Group may not have adequate legal remedies to protect completely its intellectual property. Litigation to determine the scope of intellectual property rights, even if ultimately successful, could be costly and could divert management's attention away from other aspects of its business. In addition, its trade secrets may otherwise become known or be independently developed by competitors. Any of these events would have a material adverse effect on the Group, its business prospects, its financial condition and its results of operations.

***The Group could be adversely affected by violations of the US Foreign Corrupt Practices Act or other applicable worldwide anticorruption laws.***

The U.S. Foreign Corrupt Practices Act ("FCPA") and other applicable worldwide anti-corruption laws generally prohibit companies and their intermediaries from making improper payments to government officials for the purpose of obtaining or retaining business. The Group operates in some countries that international corruption monitoring groups have identified as having high levels of corruption. The activities carried out by the Group create the risk of unauthorized payments or offers of payments by one of its employees or agents that could be in violation of the FCPA or other applicable anticorruption laws. The Group's training program and policies mandate compliance with applicable anticorruption laws. Although the Group has policies, procedures and internal controls in place to monitor internal and external compliance, the Group cannot assure that the policies and procedures will protect the Group from the actions of employees or agents of the Group. If the Group is found to be liable for violations of the FCPA or other applicable anti-corruption laws (either due to the Group's acts or the inadvertence, or due to the acts or inadvertence of others), the Group could suffer from civil and criminal penalties or other sanctions which, together with any adverse publicity generated by such results, could have a material adverse effect on the Group's business, financial condition, results of operations and cash flows.

***Limited financial information on the Guarantors***

The Base Prospectus includes consolidated financial information relating to the Group and does not include separate financial information of any of the Guarantors. See "*Information Incorporated by Reference*". As a consequence, the consolidated financial information included herein may be of limited use to investors in assessing the financial position of each of the guarantor companies. The following table represents (i) the EBITDA and total assets figures of each of the Issuer and the Guarantors and (ii) the percentage that such EBITDA and total assets bear, respectively, to the consolidated EBITDA and consolidated total assets of the Group based on the financial information as at and for the year ended 31 December 2019:

Issuer	EBITDA 2019		TOTAL ASSETS as at 31 Dec 2019	
	€m	%	€m	%
Saipem Finance International B.V.	-2*	-0.2%	5,095	39.2%
<b>Guarantors</b>				
Saipem S.p.A.	-140	-12.2%	7,489	57.6%
Saipem (Portugal) Comercio Maritimo	252	22.0%	2,057	15.8%
Saipem S.A.	269	23.5%	979	7.5%
Saipem Limited	25	2.2%	355	2.7%
Global Petroprojects Services AG	4	0.3%	172	1.3%
Saipem Contracting Netherlands B.V.	37	3.2%	505	3.9%
Sofresid S.A.	20	1.7%	136	1.0%
Saipem Offshore Norway AS	83	7.2%	1,491	11.5%
Saipem Drilling Norway AS	12	1.0%	386	3.0%
Saipem Contracting Nigeria Limited	25	2.2%	472	3.6%
Saipem Luxembourg S.A.	60	5.2%	257	2.0%
Snamprogetti Saudi Arabia Co. Ltd	153	13.4%	1,255	9.6%
Saudi Arabian Saipem Ltd	148	12.9%	582	4.5%
<b>Total Guarantors</b>	<b>948</b>	<b>82.6%</b>	<b>16,162</b>	<b>124.2%</b>
<b>Consolidated Saipem Group</b>	<b>1,146</b>	<b>100%</b>	<b>13,009</b>	<b>100%</b>

\* EBITDA is calculated as net result + income taxes – net financial result as disclosed in the stand-alone annual financial statements of the Issuer for the year ended 31 December 2019, incorporated by reference.

## **Risks relating to the Notes**

### ***The Notes may not be a suitable investment for all investors***

Each potential investor in the Notes must determine the suitability of that investment in the light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets;
- (v) understand that the Notes are general senior unsecured obligations of the Issuer and any Guarantors.
- (vi) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

### ***Change of Control***

Upon the occurrence of certain change of control events relating to Saipem, as set out in Condition 13(f) (*Redemption and Purchase - Redemption at the option of Noteholders upon a Change of Control*), under certain circumstances each Noteholder will have the right to require the Issuer to redeem its Notes at the Optional Redemption Amount. It is possible, however, that the Issuer will not have sufficient funds to redeem the Notes at the time that a Put Event (Change of Control) in respect of Saipem occurs. If sufficient funds are not available to the Issuer for the purposes of carrying out the redemption, Noteholders may receive less than the principal amount of the Notes should they elect to exercise their right to redeem. Furthermore, if such a right to redeem is exercised by the Noteholders, this might adversely affect the Issuer's financial position.

### ***Breach of Guarantor Coverage Level***

Upon the occurrence of a breach of the Guarantor Coverage Level relating to any Original Guarantors, as set out in Condition 13(i) (*Redemption and Purchase - Redemption at the option of Noteholders upon a breach of the Guarantor Coverage Level*), under certain circumstances each Noteholder will have the right to require the Issuer to redeem its Notes at the Optional Redemption Amount. It is possible, however, that the Issuer will not have sufficient funds to redeem the Notes at the time that a Put Event (Guarantor Coverage Level) occurs. If sufficient funds are not available to the Issuer for the purposes of carrying out the redemption, Noteholders may receive less than the principal amount of the Notes should they elect to exercise their right to redeem. Furthermore, if such a right to redeem is exercised by the Noteholders, this might adversely affect the Issuer's financial position.

***The conditions of the Notes do not contain limitations on the Issuer's or the Guarantors' incurrence of additional debt in the future***

The conditions of the Notes do not prohibit either the Issuer or any of the Guarantors from issuing, providing guarantees or otherwise incurring further debt ranking *pari passu* with its existing obligations. If the Issuer or any Guarantor incurs significant additional debt ranking equally with the Notes, it will increase the number of claims that would be entitled to share rateably with Noteholders in any proceeds distributed in connection with an insolvency, bankruptcy or similar proceeding.

***Additional Guarantors may be appointed and accordingly the Relevant Jurisdictions for determining entitlement to additional amounts may vary***

Condition 15 provides that if a withholding or deduction is required in respect of payments under the Notes, the Issuer or relevant Guarantor must pay additional amounts to the Noteholders and Couponholders. No such additional amounts are payable in certain circumstances, including if the Note or Coupon is presented for payment in a Relevant Jurisdiction or to a holder having some connection with a Relevant Jurisdiction. The concept of Relevant Jurisdiction is determined by reference to the jurisdiction in which the Issuer or the relevant Guarantor, as the case may be, is resident for tax purposes. On 29 June 2020, the Issuer will be tax resident in The Netherlands and the Guarantors will be tax resident in Italy, France, the UK, Portugal, Norway, The Netherlands, Switzerland, Luxembourg, Nigeria and Saudi Arabia. However, Additional Guarantors may accede as guarantors of the Issuer's obligations under the Notes in the manner described in the Conditions. Accordingly, the Relevant Jurisdictions which are relevant for determining whether or not a Noteholder or Couponholder is entitled to receive additional amounts may vary, and so preclude the Noteholder or Couponholder claiming such additional amounts.

***The claims of Noteholders are structurally subordinated with respect to entities that are not guarantors of the Notes***

The operations of the Group are principally conducted through subsidiaries of Saipem, including (but not limited to) the Original Guarantors. Noteholders will not have a claim against any subsidiaries of Saipem that are not Guarantors. The assets of Saipem's non-guarantor subsidiaries will be subject to prior claims by creditors of those Group companies that are not Guarantors, whether such creditors are secured or unsecured.

***The Guarantees may be limited by applicable laws or subject to certain defences that may limit their validity and enforceability***

The Guarantees of the Notes given by the Guarantors provide Noteholders with a direct claim against the relevant Guarantor in respect of the Issuer's obligations under the Notes. Enforcement of each Guarantee of the Notes would be subject to certain generally available defences. Local laws and defences may vary, and may include those that relate to corporate benefit, fraudulent conveyance or transfer, voidable preference, financial assistance, corporate purpose, and capital maintenance or similar laws. They may also include regulations or defences which affect the rights of creditors generally. If a court were to find a Guarantee of the Notes given by a Guarantor void or unenforceable as a result of such local laws of defences Noteholders would cease to have any claim in respect of that Guarantor and would be creditors solely of the Issuer and any remaining Guarantors

Enforcement of each Guarantee is subject to the detailed provisions contained in the Deed of Guarantee (and any supplemental Deed of Guarantee) and the Trust Deed (and any supplemental Trust Deed) which include certain limitations reflecting mandatory provisions of the laws of each Guarantor's jurisdiction.

With reference to any Guarantor incorporated in Italy for the purpose of (*inter alia*) article 1938 of the Italian Civil Code the obligations of such Guarantor under the Guarantee of the Notes shall at no time require the Guarantor to pay any amount which exceeds the outstanding principal amount plus interest of each series of Notes issued under the Programme, **provided that** the Guarantor shall only be liable up to an amount which is 150 per cent. of the aggregate principal amount of each series of Notes issued under the Programme (as specified in the applicable Final Terms).

With reference to any Guarantor incorporated in France, the obligations and liabilities of any French Guarantor under the Guarantee of the Notes shall not include any obligation or liability which, if incurred, would constitute the provision of financial assistance within the meaning of article L.225-216 of the French

Code de Commerce and/or would constitute a misuse of corporate assets within the meaning of articles L.241-3/L.242-6/L.244-1 of the French Code de Commerce or any other law or regulation having the same effect, as interpreted by French courts and/or would infringe article L. 511-7 of the French Code monétaire et financier. In addition, the obligations and liabilities of each French Guarantor under the Guarantee of the Notes shall be limited at any time to an amount equal to the aggregate of all amounts directly or indirectly made available under the Notes and the Trust Deed to the Issuer to the extent directly or indirectly on-lent to such French Guarantor under intercompany loan agreements and outstanding at the date a payment is to be made by such French Guarantor in accordance with the Guarantee of the Notes. No French Guarantor acts jointly and severally with the other Guarantors or the Issuer and no French Guarantor shall therefore be considered as "*co-débiteur solidaire*" as to the Guarantee of the Notes.

With reference to any Guarantor incorporated and organised under the laws of Portugal ("**Portuguese Guarantor**"), the obligations of a Portuguese Guarantor under the Deed of Guarantee and the Trust Deed shall not extend to: (i) any obligations and liabilities under the Notes whose proceeds have been used directly or indirectly by the Issuer for any purposes in respect of which the assumption of any obligations and liabilities by a Portuguese Guarantor would be deemed to constitute unlawful financial assistance under Portuguese law; or, save for the existence of a legitimate corporate interest ("*interesse legítimo*") of the Portuguese Guarantor, (ii) the obligations and liabilities of an Issuer or any other Guarantor that is not controlled by, or which controls, a Portuguese Guarantor.

With reference to any Guarantor incorporated in Nigeria (a "**Nigerian Guarantor**"), the obligations and liabilities of any Nigerian Guarantor under the Guarantees of the Notes shall be governed by the mandatory provisions of law applicable to the Nigerian Guarantor limiting the legal capacity or ability of the Nigerian Guarantor to provide a guarantee including, but not limited to, its memorandum and articles of association.

However, certain limitations under Nigerian law may render the obligations under the Guarantee unenforceable against the Nigerian Guarantor. Thus, a court may void any guarantee and, where payment has already been made under the relevant guarantee, require that the recipient return the payment to the relevant guarantor, if the court finds that:

- (A) the Guarantees were provided or a payment has been made pursuant to the Guarantee within three months prior to the filing of an insolvency petition (the "**Hardening Period**"), with a view to conferring a preference on such creditor over other creditors. Accordingly, any payment which takes place within the Hardening Period will be deemed fraudulent and voided unless it is shown that the transfer was made in good faith and was not made with a view to prefer a particular creditor over other creditors; or
- (B) the Guarantees have been adversely affected by specific or general defenses available under Nigerian law in respect of the validity, bindingness and enforceability of such guarantees. These may include general contractual defenses such as mistake, misrepresentation and illegality which may vitiate the terms of the Guarantees.

Also, under Nigerian law, a liquidator is empowered, with leave of court, to disclaim, within twelve months after the commencement of a winding-up, unprofitable contracts or any other property that is unsaleable or not readily saleable by reason of its binding the company to the performance of any onerous act or to the payment of any sum of money. In effect, where the Guarantee is called upon by the Trustee (on behalf of the Noteholders) after the commencement of a winding up against the Nigerian Guarantor, the liquidator may exercise its powers to apply for the leave of the court to disclaim the Guarantees on account that the performance of the Guarantors' obligations under the Guarantee will be onerous to the Guarantor being wound up.

Where the rights under the Guarantees are found to have arisen prior to the date of the disclaimer, then the right to disclaim would not be exercisable. Furthermore, a liquidator is not generally entitled to disclaim a contract merely because it is financially disadvantageous.

With reference to any Guarantor incorporated under the laws of the Grand Duchy of Luxembourg (a "**Luxembourg Guarantor**"), the Deed of Guarantee provides that the aggregate amount payable by the Luxembourg Guarantor under the Deed of Guarantee is limited to 80 per cent of the amount equal to the fair value of the assets of the Luxembourg Guarantor (as determined by an independent advisor in its sole

commercially reasonable discretion appointed by the Issuer) as at the date on which a demand is made under the Deed of Guarantee, less all existing liabilities (other than any liabilities owed from time to time to an affiliate of the Luxembourg Guarantor) incurred from time to time to by the Luxembourg Guarantor and as reflected, from time to time, in the books of the Luxembourg Guarantor.

Further, the Deed of Guarantee provides that the amounts due by the Luxembourg Guarantor under the Deed of Guarantee shall be reduced by any amount paid by the Luxembourg Guarantor under any other guarantee provided by the Luxembourg Guarantor in respect of any other obligations and liabilities of the Issuer.

Further, the guarantee given by the Luxembourg Guarantor provide the Trustee (on behalf of the Noteholders) with a direct claim against the Luxembourg Guarantor in respect of the Issuer's obligations under the Notes. Enforcement of each guarantee would be subject to certain generally available defences. Local laws and defences may vary, and may include those that relate to corporate benefit (*ultra vires*), fraudulent conveyance or transfer (*actio pauliana*), voidable preference, financial assistance, corporate purpose, liability in tort, subordination and capital maintenance or similar laws and concepts. They may also include regulations or defences which affect the rights of creditors generally.

When a Luxembourg company grants guarantees and security interests, applicable corporate procedures normally entail that the decision be approved by a board resolution or by the decision of delegates that have been appointed for such purpose. In addition, the granting of the envisaged guarantees must comply with the Luxembourg company's corporate object. The proposed action by the company must be "in the corporate interest of the company," which is a translation of the French *intérêt social*, an equivalent term to the English legal concept of corporate benefit. The concept of "corporate interest" is not defined by law, but has been developed by doctrine and court precedents and may be described as being "the limit of acceptable corporate behaviour."

Whereas the abovementioned limits of corporate power are based on objective criteria (provisions of law and of the articles of association), the concept of corporate benefit requires a subjective judgment. In a group context, the interest of the companies of the group taken individually is not entirely eliminated. With respect to security grantors incorporated in Luxembourg, even if the Luxembourg law of 10 August 1915 on commercial companies, as amended (the "**Companies Law 1915**"), does not provide for rules governing the ability of a Luxembourg company to guarantee the indebtedness of another entity of the same group, it is generally held that within a group of companies, in the context of a group of related companies, the existence of a group interest in granting upstream or cross-stream assistance under any form (including under the form of guarantee or security) to other group companies could constitute sufficient corporate benefit to enable a Luxembourg company to grant such guarantee or security, provided that the following conditions are met (and subject in any event to all the factual circumstances of the matter): (i) such guarantee must be given for the purpose of promoting a common economic, social and financial interest determined in accordance with policies applicable to the entire group, (ii) the commitment to grant such guarantee must not be without consideration and such commitment must not be manifestly disproportionate in view of the obligations entered into by other group companies, and (iii) such guarantee granted or any other financial commitments must not exceed the financial capabilities of the committing company.

Although the existence of a corporate interest in the granting of a guarantee on a group level is certainly important, the mere existence of such a group interest does not compensate for a lack of corporate interest for one or more of the companies of the group taken individually. The concept of corporate benefit is of particular importance in the context of misuse of corporate assets provided by Article 1500-11 of the Companies Law 1915. The failure to comply with the corporate benefit requirement will typically result in liability (personal and/or criminal) for the directors or managers of the guarantor concerned. The guarantees granted by a Luxembourg company could themselves be held void or unenforceable if their granting is contrary to Luxembourg public policy (*ordre public*). It should be stressed that, as is the case with all criminal offenses addressed by the Companies Law 1915, a director or a manager of a company will in general be prosecuted for misuse of corporate assets only if someone has lodged a complaint with the public prosecutor. This person may be an interested third party, e.g., a creditor, a minority shareholder, a liquidator or an insolvency receiver. In addition, it cannot be excluded that the public prosecutor could act on its own initiative if the existence of such a misuse of corporate assets became known to him. If there is a misuse of corporate assets criminally sanctioned by court, then this could, under general principles of law, have the effect that contracts concluded in breach of Article 1500-11 of the Companies Law 1915 will be held null and void.

The criteria mentioned above have to be applied on a case-by-case basis, and a subjective, fact-based judgment is required to be made, by the directors or managers of the relevant Luxembourg company. As a result of the above considerations, guarantees and foreign law security interests granted by a Luxembourg company may be subject to certain limitations, which will take the form of (if necessary) general limitation language (limiting the obligations of such Luxembourg company to a certain percentage of, *inter alia*, its assets), which is inserted in the relevant guarantees and other Notes documents and which covers the aggregate obligations and exposure of the relevant Luxembourg company under the Deed of Guarantee.

The registration of the Notes documents, the Notes, the Deed of Guarantee and the other transaction documents (and any document in connection therewith) with the *Administration de l'Enregistrement et des Domaines* in Luxembourg is required if the Notes documents, the Guarantees or the Notes are either (i) attached as an annex to an act (*annexes à un acte*) that itself is subject to mandatory registration or (ii) deposited in the minutes of a notary (*déposés au rang des minutes d'un notaire*). In such cases, as well as in case of a voluntary registration, the Notes documents, the Deed of Guarantee or the Notes will be subject to registration duties payable by the party registering, or being ordered to register, the Notes documents, the Deed of Guarantee or the Notes. Depending on the nature of the Notes documents and the Deed of Guarantee, such registration duties would be ad valorem (such as for instance a registration duty of 0.24% calculated on the amounts mentioned in those agreements) or fixed (such as for instance a registration duty of EUR 12 for a pledge or for the Notes). The Luxembourg courts or the official Luxembourg authority may require (when these are presented before them) that the Notes, the Deed of Guarantee, the Notes documents and any other transaction documents (and any document in connection therewith) and any judgment obtained in a foreign court be translated into French or German.

With reference to any Guarantor incorporated in Norway (a "**Norwegian Guarantor**"), the obligations and liabilities of any Norwegian Guarantor under the Guarantees of the Notes shall be limited by the mandatory provisions of law applicable to the Norwegian Guarantor limiting the legal capacity or ability of the Norwegian Guarantor to provide a guarantee including, but not limited to, the provisions of Sections 8-7 and 8-10, cf. 1-3 and 1-4 of the Norwegian Companies Act of 13 June 1997 no.44, regulating unlawful financial assistance and the provision of other prohibited loans, guarantees, such as upstream and cross-stream guarantees, and other security. The liability of each Guarantor incorporated in Norway for the Issuer's and the other Guarantors' obligations under the Notes will be limited to the aggregate of 120 per cent of the total commitment, plus any unpaid amount of interest and costs under the Notes.

With reference to any Guarantor incorporated in Switzerland (a "**Swiss Guarantor**"), payment obligations, liabilities and/or indemnifications by a Swiss Guarantor under the Guarantee of the Notes or any other documents in connection with the Notes in respect of obligations of the relevant Swiss Guarantor's direct or indirect parent companies (so-called "upstream obligations") or in respect of obligations of the relevant Swiss Guarantor's direct or indirect sister companies (so-called "cross-stream obligations") are subject to certain limitations and requirements under Swiss corporate rules. In particular, upstream and cross-stream obligations must be within the corporate purpose and interest of the relevant Swiss Guarantor and must not result in a repayment of the legally protected capital or other non-permitted distribution of assets. In addition, payments under upstream and cross-stream guarantees may be subject to Swiss withholding tax at a rate of 35 per cent (or such other rate as in force from time to time), which must, as a rule, be deducted from the gross payment.

With reference to any Guarantor incorporated in Saudi Arabia (a "**Saudi Arabian Guarantor**"), under Saudi Arabian law there is no distinction between a guarantee as a secondary obligation and an indemnity as a primary obligation, and it is likely that a court or judicial committee in Saudi Arabia would treat both obligations as being in the nature of a guarantee. Therefore, the limitations discussed in this section apply equally to obligations expressed to be guarantees and obligations expressed to be indemnities.

Guarantees are viewed as "voluntary obligations" and as a result Saudi Arabian courts and judicial committees are likely to construe the terms and conditions of a guarantee in favour of the guarantor. For instance, we understand that it is the practice of certain courts and judicial committees in Saudi Arabia to consider a creditor filing a claim against the borrower without joining the guarantor as a party to the action to have waived its rights to claim against the guarantor, unless the claim expressly preserves the creditor's rights to claim against the guarantor. Additionally, if a creditor delays in exercising its rights against a guarantor in respect of an unpaid debt for a long period of time (as determined by the relevant court or judicial committee), the relevant court of judicial committee may construe such delay as a waiver of the

creditor's rights. Similarly, there are certain limitation periods within which a claim will have to be filed before the relevant court or judicial committee in Saudi Arabia, failing which the claim may be time-barred.

In the event any guaranteed obligation proves to be illegal or unenforceable under Saudi Arabian law, the guarantee provided by the relevant Saudi Arabian Guarantor and any obligation held by a Saudi court or judicial committee to constitute a guarantee would, in respect of those underlying illegal or unenforceable obligations, also be unenforceable before the courts or judicial committees of Saudi Arabia. Moreover, under Islamic law, a guarantee cannot be enforced to recover monies due to a failure on behalf of a party to pay a sum in the nature of interest (howsoever described). Accordingly, the relevant Saudi Arabian Guarantor would have, in addition to its own defences arising out of the guarantee relationship, the right to avail itself of any defences arising out of the guaranteed obligations or underlying debt.

A court or judicial committee in Saudi Arabia is likely to refuse to give a judgment in respect of principal amounts to the Noteholders in an amount greater than the principal sums found by such court or judicial committee to be due and payable less the sums in the nature of interest already paid by the Issuer or the Guarantors to the Noteholders.

A court or judicial committee in Saudi Arabia may also refuse to recognise the failure of the Issuer to pay any amount in the nature of, or otherwise related to, the payment of interest or deemed interest as an event of default. The Noteholders may, therefore, be unable to rely upon such a failure as an event of default under the terms of such agreements which may in turn limit their recourse against the Saudi Arabian Guarantors.

The obligations of the guarantor cannot be stricter than the guaranteed obligations. Moreover, an open ended guarantee that does not specify any limit on the guaranteed obligations is unlikely to be enforceable under Saudi Arabian law.

In the event that the guaranteed obligations are amended (including in relation to any change to a beneficiary of the guarantee) without the relevant Saudi Arabian Guarantor's consent then the guarantee provided by such Saudi Arabian Guarantor (and any obligation held by a Saudi court or judicial committee to constitute a guarantee) will not cover such amendments. If the beneficiaries of a guarantee release the Issuer from any guaranteed obligation, the Saudi Arabian Guarantor will also be released from such obligations.

Any payment made by the Issuer, or by the Saudi Arabian Guarantor, in respect of the Notes may automatically be deemed to discharge the corresponding guaranteed obligations and to reduce the Saudi Arabian Guarantor's liability in respect of such guaranteed obligation, notwithstanding any provision to the contrary.

As long as any part of the guaranteed amount has not been paid to the Issuer in respect of the Notes, the Saudi Arabian Guarantor has the right to revoke its guarantee of such part of the guaranteed amount. However, this will not affect the Saudi Arabian Guarantor's obligation to guarantee the amount that has already been paid to the Issuer in respect of the Notes.

It is uncertain under the laws of Saudi Arabia whether the obligations of a guarantor incurred following the insolvency of the guarantor will be enforceable with respect to the guarantor, as the debt owed by that guarantor will become due at the time of the insolvency. Therefore, it is unclear whether in any particular case a guarantee would continue to be effective after the insolvency of the guarantor and bind the liquidator in respect of advances made thereafter.

***Enforcement of the guarantees across multiple jurisdictions may be difficult***

The Issuer is incorporated under the laws of The Netherlands and the Guarantors are incorporated under the laws of multiple jurisdictions, being, in the case of the Guarantors, Italy, France, the UK, Portugal, Norway, The Netherlands, Luxembourg, Nigeria, Switzerland and Saudi Arabia. In the event of bankruptcy, insolvency or a similar event, proceedings could be initiated in any of these jurisdictions. The rights of the holders of the Notes under the Guarantee of the Notes will thus be subject to the laws of a number of jurisdictions, and it may be difficult to effectively enforce such rights in multiple bankruptcy, insolvency and other similar proceedings. Moreover, such multi-jurisdictional proceedings are typically complex and costly for creditors and often result in substantial uncertainty and delay in the enforcement of creditors' rights. In addition, the bankruptcy, insolvency, administration and other laws of the jurisdiction of organisation of the Issuer and the Guarantors may be materially different from, or in conflict with, one another, including creditors' rights, priority of creditors, the ability to obtain post-petition interest and the

duration of the insolvency proceeding. The application of these various laws in multiple jurisdictions could trigger disputes over which jurisdictions' law should apply and could adversely affect the ability to realise any recovery under the Notes and the Guarantee of the Notes.

#### *Luxembourg*

Pursuant to Luxembourg insolvency laws, Noteholders' ability to receive payment under the Notes may be more limited than would be the case under other applicable bankruptcy laws. Under Luxembourg law, the following types of proceedings (together referred to as insolvency proceedings) may be initiated against a company having its "centre of main interests" or an "establishment" (both terms within the meaning of Regulation (EU) 2015/848 of the European Parliament and of the Council dated 20 May 2015 (the "**New EU Insolvency Regulation**")) in Luxembourg:

- (i) bankruptcy proceedings (*faillite*), the opening of which may be requested by the company, by any of its creditors or by the courts ex officio. Following such a request, the Luxembourg courts having jurisdiction may open bankruptcy proceedings if a Luxembourg company: (A) is in a state of cessation of payments (*cessation des paiements*) and (B) has lost its commercial creditworthiness (*ébranlement de crédit*). The main effect of such proceedings is the sale of the assets and allocation of the proceeds of such sale between creditors taking into account their rank of privilege, as well as the suspension of all measures of enforcement against the company except, subject to certain limited exceptions, for enforcement by secured creditors and the payment of the secured creditors in accordance with their rank upon realisation of the assets;
- (ii) in addition, the managers or directors of a Luxembourg company that ceases its payments (i.e. is unable to pay its debts as they fall due with normal means of payment) must within a month of them having become aware of the company's cessation of payments, file a petition for bankruptcy (*faillite*) with the court clerk of the district court of the company's registered office. If the managers or directors fail to comply with such provision they may be held (A) liable towards the company or any third parties on the basis of principles of managers'/directors' liability for any loss suffered and (B) criminally liable for simple bankruptcy (*banqueroute simple*) in accordance with Article 574 of the Luxembourg commercial code;
- (iii) controlled management proceedings (*gestion contrôlée*), the opening of which may only be requested by the company and not by its creditors and under which a Luxembourg court may order the provisional stay of enforcement of claims except for secured creditors;
- (iv) composition proceedings (*concordat préventif de la faillite*), the opening of which may only be requested by the company (subject to obtaining the consent of the majority of its creditors) and not by its creditors directly. The Luxembourg court's decision to admit a company to composition proceedings triggers a provisional stay on enforcement of claims by creditors except for secured creditors; or
- (v) in addition to these proceedings, Noteholders' ability to receive payment on the Notes may be affected by a decision of a Luxembourg court to grant a stay on payments (*sursis de paiement*) or to put a Luxembourg company into judicial liquidation (*liquidation judiciaire*). Judicial liquidation proceedings may be opened at the request of the public prosecutor against companies pursuing an activity violating criminal laws or that are in serious breach or violation of the Luxembourg commercial code or of the Companies Law 1915. The management of such liquidation proceedings will generally follow similar rules as those applicable to Luxembourg bankruptcy proceedings.

The liability of the Luxembourg Guarantor as a Luxembourg company will, in the event of a liquidation of the company following bankruptcy or judicial liquidation proceedings, only rank after the cost of

liquidation (including any debt incurred for the purpose of such liquidation) and any claims that are preferred under Luxembourg law. Preferential claims under Luxembourg law include, among others:

- remuneration owed to employees, if any (last six months' wages amounting to a maximum of six times the minimum social salary);
- employees' (if any) contributions to social security;
- certain amounts owed to the Luxembourg Revenue administrations;
- employer's contribution to social security (if any); and
- value-added tax and other taxes and duties owed to Luxembourg Customs and Excise.

Assets over which a security interest has been granted will in principle not be available for distribution to unsecured and non-preferred creditors (except after enforcement and to the extent a surplus is realised).

During such insolvency proceedings, all enforcement measures by unsecured creditors are suspended. Other than as described above, the ability of certain secured creditors to enforce their security interest may also be limited, in particular in the event of controlled management proceedings expressly providing that the rights of secured creditors are frozen until a final decision has been taken by a Luxembourg court as to the petition for controlled management, and may be affected thereafter by a reorganisation order given by the court. A reorganisation order requires the prior approval by more than 50 per cent of the creditors representing more than 50 per cent of the relevant Luxembourg company's liabilities in order to take effect.

Furthermore, Noteholders should note that declarations of default and subsequent acceleration (such as acceleration upon the occurrence of an event of default) may not be enforceable during controlled management proceedings. However, during such controlled management proceedings a notice of default may still be served.

Luxembourg insolvency laws may also affect transactions entered into or payments made by a Luxembourg company during the preference period (*période suspecte*) which is a maximum of six months plus ten days preceding the judgment declaring bankruptcy, except that in certain specific situations the court may set the start of the suspect period at an earlier date. In particular:

- pursuant to Article 445 of the Luxembourg code of commerce (*Code de Commerce*), specified transactions (such as, in particular, the granting of a security interest for antecedent debts; payment of debts which have not fallen due, whether payment is made in cash or by way of assignment, sale, set-off or by any other means; the payment of debts which have fallen due by any means other than in cash or by bill of exchange; the sale of assets without consideration or with substantially inadequate consideration) entered into during the preference period (or the ten days preceding it) must be set aside or declared null and void, if so requested by the insolvency receiver;
- pursuant to Article 446 of the Luxembourg code of commerce, payments made for matured debts as well as other transactions concluded for consideration during the preference period are subject to cancellation by the court upon proceedings instituted by the insolvency receiver if they were concluded with the knowledge of the bankrupt party's cessation of payments; and
- pursuant to Article 448 of the Luxembourg code of commerce and Article 1167 of the Luxembourg civil code (*action paulienne*), the insolvency receiver (acting on behalf of the creditors) has the right to challenge any fraudulent payments and transactions, including the granting of security with an intent to defraud, made prior to the bankruptcy, without any time limit.

In principle, a bankruptcy order rendered by a Luxembourg court does not result in the automatic termination of contracts except for employment agreements and powers of attorney. The contracts, therefore, subsist after the bankruptcy order. However, the bankruptcy receiver may choose to terminate certain contracts so as to avoid worsening the financial situation of the company. As of the date of adjudication of bankruptcy, no interest on any unsecured claim will accrue vis-à-vis the bankruptcy estate. Insolvency proceedings may hence have a material adverse effect on a Luxembourg company's business and assets and such Luxembourg company's respective obligations under the Notes.

Finally, international aspects of Luxembourg bankruptcy, controlled management or composition proceedings may be subject to the New EU Insolvency Regulation. In particular, rights *in rem* over assets located in another jurisdiction where the New EU Insolvency Regulation will not be affected by the opening of insolvency proceedings, without prejudice however to the applicability of rules relating to the voidness, voidability or unenforceability of legal acts detrimental to all the creditors (subject to the application of Article 16 of the New EU Insolvency Regulation).

### *Nigeria*

A final and conclusive judgement obtained from an English court against any of the Nigerian Guarantors in respect of a monetary claim will be recognised and enforced by Nigerian courts, subject to certain exceptions, including where:

- (a) the foreign court acted without jurisdiction;
- (b) the judgment debtor, being a person who was neither carrying on business nor ordinarily resident within the jurisdiction of the foreign court, did not voluntarily appear or otherwise submit or agree to submit to the jurisdiction of that court;
- (c) the judgment debtor was not duly served with the process of the foreign court;
- (d) the judgment was obtained by fraud;
- (e) the judgment debtor satisfies the registering court that an appeal is pending against the judgment or that he is entitled to and intends to appeal against the judgment; or
- (f) the judgment was in respect of a cause of action which could not have been entertained by the registering court for reasons of public policy or for some other similar reason.

### *Saudi Arabia*

#### Bankruptcy Law

The Bankruptcy Law of Saudi Arabia was issued by Royal Decree no. M/50 dated 28/5/1439H (corresponding to 14 February 2018) (the "**KSA Bankruptcy Law**"). The KSA Bankruptcy Law envisages three main types of insolvency procedures: protective settlement, financial rehabilitation and liquidation (including administrative liquidation). The KSA Bankruptcy Law provides, amongst other things, that:

- (a) subject to certain exceptions, any provision in a contract to which the debtor is a party that provides for the termination of such contract upon the commencement of a financial rehabilitation or protective settlement procedure shall be deemed null and void (*although finance contracts are exempt from this provision*);
- (b) a bankruptcy trustee has the power in a financial rehabilitation procedure, within a specified time period and even if a contract provides otherwise, to terminate any contract (other than finance contracts or government tender and procurement contracts) after examining a list of the debtor's contracts, if such action is necessary to implement the procedure (after its ratification), protects the interests of the majority of the creditors and does not cause serious harm to the counterparty;
- (c) no enforcement of security (which includes actions against a guarantor of debt) may take place during the continuation of a moratorium in respect of a procedure commenced under the KSA Bankruptcy Law, without court permission; and
- (d) an interested party has the right to apply to the court to challenge any of the following actions taken by a debtor during the period of 12 months prior to the opening of proceedings under the KSA Bankruptcy Law (the period is 24 months for transactions with related parties):

- assignment or disposal of all or any assets, rights or security interests;
- completion of a transaction for no or an unfair value;
- early or unfair settlement of debts;
- providing security for a debt before there is a liability for it; or
- releasing a due debt owed in whole or in part.

Such an action will be nullified by the court unless it is in the interests of the debtor and the debtor was not in default or insolvent at the time of the relevant action. The relevant powers of the court include:

- (i) Restoration of assets (including any revenues generated from such assets) or, in case the assets are not capable of recovery, the payment of fair value therefor;
- (ii) Restoration of the security interests;
- (iii) obliging any person who received funds from the debtor to pay such funds to the bankruptcy officeholder; and/or
- (iv) oblige the guarantor who was wholly or partially discharged to resubmit its security or to submit a new security with an equal value and ranking of that of the previous security in the event where such security cannot be reinstated.

The court's ruling will not have any effect on the rights of third parties acting in good faith unless such third party was a party to the act of disposal made by the debtor.

The KSA Bankruptcy Law (which repealed the Law on Settlements for the Avoidance of Bankruptcy, enacted by Royal Decree number M/16 dated 4/9/1416H (corresponding to 24 January 1996) and Articles 103-137 of the Commercial Court Law issued by Royal Decree No. 32 dated 15/01/1350H (corresponding to 2 June 1931), as well as any other provision that contradicts the KSA Bankruptcy Law) also provides that in any liquidation procedure or small debtors liquidation procedure (as set out in the KSA Bankruptcy Law), the expenses of a trustee or expert (if any) take priority over debts and are deducted from the liquidation proceeds before distribution to any creditor. In addition, upon the commencement of the liquidation procedure or the small debtors liquidation procedure (as the case may be), the senior debts shall rank above ordinary debts and the remaining claims are stated to be required to be paid out in the following order of priority:

- (i) debts secured on particular asset(s) (with any shortfall treated as unsecured debt);
- (ii) secured debts under articles 184(a) and 184(e) of the KSA Bankruptcy Law;
- (iii) 30 days' salary for the debtor's staff;
- (iv) family payments prescribed by statute or court order;
- (v) expenses to allow the continuation of the debtor's activities during the procedure, as set out in the regulations;
- (vi) previous salary entitlements of the debtor's staff;
- (vii) unsecured debts; and
- (viii) unsecured government fees, subscriptions and taxes, as determined by the regulations.

The KSA Bankruptcy Law came into effect on 18 August 2018, and its implementing regulations were issued pursuant to the Council of Minister's resolution number 622 dated 24/12/1439H (corresponding to 4 September 2018). However there are a number of rules and procedures which the KSA Bankruptcy Law and its implementing regulations are dependent on which as at the date of this Base Prospectus have not yet been issued.

#### Enforcement of Foreign Judgments and Arbitral Awards

The enactment of the Enforcement Act, which was issued by Royal Decree No. M/53 dated 13/08/1433H (corresponding to 3 July 2012) (the "**Enforcement Act**") and came into force, together with its implementing regulations (the "**EA Implementing Regulations**" and, together with the Enforcement Act, the "**Enforcement Law**"), on 28 February 2013, transferred jurisdiction for enforcement actions, including those relating to foreign judgments and arbitral awards, to the newly created Enforcement Courts staffed by specialist enforcement judges.

Pursuant to the Enforcement Law, a foreign judgment or arbitral award rendered in a foreign country (a "**Foreign Judgment**") may, subject to:

- (a) the provisions of treaties and conventions, such as the Arab League Treaty for the Reciprocal Enforcement of Judgments (the "**Treaty**") and the Agreement on Enforcement of Judgments, Delegations and Judicial Summonses in the States of the Cooperation Council for the Arab Gulf States (the "**Agreement**") and, with respect to arbitral awards, the Convention on the Recognition and Enforcement of Foreign Arbitral Awards (the "**New York Convention**") which Saudi Arabia has acceded to;
- (b) the enforcement applicant showing the enforcement judge that the country/state in which the Foreign Judgment was rendered would reciprocally enforce the judgments of the courts and judicial committees of Saudi Arabia in such foreign jurisdiction; and
- (c) satisfying certain conditions as indicated below,

be submitted for enforcement to an enforcement judge responsible for enforcing foreign judgments and orders and, subject to such enforcement judge verifying that such conditions have been satisfied, the enforcement judge shall affix the enforcement stamp on the Foreign Judgment in order that the Foreign Judgment may be enforced (in whole or in part) in accordance with the provisions of the Enforcement Law as if it were a judgment/award rendered in Saudi Arabia.

Reciprocity may be demonstrated by way of Saudi Arabia and the country in which the Foreign Judgment was issued being parties to a bilateral or multilateral agreement for the reciprocal enforcement of judgments or awards (in this regard, we note that Saudi Arabia has acceded to the New York Convention) or, in the absence of such agreement, that such country would recognize and enforce a Saudi Arabian judgment or award in the same manner as a domestic judgment or award.

The conditions which would need to be satisfied and verified by the enforcement judge in order for a Foreign Judgment to be enforced in Saudi Arabia (whether in whole or in part) include the following (as set out in article 11 of the Enforcement Act) in addition to certain other procedural requirements as set out in article 11 of the EA Implementing Regulations (such as supporting documents, translations and certifications):

- (i) the subject matter of the Foreign Judgment must not be a matter over which the courts and judicial committees of Saudi Arabia have jurisdiction;
- (ii) the Foreign Judgment must have been issued by a competent court / tribunal in accordance with the applicable rules;
- (iii) the party against whom the Foreign Judgment was issued, was summoned, duly represented and was provided with the opportunity to defend the claim;
- (iv) the Foreign Judgment is final in accordance with the regulations applicable to the foreign issuing court/tribunal;
- (v) the Foreign Judgment does not conflict with any judgment, decision or court order issued in relation to the same subject matter by a court or judicial committee of Saudi Arabia; and
- (vi) the Foreign Judgment is not inconsistent with the public policy of Saudi Arabia (clarified in the implementing regulations to the Enforcement Law as being reference to *Shari'ah*).

Although it is not clear from the Enforcement Law itself, we understand that the intended scope of subparagraph (i) above, further to article 11(6) of the EA Implementing Regulations, is limited only to claims where the courts and judicial committees of Saudi Arabia have *exclusive* jurisdiction (such as right in rem claims with respect to real estate in Saudi Arabia) (and not simply any claims where courts and judicial committees of Saudi Arabia may together, with other foreign courts, have jurisdiction).

In addition to the above, it is a condition to the enforcement of Foreign Judgments that there is no action which was commenced before a Saudi Arabian court or other judicial committee between the same litigants and involving the same subject matter prior to the commencement of the proceeding in the country where the Foreign Judgment was issued.

According to article 12 of the Enforcement Act, the provisions and requirements of article 11 thereof applicable to foreign court judgments are similarly applicable to foreign arbitral awards.

Although Saudi Arabia has acceded to the New York Convention, when it did so its ratification was subject to a reservation such that Saudi Arabia will apply the New York Convention only to arbitral awards made in another contracting state (the reciprocity reservation) rather than extending also to the recognition and enforcement of arbitral awards made in non-contracting states (notwithstanding that such arbitral awards satisfy the basic conditions set down in the New York Convention). Accordingly, to the extent an arbitral award in connection with the Notes is issued in a contracting state that would recognize and enforce arbitral awards issued in Saudi Arabia, the reciprocity requirement set out in the Enforcement Law should be satisfied.

A contracting state may also, pursuant to article 5 of the New York Convention, decline to recognise and enforce an arbitral award where the party against whom the arbitral award is invoked can prove any of the elements set out in that article including, for example, where the competent authority of the contracting state where enforcement of the arbitral award is sought finds that (a) the subject matter of the dispute is not capable of settlement by arbitration under the law of the contracting state where enforcement of the arbitral award is sought; or (b) the recognition or enforcement of the arbitral award would be contrary to the public policy of the contracting state where enforcement of the arbitral award is sought.

In addition, prospective purchasers of the Notes should also be aware that if any terms of the Notes or any documents relating to the Notes (which would include the payment of interest) were found to be inconsistent with *Shariah*, they would not be enforced by the Enforcement Courts in Saudi Arabia (see also "*Risk Factors – The Guarantees may be limited by applicable laws or subject to certain defences that may limit their validity and enforceability*").

In the event any proceedings in connection with the Notes or the guarantees given by the Saudi Arabian Guarantors are initiated before the courts or judicial committees in Saudi Arabia, such courts and judicial committees may not observe the choice by the parties of English law as the governing law of the Notes and would instead apply Saudi Arabian law, which does not recognise the doctrine of conflict of laws.

Judicial precedents in Saudi Arabia have no binding effect on subsequent decisions. In addition, court decisions in Saudi Arabia are not generally or consistently indexed and collected in a single publication or place or made publicly available. These factors create greater judicial uncertainty, including in relation to enforcement proceedings.

The concept of appointing a process agent for service of process is not fully recognised under the laws of Saudi Arabia. Additionally, even if the parties agree that service of process on a Saudi entity will be through a process agent in a foreign jurisdiction, a Saudi Arabian court or judicial committee might not consider this to be a valid service of process. It is understood that it is the customary practice of the Grievances Board of Saudi Arabia (i.e., before the jurisdiction over foreign judgments was transferred to the Enforcement Courts) when considering the enforcement of foreign judgments to require that parties resident in Saudi Arabia be served through diplomatic channels. Other Saudi Arabian courts and judicial committees may also insist that a Saudi entity be served in Saudi Arabia through diplomatic channels. That said, if it is established that a Saudi Guarantor was served the process and attended before the court which issued the judgment, it is likely that the Saudi courts and judicial committees would not insist on process being served through diplomatic channels.

#### Promissory Notes

Under the Negotiable Instruments Regulations (issued by Royal Decree No. M/37 dated 11/10/1383H), any promissory note expressed to be payable at sight must be claimed within the prescription period to commence a claim for non-payment by the issuer of such promissory note. The prescription period is a period of three years duration and commences on the earlier of either the date of presentment of the promissory note to the issuer for payment (notwithstanding the promissory note may be expressed to be without recourse to the issuer) or twelve months after the date of issue of the promissory note (the "**Prescription Period**").

The Enforcement Law envisages that negotiable instruments (such as a promissory note) would be enforceable (subject to, and in accordance with, the conditions of the Enforcement Law) upon request by the beneficiary to an enforcement judge.

At present, it is not clear from the Enforcement Law whether an enforcement judge could or would accept jurisdiction in respect of any claims arising out of a promissory note expressed to be payable at sight which is submitted to such enforcement judge after the expiry of its Prescription Period.

However, in such event the issuer of such promissory note will not cease to be liable in respect of the debt represented by such promissory note which, subject to the comments herein, would be actionable before the other courts and judicial committees of Saudi Arabia.

A promissory note solely in respect of interest (howsoever described or characterised) may not be enforceable. Similarly, where a promissory note is issued in respect of an obligation to pay interest (howsoever described or characterised), then it is unlikely to be enforceable. However, the existence of such a promissory note, together with a separate promissory note in respect of the principal borrowed, could be used to prove that any promissory note issued in respect of the principal amount of an underlying facility agreement does not include any element of interest.

The promissory notes issued by the Guarantor may be expressed to be payable at sight whereas the indebtedness evidenced by the Notes is payable upon or at particular dates/times. As such, there may be limitations as to the enforcement of the promissory notes in the event their enforcement is not in accordance with the terms of the transactions.

Moreover, there may be limitations as to the enforcement of a promissory note to the extent that (i) its face amount exceeds the amount due and payable in respect of the Notes, (ii) its face amount has been paid in full, or (iii) a replacement or new promissory note has been issued in respect thereof.

#### ***All of the Guarantors may cease to be Guarantors***

Under the Terms and Conditions of the Notes if all Guarantors (other than Saipem) are no longer providing a guarantee in respect of the Financing (as defined in the Terms and Conditions) and the credit rating agencies have confirmed that the relevant rating assigned to the Programme and/or the Notes will be no longer downgraded or put under creditwatch with negative implications in the event that all the Guarantors (other than Saipem) are released from all their obligations under their Guarantee of the Notes, each Guarantor (other than Saipem) shall upon notice to the Trustee be deemed released from all their obligations under their Guarantee of the Notes. Consequently, all of the Guarantors (other than Saipem) may cease to be Guarantors in respect of the Notes. If this happens, Noteholders will only be able to look to the Issuer and Saipem as Guarantor for payment in respect of the Notes, regardless of any release of Saipem's obligations under the Financing (as defined in the Terms and Conditions) as borrower or guarantor.

#### ***Risks related to the structure of a particular issue of Notes***

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common features:

##### ***Notes subject to optional redemption by the Issuer***

An optional redemption feature of Notes is likely to limit their market value. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period. The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes.

At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

In addition, with respect to the options under Condition 13, the Issuer's right to redeem at par all or, as the case may be, part of the Notes will exist notwithstanding that immediately prior to the serving of a notice in respect of the exercise of the relevant option the Notes may have been trading significantly above par, thus potentially resulting in a loss of capital invested. If the Issuer calls and redeems the Notes in the circumstances mentioned above, the Noteholders may not be able to reinvest the redemption proceeds in securities offering a comparable yield. Potential investors should consider reinvestment risk in light of other investments available at that time.

Furthermore, with respect to the Clean-Up Call Option, there is no obligation under the Terms and Conditions of the Notes for the Issuer to inform investors if and when the percentage of 80 per cent. is about to be reached, and the Issuer's right to redeem will exist notwithstanding that immediately prior to the serving of a notice in respect of the exercise of the Clean-Up Call Option, the Notes may have been trading significantly above par, thus potentially resulting in a loss of capital invested.

#### *Inverse Floating Rate Notes*

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as LIBOR. The market values of those Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

#### *Fixed/Floating Rate Notes*

Fixed/Floating Rate Notes may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The Issuer's ability to convert the interest rate will affect the secondary market and the market value of the Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Notes.

*Certain benchmark rates, including LIBOR and EURIBOR, may be discontinued or reformed in the future - including the potential phasing-out of LIBOR after 2021*

The London Interbank Offered Rate ("**LIBOR**"), the Euro Interbank Offered Rate ("**EURIBOR**") and other interest rate or other types of rates and indices which are deemed to be benchmarks are the subject of ongoing national and international regulatory discussions and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented.

The Benchmark Regulation on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds became applicable from 1 January 2018. The Benchmarks Regulation applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark, within the European Union. The Benchmark Regulation could have a material impact on any Notes linked to LIBOR, EURIBOR or another benchmark rate or index, in particular, if the methodology or other terms of the benchmark are changed in order to comply with the terms of the Benchmark Regulation, and such changes could (amongst other things) have the effect of reducing or increasing the rate or level, or affecting the volatility of the published rate or level, of the benchmark. More broadly, any of the international, national or other proposals for reform, or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements. Such factors may have the effect of discouraging market participants from continuing to administer or contribute to certain "benchmarks," trigger changes in the rules or methodologies used in certain "benchmarks" or lead to the discontinuance or unavailability of quotes of certain "benchmarks."

As an example of such benchmark reforms, on 27 July 2017, the UK Financial Conduct Authority (the "FCA") announced that it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark after 2021 and, on 12 July 2018, announced that the LIBOR benchmark may cease to be a regulated benchmark under the Benchmark Regulation. Such announcements indicate that the continuation of LIBOR on the current basis (or at all) cannot and will not be guaranteed after 2021. In addition, on 29 November 2017, the Bank of England and the FCA announced that, from January 2018, its working group on Sterling risk free rates has been mandated with implementing a broad-based transition to the Sterling Overnight Index Average ("SONIA") over the next four years across sterling bond, loan and derivative markets so that SONIA is established as the primary sterling interest rate benchmark by the end of 2021.

On 21 September 2017, the European Central Bank announced that it would be part of a new working group tasked with the identification and adoption of a "risk free overnight rate" which can serve as a basis for an alternative to current benchmarks used in a variety of financial instruments and contracts in the euro area. On 13 September 2018, the working group on Euro risk-free rates recommended the new Euro short-term rate ("€STR") as the new risk-free rate for the euro area. The €STR was published for the first time on 2 October 2019. Although EURIBOR has been reformed in order to comply with the terms of the Benchmark Regulation, it remains uncertain as to how long it will continue in its current form, or whether it will be further reformed or replaced with €STR or an alternative benchmark.

The elimination of LIBOR or any other benchmark, or changes in the manner of administration of any benchmark, could require or result in an adjustment to the interest calculation provisions of the Conditions (as further described in Condition 10(e) (Benchmark Discontinuation)) or result in adverse consequences to holders of any Notes linked to such benchmark (including Floating Rate Notes whose interest rates are linked to LIBOR, EURIBOR or any other such benchmark that is subject to reform). Furthermore, even prior to the implementation of any changes, uncertainty as to the nature of alternative reference rates and as to potential changes to such benchmark may adversely affect such benchmark during the term of the relevant Notes, the return on the relevant Notes and the trading market for securities (including the Notes) based on the same benchmark.

The "Terms and Conditions of the Notes" provide for certain fallback arrangements in the event that a published benchmark, such as LIBOR, (including any page on which such benchmark may be published (or any successor service)) becomes unavailable, unlawful or unrepresentative, including the possibility that the rate of interest could be set by reference to a successor rate or an alternative rate and that such successor rate or alternative reference rate may be adjusted (if required) in accordance with the recommendation of a relevant governmental body or in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors arising out of the replacement of the relevant benchmark, although the application of such adjustments to the Notes may not achieve this objective. Any such changes may result in the Notes performing differently (which may include payment of a lower interest rate) than if the original benchmark continued to apply. In certain circumstances the ultimate fallback of interest for a particular Interest Period may result in the rate of interest for the last preceding Interest Period being used.

This may result in the effective application of a fixed rate for Floating Rate Notes based on the rate which was last observed on the Relevant Screen Page. In addition, due to the uncertainty concerning the availability of successor rates and alternative reference rates and the involvement of an Independent Adviser (as defined in the Conditions), the relevant fallback provisions may not operate as intended at the relevant time.

Any such consequences could have a material adverse effect on the value of and return on any such Notes.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmark Regulation reforms or possible cessation or reform of certain reference rates in making any investment decision with respect to any Notes linked to or referencing a benchmark.

*Notes issued as Green, Sustainability or Social Bonds with a specific use of proceeds, may not meet investor expectations or requirements*

The Final Terms relating to a specific Tranche of Notes may provide that it is the Issuer's intention to apply the proceeds of those Notes for projects that promote climate-friendly and other environmental purposes/sustainability/social goals (the "**Eligible Projects**"). A prospective investor should have regard to the information set out in the section "*Use of Proceeds*" and determine for itself the relevance of such

information for the purpose of an investment in such Notes together with any other investigation it deems necessary.

No assurance is given by the Issuer, the Joint Arrangers or the Dealers that such use of proceeds will satisfy any present or future investment criteria or guidelines with which an investor is required, or intends, to comply, in particular with regard to any direct or indirect environmental or sustainability impact of any project or uses.

It should be noted that there is currently no consistent definition or market consensus of what constitutes a "green", "sustainable", "social" or equivalently-labelled project nor can any assurance be given that a clear definition or consensus will develop over time or that any adverse environmental, social and/or other impacts will not occur during the implementation of any projects or the issues the subject of, or related to, any Eligible Projects. Accordingly, no assurance can be given that Eligible Projects will meet investor expectations or requirements regarding such "green", "sustainable", "social" or similar labels. Each prospective investor should seek advice from their independent financial adviser or other professional adviser the relevance of the information contained in this Base Prospectus regarding the use of proceeds and its purchase of the Notes before deciding to invest.

No representation or assurance is given as to the suitability or reliability of any opinion or certification of any third party made available in connection with an issue of Notes issued as Green, Sustainability or Social Bonds. For the avoidance of doubt, any such opinion or certification is not incorporated in this Base Prospectus. Any such opinion or certification is not a recommendation by the Issuer, the Joint Arrangers or the Dealers or any other person to buy, sell or hold any such Notes and is current only as of the date it was issued. As at the date of this Base Prospectus, the providers of such opinions and certifications are not subject to any specific regulatory or other regime or oversight. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein.

In the event that any such Notes are listed or admitted to trading on a dedicated "green", "sustainable", "social" or other equivalently-labelled segment of a stock exchange or securities market, no representation or assurance is given by the Issuer, the Arranger, the Dealer or any other person that such listing or admission satisfies any present or future investment criteria or guidelines with which such investor is required, or intends, to comply. Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. No representation or assurance is given or made by Issuer, the Joint Arrangers, the Dealers or any other person that any such listing or admission to trading will be obtained in respect of any such Notes or that any such listing or admission to trading will be maintained during the life of the Notes.

While it is the intention of the Issuer to apply the proceeds of any Notes issued as Green Bonds for Eligible Projects and to report on the use of proceeds or Eligible Projects as described in "*Use of Proceeds*" below and/or in the applicable Final Terms, there is no contractual obligation to do so. There can be no assurance that any such Eligible Projects will be available or capable of being implemented in the manner anticipated and, accordingly, that the Issuer will be able to use the proceeds for such Eligible Projects as intended. In addition, there can be no assurance that Eligible Projects will be completed as expected or achieve the impacts or outcomes (environmental, social or otherwise) originally expected or anticipated. None of a failure by the Issuer to allocate the proceeds of any Notes issued as Green, Sustainability or Social Bonds or to report on the use of proceeds or Eligible Projects as anticipated or a failure of a third party to issue (or to withdraw) an opinion or certification in connection with an issue of Green, Sustainability or Social Bonds or the failure of the Notes issued as Green, Sustainability or Social Bonds to meet investors' expectations requirements regarding any "use", "sustainable", "social" or similar labels will constitute an Event of Default or breach of contract with respect to any of the Notes issued as Green, Sustainability or Social Bonds.

A failure of the Notes issued as Green, Sustainability or Social Bonds to meet investor expectations or requirements as to their "green", "sustainable", "social" or equivalent characteristics including the failure to apply proceeds for Eligible Projects, the failure to provide, or the withdrawal of, a third party opinion or certification, the Notes ceasing to be listed or admitted to trading on any dedicated stock exchange or securities market as aforesaid or the failure by the Issuer to report on the use of proceeds or Eligible Projects as anticipated, may have a material adverse effect on the value of such Notes and/or may have consequences for certain investors with portfolio mandates to invest in green assets (which consequences may include the need to sell the Notes as a result of the Notes not falling within the investor's investment criteria or mandate).

*Investors will not be able to calculate in advance their rate of return on Floating Rate Notes*

A key difference between Floating Rate Notes and Fixed Rate Notes is that interest income on Floating Rate Notes cannot be anticipated. Due to varying interest income, investors are not able to determine a definite yield of Floating Rate Notes at the time they purchase them, so that their return on investment cannot be compared with that of investments having longer fixed interest periods. If the terms and conditions of the Notes provide for frequent interest payment dates, investors are exposed to reinvestment risk if market interest rates decline. That is, investors may reinvest the interest income paid to them only at the relevant lower interest rates then prevailing. In addition, the Issuer's ability to issue also Fixed Rate Notes may affect the market value and the secondary market (if any) of the Floating Rate Notes (and vice versa).

*Notes issued at a substantial discount or premium*

The market values of securities issued at a substantial discount (such as Zero Coupon Notes) or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

*Change of Interest Basis*

Notes may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The Issuer's ability to convert the interest rate will affect the secondary market and the market value of the Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate, the spread on such Notes may be less favourable than the prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Notes.

*Reset Notes*

Reset Notes will initially bear interest at the Initial Rate of Interest until (but excluding) the First Reset Date. On the First Reset Date, the Second Reset Date (if applicable) and each Subsequent Reset Date (if any) thereafter, the interest rate will be reset to the sum of the applicable Mid-Swap Rate and the First Margin or Subsequent Margin (as applicable) as determined by the Calculation Agent on the relevant Reset Determination Date (each such interest rate, a "**Subsequent Reset Rate of Interest**"). The Subsequent Reset Rate of Interest for any Reset Period could be less than the Initial Rate of Interest or the Subsequent Reset Rate of Interest for prior Reset Periods and could affect the market value of an investment in the Reset Notes.

***Risks related to Notes generally***

Set out below is a brief description of certain risks relating to the Notes generally:

*Modification and waivers*

The Trust Deed and the Terms and Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority. The conditions of the Notes also provide that the Trustee may, without the consent of Noteholders, agree to (i) any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of Notes or (ii) determine without the consent of the Noteholders that any Event of Default or potential Event of Default shall not be treated as such, in the circumstances described in Condition 16. These and other changes may adversely impact Noteholders' rights and may adversely impact the market value of the Notes.

In addition, pursuant to Condition 10(e) (*Benchmark Discontinuation*), certain changes may be made to the interest calculation provisions of the Floating Rate Notes or Reset Notes in the circumstances and as otherwise set out in such Condition, without the requirement for consent of the Noteholders.

## *Taxation*

The tax regime in The Netherlands and or in the jurisdiction of the Guarantors or in any other relevant jurisdiction (including, without limitation, the jurisdiction in which each Noteholder is resident for tax purposes) may be relevant to the acquiring, holding and disposing of Notes and the receiving of payments of interest, principal and/or other amounts under the Notes. Prospective investors in the Notes should consult their own tax advisers as to which countries' tax laws could be relevant and the consequences of such actions under the tax laws of those countries.

## **Risks relating to Withholding**

The Notes may be subject to withholding taxes in circumstances where the Issuer is not obliged to make gross up payments and this would result in holders receiving less interest than expected and could significantly adversely affect their return on the Notes.

## **Change of law**

The conditions of the Notes are governed by English law in effect as at the date of this Base Prospectus, except for the provisions of Condition 20 (*Meetings of Noteholders; Modification and Waiver*) which are subject to compliance with mandatory laws, legislation, rules and regulations of Italy in force from time to time and, where applicable Italian law so requires, the Issuer's articles of association. No assurance can be given as to the impact of any possible judicial decision or change to applicable law or administrative practice after the date of this Base Prospectus.

## **Reliance on clearing systems**

Because the Global Notes are held by or on behalf of Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, S.A. ("**Clearstream, Luxembourg**"), investors who hold Notes through interests in the Global Notes will have to rely on their procedures for transfer, payment and communication with the Issuer. Notes issued under the Programme may be represented by one or more Global Notes. Such Global Notes will be deposited with a common depositary or common safekeeper, as the case may be, for Euroclear and Clearstream, Luxembourg. Except in the circumstances described in the relevant Global Note, investors will not be entitled to receive definitive Notes. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by one or more Global Notes, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg. While the Notes are represented by one or more Global Notes the Issuer will discharge its payment obligations under the Notes once the paying agent has paid Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in a Global Note must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the relevant Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes. Holders of beneficial interests in the Global Notes will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream, Luxembourg to appoint appropriate proxies.

## **Denominations and restrictions on exchange for Definitive Notes**

Investors who purchase Notes in denominations that are not an integral multiple of the Specified Denomination may be adversely affected if definitive Notes are subsequently required to be issued. In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to a Specified Denomination. If such Notes in definitive form are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

## **Potential conflicts of interest**

Any Calculation Agent appointed under the Programme (whether the Trustee, any Paying Agent or otherwise) is the agent of the Issuer and not the agent of the Noteholders. Potential conflicts of interest may exist between the Calculation Agent (if any) and Noteholders, including with respect to certain determinations and judgments that such Calculation Agent may make pursuant to the Conditions that may influence amounts receivable by the Noteholders during the term of the Notes and upon their redemption.

Besides, the Issuer may act as Calculation Agent or appoint a Dealer as Calculation Agent in respect of an issuance of Notes under the Programme. In such a case the Calculation Agent is likely to be a member of a financial group that is involved, in the ordinary course of its business, in a wide range of banking activities out of which conflicting interests may arise. Whilst such a Calculation Agent will, where relevant, have information barriers and procedures in place to manage conflicts of interest, it may in its other banking activities from time to time be engaged in transactions involving an index or related derivatives which may affect amounts receivable by Noteholders during the term and on the maturity of the Notes or the market price, liquidity or value of the Notes and which could be deemed to be adverse to the interests of the Noteholders.

### **Changes in the Programme amount**

The amount to be issued under the Programme is subject to increase or decrease as provided in the Dealer Agreement.

### **The Make-Whole Issuer call and the Issuer Call are exercisable in whole or in part and such exercise by the Issuer in respect of certain Notes may affect the liquidity of the Notes in respect of which such option is not exercised**

The Issuer Call and/or and the Make-Whole Issuer call provided in Condition 13(c) (*Redemption at the option of the Issuer*) are exercisable in whole or in part. If the Issuer decides to redeem certain Notes in part only, such partial redemption may affect the liquidity of the Notes of the same Series in respect of which such option is not exercised. Depending on the number of the Notes of the same Series in respect of which the Issuer Call or the Make-Whole Issuer call (as the case may be) is exercised, any trading market in respect of those Notes in respect of which such option is not exercised may become illiquid.

### ***Risks related to the market generally***

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

#### *No active trading market for the Notes, the secondary market generally and the market volatility*

Notes issued under the Programme will be new securities which may not be widely distributed and for which there is currently no active trading market (unless in the case of any particular Tranche, such Tranche is to be consolidated with and form a single Series with a Tranche of Notes which is already issued). Although application has been made for the Notes issued under the Programme to be admitted to the official list of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF market of the Luxembourg Stock Exchange, there is no assurance that such application will be accepted, that any particular Tranche of Notes will be so admitted or that an active trading market will develop. Furthermore, if the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer.

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes. In addition, holders of Notes should be aware that, in view of the prevailing and widely reported global credit market conditions (which continue at the date hereof), the secondary market for Notes and instruments of this kind may be illiquid. The Issuer cannot predict when these circumstances will change. Furthermore, Notes issued under the Programme might not

be listed on a stock exchange and, in these circumstances, pricing information may be more difficult to obtain and the liquidity and market prices of such Notes may be adversely affected.

#### *Delisting of the Notes*

Application has been made for Notes issued under the Programme to be listed on the Euro MTF Market and Notes issued under the Programme may also be admitted to trading, listing and/or quotation by any other listing authority, stock exchange or quotation system (each, a "listing"), as specified in the relevant Final Terms. Such Notes may subsequently be delisted despite the best efforts of the Issuer to maintain such listing and, although no assurance is made as to the liquidity of the Notes as a result of listing, any delisting of the Notes may have a material effect on a Noteholder's ability to resell the Notes on the secondary market.

#### *Exchange rate risks and exchange controls*

The Issuer (or any Guarantor) will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the investor's currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes. Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

#### *Interest rate risks*

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Notes.

#### *Credit ratings may not reflect all risks*

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EEA or the UK and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EEA or non-UK credit rating agencies, unless the relevant credit ratings are endorsed by an EEA or UK registered credit rating agency or the relevant non-EEA or non-UK rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). Certain information with respect to the credit rating agencies and ratings will be disclosed in the Final Terms. If the status of the rating agency rating the Notes changes, European regulated investors may no longer be able to use the rating for regulatory purposes and the Notes may have a different regulatory treatment. This may result in European regulated investors selling the Notes which may impact the value of the Notes and any secondary market.

#### *Legal investment considerations may restrict certain investments*

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

## INFORMATION INCORPORATED BY REFERENCE

The information set out below, which has previously been published and filed with the Luxembourg Stock Exchange, shall be deemed to be incorporated in, and to form part of, this Base Prospectus **provided, however, that** any statement contained in this Base Prospectus or in any information or in any of the documents incorporated by reference in, and forming part of, this Base Prospectus shall be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained in any document subsequently incorporated by reference modifies or supersedes such statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Base Prospectus.

Certain of the documents set out above are direct translations into English from the original documents. The Issuer and, where applicable, the relevant Original Guarantor have accepted responsibility for the accuracy of such translations.

Any statement contained in this Base Prospectus or in a section which is incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this Base Prospectus to the extent that a statement contained in any section which is subsequently incorporated by reference herein by way of a supplement modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not except as so modified or superseded, constitute a part of this Base Prospectus.

The following tables show where the information incorporated by reference in this Base Prospectus can be found in the relevant documents. Any information not listed in the tables below but included in the documents incorporated by reference is provided for information purposes only.

- (a) the auditors' report and audited consolidated annual financial statements of Saipem S.p.A. for the financial year ended 31 December 2019:

<b>Section</b>	<b>Page number(s)</b>
Consolidated statement of financial position	132
Consolidated income statement	133
Consolidated statement of comprehensive income	133
Consolidated statement of changes in equity	134-135
Consolidated statement of cash flows	136-137
Notes to the consolidated financial statements	139-231
Independent auditors' report	233-240

- (b) the auditors' report and audited consolidated annual financial statements of Saipem S.p.A. for the financial year ended 31 December 2018:

<b>Section</b>	<b>Page number(s)</b>
Consolidated balance sheet	112
Consolidated income statement	113
Consolidated statement of comprehensive income	113
Consolidated statement of changes in shareholders' equity	114-115
Consolidated cash flow statement	116-117
Notes to the consolidated financial statements	119-206
Independent auditors' report	212-218

- (c) the press release headed “Saipem: results for the first quarter of 2020” disseminated by Saipem on April 23, 2020 and available at <https://www.saipem.com/sites/default/files/2020-04/PR%20Saipem%2023.04.2020.pdf>, including the information set out at the following pages:

<b>Section</b>	<b>Page number(s)</b>
Consolidated balance sheet	14
Consolidated income statement	15-16
Consolidated cash flow statement	17

- (d) the auditors' report and audited stand-alone annual financial statements of the Issuer for the financial year ended 31 December 2019:

<b>Section</b>	<b>Page number(s)</b>
Balance sheet	6
Profit and loss account	6
Notes to the financial statements	7
Independent auditors' report	21

- (e) the auditors' report and audited stand-alone annual financial statements of the Issuer for the financial year ended 31 December 2018:

<b>Section</b>	<b>Page number(s)</b>
Balance sheet	6
Profit and loss account	6
Notes to the financial statements	7
Independent auditors' report	20

Copies of the documents specified above as containing information incorporated by reference in this Base Prospectus may be inspected, free of charge, at the registered office of the Issuer and the registered office of the Paying Agent. In addition such documents will be available, without charge, at the principal office of the Joint Arrangers and the Listing Agent and on the Luxembourg Stock Exchange's website ([www.bourse.lu](http://www.bourse.lu)). For the avoidance of doubt, unless specifically incorporated by reference into this Base Prospectus, information contained on the website does not form part of this Base Prospectus.

## **FINAL TERMS AND DRAWDOWN PROSPECTUSES**

In this section the expression "necessary information" means, in relation to any Tranche of Notes, the necessary information which is material to an investor for making an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and any Original Guarantor and of the rights attaching to the Notes and the reasons for the issuance and its impact on the Issuer. In relation to the different types of Notes which may be issued under the Programme, the Issuer and any Original Guarantor have included in this Base Prospectus all of the necessary information except for information relating to the Notes which is not known at the date of this Base Prospectus and which can only be determined at the time of an individual issue of a Tranche of Notes.

Any information relating to the Notes which is not included in this Base Prospectus and which is required in order to complete the necessary information in relation to a Tranche of Notes will be contained either in the relevant Final Terms or in a Drawdown Prospectus.

For a Tranche of Notes which is the subject of Final Terms, those Final Terms will, for the purposes of that Tranche only, complete this Base Prospectus and must be read in conjunction with this Base Prospectus. The terms and conditions applicable to any particular Tranche of Notes which is the subject of Final Terms are the Conditions described in the relevant Final Terms as supplemented to the extent described in the relevant Final Terms.

The terms and conditions applicable to any particular Tranche of Notes which is the subject of a Drawdown Prospectus will be the Conditions as supplemented, amended and/or replaced to the extent described in the relevant Drawdown Prospectus. In the case of a Tranche of Notes which is the subject of a Drawdown Prospectus, each reference in this Base Prospectus to information being specified or identified in the relevant Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus unless the context requires otherwise.

Each Drawdown Prospectus will be constituted either by a single document containing the necessary information relating to the Issuer and any Guarantor and the relevant Notes, including any sections of the Base Prospectus which may be incorporated by reference therein.

The publication of a Drawdown Prospectus will be subject to review and approval by the Luxembourg Stock Exchange.

## OVERVIEW OF THE PROGRAMME

*The following general description does not purport to be complete and is qualified in its entirety by the remainder of this Base Prospectus. Capitalised terms used elsewhere in this Base Prospectus shall have the same meanings in this description.*

<b>Issuer:</b>	Saipem Finance International B.V., a private company with limited liability ( <i>besloten vennootschap met beperkte aansprakelijkheid</i> ) incorporated under the laws of The Netherlands, having its seat ( <i>statutaire zetel</i> ) in Amsterdam, The Netherlands, having its office address at Strawinskylaan 1647, 1077 XX Amsterdam, The Netherlands and registered with the Dutch Commercial Register ( <i>Handelsregister</i> ) under number 64161781.
<b>Original Guarantors:</b>	Saipem (Portugal) - Comércio Marítimo, Sociedade Unipessoal Lda. (incorporated with limited liability under the laws of Portugal), Saipem SA (a <i>société anonyme</i> incorporated under the laws of France), Sofresid SA (a <i>société anonyme</i> incorporated under the laws of France), Saipem Limited (incorporated with limited liability under the laws of England and Wales), Saipem Offshore Norway AS (incorporated with limited liability under the laws of Norway), Saipem Drilling Norway AS (incorporated with limited liability under the laws of Norway), Saipem Contracting Netherlands B.V. (incorporated with limited liability under the laws of The Netherlands), Global Petroprojects Services AG (incorporated with limited liability under the laws of Switzerland), Saipem Contracting Nigeria Limited (a private limited liability company incorporated under the laws of the Federal Republic of Nigeria), Saipem Luxembourg S.A. (a <i>société anonyme</i> incorporated under the laws of the Grand Duchy of Luxembourg), Snamprogetti Saudi Arabia Co Limited (a limited liability company incorporated under the laws of the Kingdom of Saudi Arabia), Saudi Arabian Saipem Limited (a limited liability company incorporated under the laws of the Kingdom of Saudi Arabia) and Saipem S.p.A (incorporated with limited liability in Italy).
<b>Joint Arrangers:</b>	BNP Paribas UniCredit Bank AG
<b>Dealers:</b>	BNP Paribas, UniCredit Bank AG and any other Dealer appointed from time to time by Saipem Finance International B.V. either generally in respect of the Programme or in relation to a particular Tranche of Notes.
<b>Trustee:</b>	BNP Paribas Trust Corporation UK Limited
<b>Principal Paying Agent:</b>	BNP Paribas Securities Services, Luxembourg Branch
<b>Luxembourg Listing Agent:</b>	BNP Paribas Securities Services, Luxembourg Branch
<b>Listing, approval and admission to trading:</b>	<p>Application has been made to the Luxembourg Stock Exchange for Notes issued under the Programme during the 12 month period after the date of this Base Prospectus to be admitted to the Official List and admitted to trading on the Euro MTF Market. The Euro MTF Market is not a regulated market for the purposes of MiFID II.</p> <p>In certain circumstances, the Issuer may terminate the listing or admission to trading of Notes. The Issuer is not under any obligation to holders of Notes to maintain any listing of the Notes.</p> <p>Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the Issuer and the</p>

relevant Dealer in relation to the Series. Notes which are neither listed nor admitted to trading on any market may also be issued.

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche of Notes will be set out in the Final Terms which, with respect to Notes to be admitted to trading on the Euro MTF Market, will be delivered to the Euro MTF Market.

The applicable Final Terms will state whether or not the relevant Notes are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.

**Clearing Systems:** Euroclear Bank SA/NV ("**Euroclear**"), Clearstream Banking, S.A. ("**Clearstream, Luxembourg**"), Monte Titoli S.p.A. ("**Monte Titoli**") and/or any other clearing system as may be specified in the relevant Final Terms.

**Initial Programme Amount:** Up to €3,000,000,000 (or its equivalent in other currencies) aggregate principal amount of Notes outstanding and guaranteed (if applicable) at any one time. The Issuer may increase the amount of the Programme in accordance with the terms of the Dealer Agreement.

**Issuance in Series:** Notes will be issued in Series. Each Series may comprise one or more Tranches issued on different issue dates. The Notes of each Series will all be subject to identical terms, except that the issue date, the issue price and the amount of the first payment of interest may be different in respect of different Tranches. The Notes of each Tranche will all be subject to identical terms in all respects save that a Tranche may comprise Notes of different denominations.

**Final Terms or Drawdown Prospectus:** Notes issued under the Programme may be issued either (i) pursuant to this Base Prospectus and associated Final Terms or (ii) pursuant to a Drawdown Prospectus. The terms and conditions applicable to any particular Tranche of Notes are the Terms and Conditions of the Notes as completed by the relevant Final Terms or, as the case may be, the relevant Drawdown Prospectus. The publication of the Drawdown Prospectus will be subject to review and approval by the Luxembourg Stock Exchange.

**Forms of Notes:** Notes will be issued in bearer form as described in "*Form of the Notes*".

**Guarantee of the Notes:** Under the Deed of Guarantee, if the Notes are issued by the Issuer, any payments of all amounts due in respect of such Notes shall have the benefit of the Guarantee given by all the Guarantors. The Deed of Guarantee is in favour of the Trustee only as trustee for the holders of the Notes (as defined in the relevant Deed of Guarantee). The Notes will at all times be guaranteed by Saipem.

According to the Deed of Guarantee, each of the Guarantors shall unconditionally and irrevocably guarantee to the Trustee the due and punctual payment of all sums expressed to be payable by the Issuer in respect of the relevant Notes or Coupons under the Trust Deed, as and when the same becomes due and payable, whether at maturity, upon early redemption, upon acceleration or otherwise, according to the terms of the Trust Deed and the Notes and Coupons. In case of the failure of the Issuer to pay any such sum as and when the same shall become due and payable, the Guarantors shall cause such payment to be made punctually as and when the same becomes due and payable, whether at maturity, upon early redemption, upon acceleration or otherwise, as if the payment were made

by the Issuer. Any such payment made by the Guarantors will discharge the Issuer of the obligation to pay such sum.

Under the Deed of Guarantee each of the Guarantors covenants in favour of the Trustee that it will duly perform and comply with the obligations expressed to be undertaken by it in the Trust Deed and in the Conditions of the Notes issued by the Issuer. See also "— *Status of Guarantee*".

**Additional Guarantor:** If the Compliance Certificate supplied by the Issuer or Saipem to the Trustee shows that:

- (i) the aggregate of the revenues of the Guarantors represents at any time less than 65 per cent. of the consolidated total revenues of the Group (the "**Minimum Guarantor Revenues Level**"); and
- (ii) the aggregate of the assets of the Guarantors represents at any time less than 70 per cent. of the consolidated total assets of the Group (the "**Minimum Guarantor Total Assets Level**"); and
- (iii) the aggregate of EBITDA of the Guarantors represents at any time less than 75 per cent. of the Consolidated EBITDA (the "**Minimum Guarantor EBITDA Level**" and together with the Minimum Guarantor Revenues Level and the Minimum Guarantor Total Assets Level, the "**Guarantor Coverage Levels**"),

calculated by reference to the then most recent annual financial statements of each Guarantor and the then most recent annual audited consolidated financial statements of the Group then the Issuer, and failing which Saipem, except in certain circumstances, shall procure that one or more of the Subsidiaries of Saipem become Additional Guarantors in the manner set out in Condition 7 as may be required so that the Guarantor Coverage Levels are then met within 90 days of the date of the Compliance Certificate (See, for further details, Condition 7 (*Additional Guarantors*)).

**Currencies:** Subject to any applicable legal or regulatory restrictions, any currency agreed between the Issuer and the relevant Dealer.

**Status of Notes:** The Notes constitute direct, general, unconditional, unsecured and unsubordinated obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer, save for such obligations as may be preferred by mandatory or overriding provisions of law.

**Status of Guarantee:** Notes issued by the Issuer will be unconditionally and irrevocably guaranteed by the Guarantors. The obligations of each Guarantor under the relevant Guarantee of the Notes constitute direct, unconditional and irrevocable, unsecured and unsubordinated obligations of such Guarantor and rank and will rank *pari passu* with all other present and future unsecured and unsubordinated obligations of such Guarantor, save for such obligations as may be preferred by mandatory or overriding provisions of law.

**Issue Price:** Notes may be issued as specified in the relevant Final Terms on a fully-paid or a partly-paid basis and at an issue price which is at par or at a discount to, or premium over, par.

**Maturities:** The Notes will have such maturities as may be agreed between the Issuer and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central

bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency.

**Redemption:** The applicable Final Terms will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than for taxation reasons or following an Event of Default or a Put Event (Change of Control) or Put Event (Guarantor Coverage Level)) or that such Notes will be redeemable at the option of the Issuer and/or the Noteholders upon giving notice to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the Issuer and the relevant Dealer.

Notes having a maturity of less than one year may be subject to restrictions on their denomination and distribution, see "*Certain Restrictions - Notes having a maturity of less than one year*" below.

**Optional Redemption:** The Final Terms issued in respect of each issue of Notes will state whether such Notes may be redeemed prior to their stated maturity at the option of the Issuer (either in whole or in part) and/or the holders and, if so, the terms applicable to such redemption.

**Change of Control:** If a Change of Control occurs along with a downgrading of the Issuer's Notes, a noteholder has the right to require the Issuer to redeem and/or to offer to repurchase the Notes as further described in Conditions 13(f) and 13(h).

**Breach of a Guarantor Coverage Level:** If a breach of a Guarantor Coverage Level occurs and there is a downgrading of the Issuer's Notes, a noteholder has the right to require the Issuer to redeem and/or to offer to repurchase the Notes as further described in Conditions 13(i) and 13(k).

**Interest:** Notes may be interest-bearing or non-interest bearing. Interest (if any) may accrue at a fixed rate or a floating rate, or interest may initially accrue at a fixed rate and then switch to a floating rate, or *vice versa*. Reset Notes will, in respect of an initial period, bear interest at the initial fixed rate of interest specified in the applicable Final Terms. Thereafter, the fixed rate of interest will be reset on one or more date(s) specified in the applicable Final Terms by reference to a mid-market swap rate for the relevant Specified Currency, and for a period equal to the reset period, as adjusted for any applicable margin, in each case as may be specified in the applicable Final Terms. The method of calculating interest may vary between the issue date and the maturity date of the relevant Series.

**Denomination of Notes:** Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer save that the minimum denomination of each will be such as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency and save that the minimum denomination of each Note will be €100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency). If the Final Terms so specify, Notes may be issued in denominations of €100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000. See "*Certain Restrictions — Notes having a maturity of less than one year*" below.

**Certain Restrictions** Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see "*Subscription and Sale*") including

the following restrictions applicable at the date of this EMTN Programme Prospectus.

***Notes having a maturity of less than one year***

Notes having a maturity of less than one year will, if the proceeds of the issue are accepted in the United Kingdom, constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000, as amended (the "FSMA") unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent. See "Subscription and Sale".

- Negative Pledge:** The terms of the Notes will contain a negative pledge provision as further described in Condition 6 (*Negative Pledge*).
- Cross Default:** The terms of the Notes will contain a cross default provision as further described in Condition 16 (*Events of Default*).
- Taxation:** All payments in respect of the Notes will be made without deduction for or on account of withholding taxes imposed by any Relevant Jurisdiction, subject as provided in Condition 15. In the event that any such deduction is made, the Issuer or, as the case may be, any Guarantor will, save in certain limited circumstances provided in Condition 15, be required to pay additional amounts to cover the amounts so deducted.
- Redenomination:** The applicable Final Terms may provide that certain Notes may be redenominated in euro. If so, the wording of the redenomination clause will be set out in full in the applicable Final Terms.
- Governing Law:** The Notes, the Coupons and the Trust Deed and any non-contractual obligations arising out of or in connection with them, will be governed by, and construed in accordance with, English law.
- Ratings:** Notes issued pursuant to the Programme may be rated or unrated. Where an issue of Notes is rated, its rating will be specified in the Final Terms. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.
- Whether or not each credit rating applied for in relation to the relevant Series of Notes will be issued by a credit rating agency established in the EEA or UK and registered under the CRA Regulation will be disclosed in the Final Terms. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the EEA or UK and registered under the CRA Regulation (or is endorsed and published or distributed by subscription by such a credit rating agency in accordance with the Regulation).
- Distribution** Notes may be distributed on a syndicated or non-syndicated basis.
- Selling Restrictions:** For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of offering material in the United States, the European Economic Area (including the Republic of Italy, The Netherlands, France, Luxembourg and Norway), the UK, Switzerland, Nigeria and Saudi Arabia, see "*Subscription and Sale*" below.
- U.S. Selling Restrictions:** Regulation S, Category 2. TEFRA C or D/TEFRA not applicable, as specified in the applicable Final Terms.
- Use of Proceeds:** The Issuer will use the net proceeds from the issue of each Series of Notes for its general corporate purposes (including repayment of previous loans

granted by certain of the Dealers), unless otherwise specified in the Final Terms.

## FORMS OF THE NOTES

### Bearer Notes

Each Tranche of Notes will initially be in the form of either a temporary global note (the "**Temporary Global Note**"), without interest coupons, or a permanent global note (the "**Permanent Global Note**"), without interest coupons, in each case as specified in the relevant Final Terms. Each Temporary Global Note or, as the case may be, Permanent Global Note (each a "**Global Note**") which is not intended to be issued in new global note ("NGN") form, as specified in the relevant Final Terms, will be deposited on or around the issue date of the relevant Tranche of the Notes with a depositary or a common depositary for Euroclear Bank SA/NV as operator of the Euroclear System ("**Euroclear**") and/or Clearstream Banking, S.A. ("**Clearstream, Luxembourg**") and/or any other relevant clearing system and each Global Note which is intended to be issued in NGN form, as specified in the relevant Final Terms, will be deposited on or around the issue date of the relevant Tranche of the Notes with a common safekeeper for Euroclear and/or Clearstream, Luxembourg.

On 13 June 2006 the European Central Bank (the "**ECB**") announced that Notes in NGN form are in compliance with the "Standards for the use of EU securities settlement systems in ESCB credit operations" of the central banking system for the euro (the "**Eurosystem**"), **provided that** certain other criteria are fulfilled. At the same time the ECB also announced that arrangements for Notes in NGN form will be offered by Euroclear and Clearstream, Luxembourg as of 30 June 2006 and that debt securities in global bearer form issued through Euroclear and Clearstream, Luxembourg after 31 December 2006 will only be eligible as collateral for Eurosystem operations if the NGN form is used.

The relevant Final Terms will also specify whether United States Treasury Regulation §1.163-5(c)(2)(i)(C) (the "**TEFRA C Rules**") or United States Treasury Regulation §1.163-5(c)(2)(i)(D) (the "**TEFRA D Rules**") are applicable in relation to the Notes or, if the Notes do not have a maturity of more than 365 days or should be viewed as being in registered form for US Federal income tax purposes, that neither the TEFRA C Rules nor the TEFRA D Rules are applicable.

### Temporary Global Note exchangeable for Permanent Global Note

If the relevant Final Terms specifies the form of Notes as being "Temporary Global Note exchangeable for a Permanent Global Note", then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for interests in a Permanent Global Note, without interest coupons, not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. No payments will be made under the Temporary Global Note unless exchange for interests in the Permanent Global Note is improperly withheld or refused. In addition, interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever any interest in the Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the Issuer shall procure (in the case of first exchange) the delivery of a Permanent Global Note, duly authenticated and, in the case of a NGN, effectuated, to the bearer of the Temporary Global Note or (in the case of any subsequent exchange) an increase in the principal amount of the Permanent Global Note in accordance with its terms against:

- (i) presentation and (in the case of final exchange) presentation and surrender of the Temporary Global Note to or to the order of the Principal Paying Agent; and
- (ii) receipt by the Principal Paying Agent of a certificate or certificates of non-U.S. beneficial ownership,

within 7 days of the bearer requesting such exchange.

The principal amount of Notes represented by the Permanent Global Note shall be equal to the aggregate of the principal amounts specified in the certificates of non-U.S. beneficial ownership **provided, however, that** in no circumstances shall the principal amount of Notes represented by the Permanent Global Note exceed the initial principal amount of Notes represented by the Temporary Global Note.

If:

- (a) the Permanent Global Note has not been delivered or the principal amount thereof increased by 5.00 p.m. (London time) on the seventh day after the bearer of the Temporary Global Note has requested exchange of an interest in the Temporary Global Note for an interest in a Permanent Global Note; or
- (b) the Temporary Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Temporary Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer of the Temporary Global Note in accordance with the terms of the Temporary Global Note on the due date for payment,

then the Temporary Global Note (including the obligation to deliver a Permanent Global Note) will become void at 5.00 p.m. (London time) on such seventh day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date (in the case of (b) above) and the bearer of the Temporary Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Temporary Global Note or others may have under the Trust Deed).

The Permanent Global Note will become exchangeable, in whole but not in part only and at the request of the bearer of the Permanent Global Note, for Bearer Notes in definitive form ("**Definitive Notes**"):

- (a) on the expiry of such period of notice as may be specified in the Final Terms; or
- (b) at any time, if so specified in the Final Terms; or
- (c) if the Final Terms specifies "in the limited circumstances described in the Permanent Global Note", then if either of the following events occurs:
  - (i) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or
  - (ii) any of the circumstances described in Condition 16 (*Events of Default*) occurs.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the Final Terms), in an aggregate principal amount equal to the principal amount of Notes represented by the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Principal Paying Agent within 30 days of the bearer requesting such exchange.

If:

- (a) Definitive Notes have not been duly delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer has requested exchange of the Permanent Global Note for Definitive Notes; or
- (b) the Permanent Global Note was originally issued in exchange for part only of a Temporary Global Note representing the Notes and such Temporary Global Note becomes void in accordance with its terms; or
- (c) the Permanent Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Permanent Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer in accordance with the terms of the Permanent Global Note on the due date for payment,

then the Permanent Global Note (including the obligation to deliver Definitive Notes) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on the date on which such Temporary Global Note becomes void (in the case of (b) above) or at 5.00 p.m. (London time) on such due date ((c) above) and the bearer of the Permanent Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Permanent Global Note or others may have under the Trust Deed).

### **Temporary Global Note exchangeable for Definitive Notes**

If the relevant Final Terms specifies the form of Notes as being "Temporary Global Note exchangeable for Definitive Notes" and also specifies that the TEFRA C Rules are applicable or that neither the TEFRA C Rules or the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole but not in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant Tranche of the Notes.

If the relevant Final Terms specifies the form of Notes as being "Temporary Global Note exchangeable for Definitive Notes" and also specifies that the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever the Temporary Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Temporary Global Note to the bearer of the Temporary Global Note against the surrender of the Temporary Global Note to or to the order of the Principal Paying Agent within 30 days of the bearer requesting such exchange.

If:

- (a) Definitive Notes have not been duly delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer has requested exchange of the Temporary Global Note for Definitive Notes; or
- (b) the Temporary Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Temporary Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer in accordance with the terms of the Temporary Global Note on the due date for payment,

then the Temporary Global Note (including the obligation to deliver Definitive Notes) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date (in the case of (b) above) and the bearer of the Temporary Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Temporary Global Note or others may have under the Trust Deed).

### **Permanent Global Note exchangeable for Definitive Notes**

If the relevant Final Terms specifies the form of Notes as being "Permanent Global Note exchangeable for Definitive Notes", then the Notes will initially be in the form of a Permanent Global Note which will be exchangeable in whole, but not in part, for Definitive Notes:

- (a) on the expiry of such period of notice as may be specified in the relevant Final Terms; or
- (b) at any time, if so specified in the relevant Final Terms ; or
- (c) if the relevant Final Terms specifies "in the limited circumstances described in the Permanent Global Note", then if either of the following events occurs:
  - (i) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or
  - (ii) any of the circumstances described in Condition 16 (*Events of Default*) occurs.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of Notes represented by the Permanent Global Note to the bearer of the

Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Principal Paying Agent within 30 days of the bearer requesting such exchange.

If:

- (a) Definitive Notes have not been duly delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer has requested exchange of the Permanent Global Note for Definitive Notes; or
- (b) the Permanent Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Permanent Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer in accordance with the terms of the Permanent Global Note on the due date for payment,

then the Permanent Global Note (including the obligation to deliver Definitive Notes) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date ((b) above) and the bearer of the Permanent Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Permanent Global Note or others may have under the Trust Deed).

When the Permanent Global Note is to be exchanged for Definitive Notes in the circumstance described in (i) and (ii) above, Notes may only be issued in denominations which are integral multiples of the minimum denomination and may only be traded in such amounts, whether in global or definitive form. As an exception to the above rule, where the Permanent Global Note may only be exchanged in the limited circumstances described in (iii) above, Notes may be issued in denominations of EUR 100,000, plus integral multiples of EUR 1,000 in excess thereof up to and including EUR 199,000 and no Notes in definitive form will be issued with a denomination above EUR 199,000.

#### **Terms and Conditions applicable to the Notes**

The terms and conditions applicable to any Definitive Note will be endorsed on that Note and will consist of the terms and conditions set out under "*Terms and Conditions of the Notes*" below and the provisions of the relevant Final Terms which supplement, amend and/or replace those terms and conditions.

The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "*Summary of Provisions Relating to the Notes while in Global Form*" below.

#### **Legend concerning United States persons**

In the case of any Tranche of Bearer Notes having a maturity of more than 365 days, the Notes in global form, the Notes in definitive form and any Coupons and Talons appertaining thereto will bear a legend to the following effect:

*"Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code."*

#### **Summary of Provisions relating to the Notes while in Global Form**

##### ***Clearing System Accountholders***

Each Global Note will be in bearer form. Consequently, in relation to any Tranche of Notes represented by a Global Note, references in the Terms and Conditions of the Notes to "Noteholder" are references to the bearer of the relevant Global Note which, for so long as the Global Note is held by a depositary or a common depositary, in the case of a CGN, or a common safekeeper, in the case of an NGN for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, will be that depositary or common depositary or, as the case may be, common safekeeper.

Each of the persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Global Note (each an "**Accountholder**") must look solely to Euroclear and/or Clearstream, Luxembourg and/or such other relevant clearing system (as

the case may be) for such Accountholder's share of each payment made by the Issuer or the Guarantors to the bearer of such Global Note and in relation to all other rights arising under the Global Note. The extent to which, and the manner in which, Accountholders may exercise any rights arising under the Global Note will be determined by the respective rules and procedures of Euroclear and Clearstream, Luxembourg and any other relevant clearing system from time to time. For so long as the relevant Notes are represented by the Global Note, Accountholders shall have no claim directly against the Issuer or the Guarantors in respect of payments due under the Notes and such obligations of the Issuer and the Guarantors will be discharged by payment to the bearer of the Global Note.

### **Conditions applicable to Global Notes**

Each Global Note will contain provisions which modify the Terms and Conditions of the Notes as they apply to the Global Note. The following is a summary of certain of those provisions:

**Payments:** All payments in respect of the Global Note will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Global Note to or to the order of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the Notes. On each occasion on which a payment of principal or interest is made in respect of the Global Note, the Issuer shall procure that in respect of a CGN the payment is noted in a schedule thereto and in respect of an NGN the payment is entered *pro rata* in the records of Euroclear and Clearstream, Luxembourg.

**Payment Business Day:** In the case of a Global Note, shall be: if the currency of payment is euro, any day which is a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or, if the currency of payment is not euro, any day which is a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre.

**Exercise of put option:** In order to exercise the relevant option contained in Condition 13(e) (*Redemption at the option of Noteholders*) or in Condition 13(f) (*Redemption at the option of Noteholders upon a Change of Control*) or in Condition 13(i) (*Redemption at the option of Noteholders upon a breach of the Guarantor Coverage Level*) the bearer of the Permanent Global Note must, within the period specified in the Conditions for the deposit of the relevant Note and put notice, give written notice of such exercise to the Principal Paying Agent specifying the principal amount of Notes in respect of which such option is being exercised. Any such notice will be irrevocable and may not be withdrawn.

**Partial exercise of call option:** In connection with an exercise of the option contained in Condition 13(c) (*Redemption at the option of the Issuer*) in relation to some only of the Notes, the Permanent Global Note may be redeemed in part in the principal amount specified by the Issuer in accordance with the Conditions and the Notes to be redeemed will not be selected as provided in the Conditions but in accordance with the rules and procedures of Euroclear and Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in principal amount, at their discretion).

**Notices:** Notwithstanding Condition 23 (*Notices*), while all the Notes are represented by a Permanent Global Note (or by a Permanent Global Note and/or a Temporary Global Note) and the Permanent Global Note is (or the Permanent Global Note and/or the Temporary Global Note are) deposited with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system or a common safekeeper, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with Condition 23 (*Notices*) on the date of delivery to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, except that, for so long as such Notes are admitted to trading on the Luxembourg Stock Exchange and it is a requirement of applicable law or regulations, such notices shall also be published in a leading newspaper having general circulation in Luxembourg (which is expected to be *Luxemburger Wort*) or published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

### **Electronic Consent and Written Resolution with respect to Notes issued by the Issuer**

While any Global Note is held on behalf of or any Global Certificate is registered in the name of any nominee for a clearing system, then:

- (a) the Issuer, any of the Guarantors and the Trustee shall be entitled to rely upon approval of a resolution proposed by the Issuer or the Trustee (as the case may be) given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Notes outstanding (an "**Electronic Consent**" as defined in the Trust Deed); and
- (b) where Electronic Consent is not being sought, for the purpose of determining whether a Written Resolution (as defined in the Trust Deed) has been validly passed, the Issuer, any of the Guarantors and the Trustee shall be entitled to rely on consent or instructions given in writing directly to the Issuer and/or the Guarantors and/or the Trustee, as the case may be, by accountholders in the clearing system with entitlements to such Global Note or Global Certificate or, where the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person for whom such entitlement is ultimately beneficially held, whether such beneficiary holds directly with the accountholder or via one or more intermediaries and **provided that**, in each case, the Issuer, the Guarantors and the Trustee have obtained commercially reasonable evidence to ascertain the validity of such holding and have taken reasonable steps to ensure that such holding does not alter following the giving of such consent or instruction and prior to the effecting or implementation of such consent or instruction. Any resolution passed in such manner shall be binding on all Noteholders and Couponholders, even if the relevant consent or instruction proves to be defective. As used in this paragraph, "commercially reasonable evidence" includes any certificate or other document issued by Euroclear, Clearstream, Luxembourg and/or any other relevant clearing system, or issued by an accountholder of them or an intermediary in a holding chain, in relation to the holding of interests in the Notes. Any such certificate or other document shall, in the absence of manifest error, be conclusive and binding for all purposes. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or Clearstream, Luxembourg's Creation Online system) in accordance with its usual procedures and in which the accountholder of a particular principal or nominal amount of the Notes is clearly identified together with the amount of such holding. None of the Issuer, the Guarantors and the Trustee shall be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

A Written Resolution and/or Electronic Consent shall take effect as an Extraordinary Resolution. A Written Resolution and/or Electronic Consent will be binding on all Noteholders and holders of Coupons, Talons and Receipts, whether or not they participated in such Written Resolution and/or Electronic Consent.

## TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions which, as completed by the relevant Final Terms, will be endorsed on each Note in definitive form issued under the Programme. The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "Summary of Provisions Relating to the Notes while in Global Form" above.

### 1. Introduction

- (a) **Programme:** Saipem Finance International B.V. ("**SFI**") (the "**Issuer**") has established a Euro Medium Term Note Programme (the "**Programme**") for the issuance of up to €3,000,000,000 in aggregate principal amount of notes (the "**Notes**") guaranteed, on a joint and several basis, by Saipem (Portugal) - Comércio Marítimo, Sociedade Unipessoal Lda. (incorporated with limited liability under the laws of Portugal), Saipem SA (a *société anonyme* incorporated under the laws of France), Sofresid SA (a *société anonyme* incorporated under the laws of France), Saipem Limited (incorporated with limited liability under the laws of England and Wales), Saipem Offshore Norway AS (incorporated with limited liability under the laws of Norway), Saipem Drilling Norway AS (incorporated with limited liability under the laws of Norway), Saipem Contracting Netherlands B.V. (incorporated with limited liability under the laws of The Netherlands), Global Petroprojects Services AG (incorporated with limited liability under the laws of Switzerland), Saipem Contracting Nigeria Limited (a private limited liability company incorporated under the laws of the Federal Republic of Nigeria), Saipem Luxembourg S.A. (a *société anonyme* incorporated under the laws of the Grand Duchy of Luxembourg) and Snamprogetti Saudi Arabia Co Limited (a limited liability company incorporated under the laws of the Kingdom of Saudi Arabia), Saudi Arabian Saipem Limited (a limited liability company incorporated under the laws of the Kingdom of Saudi Arabia) and Saipem S.p.A (incorporated with limited liability in Italy) (each an "**Original Guarantor**" and together the "**Original Guarantors**" and, together with any Additional Guarantors (as defined in Condition 7(a)) appointed pursuant to these terms and conditions, the "**Guarantors**" and each a "**Guarantor**", which term shall not include any Guarantor which ceases to guarantee the Notes pursuant to Condition 7(d)) pursuant to the Deed of Guarantee (as defined below).
- (b) **Final Terms:** Notes issued under the Programme are issued in series (each a "**Series**") and each Series may comprise one or more tranches (each a "**Tranche**") of Notes. Each Tranche is the subject of a final terms (the "**Final Terms**") which supplements these terms and conditions (the "**Conditions**"). The terms and conditions applicable to any particular Tranche of Notes are these Conditions as supplemented, amended and/or replaced by the relevant Final Terms. In the event of any inconsistency between these Conditions and the relevant Final Terms, the relevant Final Terms shall prevail.
- (c) **Trust Deed:** The Notes are constituted by, are subject to, and have the benefit of, a trust deed dated 29 June 2020 (as amended or supplemented from time to time, the "**Trust Deed**") between the Issuer and BNP Paribas Trust Corporation UK Limited as trustee (the "**Trustee**", which expression includes all persons for the time being trustee or trustees appointed under the Trust Deed).
- (d) **Agency Agreement:** The Notes are the subject of an issue and paying agency agreement dated 29 June 2020 (as amended or supplemented from time to time, the "**Agency Agreement**") between the Issuer, the Guarantors, BNP Paribas Securities Services, Luxembourg Branch as principal paying agent (the "**Principal Paying Agent**", which expression includes any successor principal paying agent appointed from time to time in connection with the Notes), the paying agents named therein (together with the Principal Paying Agent, the "**Paying Agents**", which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes) and the Trustee. In these Conditions references to the "**Agents**" are to the Paying Agents and the Transfer Agents and any reference to an "**Agent**" is to any one of them.
- (e) **Deed of Guarantee:** Notes issued by the Issuer shall have the benefit of a deed of guarantee dated 29 June 2020 (as amended or supplemented from time to time, the "**Deed of Guarantee**") made by and between the Guarantors and the Trustee in respect of any Notes issued from time to time under the Programme.

- (f) **The Notes:** All subsequent references in these Conditions to "**Notes**" are to the Notes which are the subject of the relevant Final Terms. Copies of the relevant Final Terms are available for viewing at the Specified Office of the Trustee, the Specified Office of the Principal Paying Agent, and, in any event, at the Specified Office of the Paying Agent in Luxembourg, the initial Specified Office of which is set out below.
- (g) **Summaries:** Certain provisions of these Conditions are summaries of the Trust Deed, the Deed of Guarantee and the Agency Agreement and are subject to their detailed provisions. The holders of the Notes (the "**Noteholders**") and the holders of the related interest coupons, if any, (the "**Couponholders**" and the "**Coupons**", respectively) are bound by, and are deemed to have notice of, all the provisions of, the Trust Deed, the Deed of Guarantee and the Agency Agreement applicable to them. Copies of the Trust Deed, the Deed of Guarantee and the Agency Agreement are available for inspection by Noteholders during normal business hours at the Specified Offices of each of the Agents, the initial Specified Offices of which are set out below.

## 2. **Interpretation**

- (a) **Definitions:** In these Conditions the following expressions have the following meanings:

"**Accrual Yield**" has the meaning given in the relevant Final Terms;

"**Additional Business Centre(s)**" means the city or cities specified as such in the relevant Final Terms;

"**Additional Financial Centre(s)**" means the city or cities specified as such in the relevant Final Terms;

"**Authorised Signatories**" means any director or any other person or persons authorised in writing by the Issuer and/or any Guarantor, as the case may be, to execute any documentation relating to the Programme;

"**Business Day**" means:

- (a) in relation to any sum payable in euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Business Centre; and
- (b) in relation to any sum payable in a currency other than euro, a day on which commercial banks and foreign exchange markets settle payments generally in London, in the Principal Financial Centre of the relevant currency and in each (if any) Additional Business Centre;

"**Business Day Convention**", in relation to any particular date, has the meaning given in the relevant Final Terms and, if so specified in the relevant Final Terms, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

- (a) "**Following Business Day Convention**" means that the relevant date shall be postponed to the first following day that is a Business Day;
- (b) "**Modified Following Business Day Convention**" or "**Modified Business Day Convention**" means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;
- (c) "**Preceding Business Day Convention**" means that the relevant date shall be brought forward to the first preceding day that is a Business Day;
- (d) "**FRN Convention**", "**Floating Rate Convention**" or "**Eurodollar Convention**" means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Final Terms as the Specified Period after the calendar month in which the preceding such date occurred **provided, however, that:**

- (i) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;
  - (ii) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and
  - (iii) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and
- (e) **"No Adjustment"** means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

**"Calculation Agent"** means the Principal Paying Agent or such other Person specified in the relevant Final Terms as the party responsible for calculating the Rate(s) of Interest and Interest Amount(s) and/or such other amount(s) as may be specified in the relevant Final Terms;

**"Calculation Amount"** has the meaning given in the relevant Final Terms;

**"Coupon Sheet"** means, in respect of a Note, a coupon sheet relating to the Note;

**"Day Count Fraction"** means, in respect of the calculation of an amount for any period of time (the **"Calculation Period"**), such day count fraction as may be specified in these Conditions or the relevant Final Terms and:

- (a) if **"Actual/Actual (ICMA)"** is so specified, means:
  - (i) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
  - (ii) where the Calculation Period is longer than one Regular Period, the sum of:
    - (A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
    - (B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (a) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;
- (b) if **"Actual/Actual (ISDA)"** is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (c) if **"Actual/365 (Fixed)"** is so specified, means the actual number of days in the Calculation Period divided by 365;
- (d) if **"Actual/360"** is so specified, means the actual number of days in the Calculation Period divided by 360;

- (e) if "**30/360**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"**Y<sub>1</sub>**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y<sub>2</sub>**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M<sub>1</sub>**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M<sub>2</sub>**" is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

"**D<sub>1</sub>**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

"**D<sub>2</sub>**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30";

- (f) if "**30E/360**" or "**Eurobond Basis**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"**Y<sub>1</sub>**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y<sub>2</sub>**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M<sub>1</sub>**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M<sub>2</sub>**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D<sub>1</sub>**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

"**D<sub>2</sub>**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D<sub>2</sub> will be 30; and

if "**30E/360 (ISDA)**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \pm (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"**Y<sub>1</sub>**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y<sub>2</sub>**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M<sub>1</sub>**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M<sub>2</sub>**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D<sub>1</sub>**" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D<sub>1</sub> will be 30; and

"**D<sub>2</sub>**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D<sub>2</sub> will be 30,

**provided, however, that** in each such case the number of days in the Calculation Period is calculated from and including the first day of the Calculation Period to but excluding the last day of the Calculation Period;

"**Early Redemption Amount (Tax)**" means, in respect of any Note, its principal amount or such other amount as may be specified in the relevant Final Terms;

"**Early Termination Amount**" means, in respect of any Note, its principal amount or such other amount as may be specified in these Conditions or the relevant Final Terms;

"**EURIBOR**" means, in respect of any specified currency and any specified period, the interest rate benchmark known as the Euro zone interbank offered rate which is calculated and published by a designated distributor (currently Thomson Reuters) in accordance with the requirements from time to time of the European Money Markets Institute (or any person which takes over administration of that rate);

"**Extraordinary Resolution**" has the meaning given in the Trust Deed;

"**Final Redemption Amount**" means, in respect of any Note, its principal amount or such other amount as may be specified in the relevant Final Terms;

"**First Interest Payment Date**" means the date specified in the relevant Final Terms;

"**First Margin**" means the margin specified as such in the relevant Final Terms;

"**First Reset Date**" means the date specified as such in the relevant Final Terms;

"**First Reset Period**" means the period from (and including) the First Reset Date until (but excluding) the Second Reset Date or, if no such Second Reset Date is specified in the relevant Final Terms, the Maturity Date;

"**First Reset Rate of Interest**" means, in respect of the First Reset Period and subject to Condition 9(c) (*Fallbacks*), the rate of interest determined by the Calculation Agent on the relevant Reset Determination Date as the sum of the relevant Mid-Swap Rate and the First Margin;

"**Fixed Coupon Amount**" has the meaning given in the relevant Final Terms;

"**Group**" means Saipem and its consolidated Subsidiaries for the time being, in each case determined annually by reference to the latest audited consolidated financial statements of the group;

**"Guarantee"** means, in relation to any Indebtedness of any Person, any obligation of another Person to pay such Indebtedness including (without limitation):

- (a) any obligation to purchase such Indebtedness;
- (b) any obligation to lend money, to purchase or subscribe shares or other securities or to purchase assets or services in order to provide funds for the payment of such Indebtedness;
- (c) any indemnity against the consequences of a default in the payment of such Indebtedness; and
- (d) any other agreement to be responsible for such Indebtedness;

**"Guarantee of the Notes"** has the meaning given to it in Condition 5(a).

**"Indebtedness"** means any indebtedness of any Person for money borrowed or raised including (without limitation) any indebtedness for or in respect of:

- (a) amounts raised by acceptance under any acceptance credit facility;
- (b) amounts raised under any note purchase facility;
- (c) the amount of any liability in respect of leases or hire purchase contracts which would, in accordance with applicable law and generally accepted accounting principles, be treated as finance or capital leases;
- (d) amounts raised under any other transaction (including, without limitation, any forward sale or purchase agreement) having the commercial effect of a borrowing;

**"Initial Rate of Interest"** means the initial rate of interest per annum specified in the relevant Final Terms;

**"Interest Amount"** means, in relation to a Note and an Interest Period, the amount of interest payable in respect of that Note for that Interest Period;

**"Interest Commencement Date"** means the Issue Date of the Notes or such other date as may be specified as the Interest Commencement Date in the relevant Final Terms;

**"Interest Determination Date"** has the meaning given in the relevant Final Terms;

**"Interest Payment Date"** means the First Interest Payment Date and any other date or dates specified as such in, or determined in accordance with the provisions of, the relevant Final Terms and, if a Business Day Convention is specified in the relevant Final Terms:

- (a) as the same may be adjusted in accordance with the relevant Business Day Convention; or
- (b) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Final Terms as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case);

**"Interest Period"** means each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date or the relevant payment date if the Notes become payable on a date other than an Interest Payment Date;

**"ISDA Benchmarks Supplement"** means the Benchmarks Supplement (as amended and updated as at the date of the issue of the first Tranche of the Notes of the relevant Series (as specified in the relevant Final Terms) published by the International Swaps and Derivatives Association, Inc;

**"ISDA Definitions"** means the 2006 ISDA Definitions (as supplemented, amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the relevant Final Terms)) as published by the International Swaps and Derivatives Association, Inc. including, if specified in the relevant Final Terms, the ISDA Benchmark Supplement;

**"Issue Date"** has the meaning given in the relevant Final Terms;

**"LIBOR"** means, in respect of any specified currency and any specified period, the interest rate benchmark known as the London interbank offered rate which is calculated and published by a designated distributor (currently Thomson Reuters) in accordance with the requirements from time to time of ICE Benchmark Administration Limited (or any other person which takes over the administration of that rate);

**"Margin"** has the meaning given in the relevant Final Terms;

**"Material Subsidiary"** means, at any time, a consolidated Subsidiary of Saipem, SFI or any Guarantor, which:

- (a) has earnings before interest, tax, depreciation and amortisation (calculated on the same basis as Consolidated EBITDA as defined in Condition 7(e)) representing more than 7.5 per cent. of Consolidated EBITDA of the Group; or
- (b) has tangible assets representing more than 5 per cent. of the consolidated tangible assets of the Group,

in each case calculated on a consolidated basis.

Whether a Subsidiary is a Material Subsidiary by virtue of the points (a) and (b) above shall be determined by reference to the most recent Compliance Certificate supplied by the Issuer or Saipem, in accordance with Condition 7(b) and the latest audited financial statements of that Subsidiary (consolidated in the case of a Subsidiary which itself has Subsidiaries) and the latest audited consolidated financial statements of the Group.

**"Maturity Date"** has the meaning given in the relevant Final Terms;

**"Maximum Redemption Amount"** has the meaning given in the relevant Final Terms;

**"Mid-Market Swap Rate Quotation"** means a quotation (expressed as a percentage rate per annum) for the relevant Mid-Market Swap Rate;

**"Mid-Market Swap Rate"** means for any Reset Period the mean of the bid and offered rates for the fixed leg payable with a frequency equivalent to the frequency with which scheduled interest payments are payable on the Notes during the relevant Reset Period (calculated on the day count basis customary for fixed rate payments in the Specified Currency as determined by the Calculation Agent) of a fixed-for-floating interest rate swap transaction in the Specified Currency which transaction (i) has a term equal to the relevant Reset Period and commencing on the relevant Reset Date, (ii) is in an amount that is representative for a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market and (iii) has a floating leg based on the Mid-Swap Floating Leg Benchmark Rate for the Mid-Swap Maturity (as specified in the relevant Final Terms) (calculated on the day count basis customary for floating rate payments in the Specified Currency as determined by the Calculation Agent);

**"Mid-Market Swap Rate Quotation"** means a quotation (expressed as a percentage rate per annum) for the relevant Mid-Market Swap Rate;

**"Mid-Swap Floating Leg Benchmark Rate"** means EURIBOR if the Specified Currency is euro or LIBOR for the Specified Currency if the Specified Currency is not euro or the Reference Rate as specified in the relevant Final Terms;

**"Mid-Swap Maturity"** has the meaning given in the relevant Final Terms;

**"Mid-Swap Rate"** means, in relation to a Reset Determination Date and subject to Condition 9(c)

(*Fallbacks*), either:

- (i) if Single Mid-Swap Rate is specified in the applicable Final Terms, the rate for swaps in the Specified Currency:
  - (A) with a term equal to the relevant Reset Period; and
  - (B) commencing on the relevant Reset Date,which appears on the Relevant Screen Page; or
- (ii) if Mean Mid-Swap Rate is specified in the applicable Final Terms, the arithmetic mean (expressed as a percentage rate per annum and rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) of the bid and offered swap rate quotations for swaps in the Specified Currency:
  - (A) with a term equal to the relevant Reset Period; and
  - (B) commencing on the relevant Reset Date,which appear on the Relevant Screen Page,

in either case, as at approximately 11.00 a.m. in the principal financial centre of the Specified Currency on such Reset Determination Date, all as determined by the Calculation Agent;

**"Minimum Redemption Amount"** has the meaning given in the relevant Final Terms;

**"Optional Redemption Amount (Call)"** means, in respect of any Note, its principal amount or such other amount as may be specified in the relevant Final Terms;

**"Optional Redemption Amount (Put)"** means, in respect of any Note, its principal amount or such other amount as may be specified in the relevant Final Terms;

**"Optional Redemption Date (Call)"** has the meaning given in the relevant Final Terms;

**"Optional Redemption Date (Put)"** has the meaning given in the relevant Final Terms;

**"Participating Member State"** means a Member State of the European Union which adopts the euro as its lawful currency in accordance with the Treaty;

**"Payment Business Day"** means:

- (a) if the currency of payment is euro, any day which is:
  - (i) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
  - (ii) in the case of payment by transfer to an account, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or
- (b) if the currency of payment is not euro, any day which is:
  - (i) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
  - (ii) in the case of payment by transfer to an account, a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre;

**"Person"** means any individual, company, corporation, firm, partnership, joint venture,

association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

**"Principal Financial Centre"** means, in relation to any currency, the principal financial centre for that currency **provided, however, that:**

- (a) in relation to euro, it means the principal financial centre of such Member State of the European Union or the UK as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent; and
- (b) in relation to New Zealand dollars, it means either Wellington or Auckland as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent;

**"Put Event (Change of Control)"** has the meaning given to it in Condition 13(f);

**"Put Event (Guarantor Coverage Level)"** has the meaning given to it in Condition 13(i);

**"Put Option Notice"** means a notice which must be delivered to a Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder, substantially in the form set out in Schedule 4 to the Agency Agreement;

**"Put Option Receipt"** means a receipt issued by a Paying Agent to a depositing Noteholder upon deposit of a Note with such Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder, substantially in the form set out in Schedule 5 to the Agency Agreement;

**"Put Notice (Change of Control)"** means a notice which must be delivered to a Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder upon the occurrence of a Put Event (Change of Control), substantially in the form set out in Schedule 6 to the Agency Agreement;

**"Put Notice (Guarantor Coverage Level)"** means a notice which must be delivered to a Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder upon the occurrence of a Put Event (Guarantor Coverage Level), substantially in the form set out in Schedule 8 to the Agency Agreement;

**"Put Receipt (Change of Control)"** means a receipt issued by a Paying Agent to a depositing Noteholder upon deposit of a Note with such Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder upon the occurrence of a Put Event (Change of Control), substantially in the form set out in Schedule 7 to the Agency Agreement;

**"Put Receipt (Guarantor Coverage Level)"** means a receipt issued by a Paying Agent to a depositing Noteholder upon deposit of a Note with such Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder upon the occurrence of a Put Event (Guarantor Coverage Level), substantially in the form set out in Schedule 9 to the Agency Agreement;

**"Rate of Interest"** means the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Notes specified in the relevant Final Terms or calculated or determined in accordance with the provisions of these Conditions and/or the relevant Final Terms;

**"Rating Agencies"** has the meaning assigned to it in Condition 13(f).

**"Redemption Amount"** means, as appropriate, the Final Redemption Amount, the Early Redemption Amount (Tax), the Optional Redemption Amount (Call), the Optional Redemption Amount (Put), the Early Termination Amount or such other amount in the nature of a redemption amount as may be specified in the relevant Final Terms;

**"Reference Banks"** has the meaning given in the relevant Final Terms or, if none, four major banks selected by the Issuer in the market that is most closely connected with the Reference Rate;

**"Reference Price"** has the meaning given in the relevant Final Terms;

**"Reference Rate"** means EURIBOR or LIBOR as specified in the relevant Final Terms in respect of the currency and period specified in the relevant Final Terms;

**"Regular Period"** means:

- (a) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;
- (b) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **"Regular Date"** means the day and month (but not the year) on which any Interest Payment Date falls; and
- (c) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **"Regular Date"** means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period;

**"Relevant Date"** means, in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received in the Principal Financial Centre of the currency of payment by the Principal Paying Agent or the Trustee on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders;

**"Relevant Financial Centre"** has the meaning given in the relevant Final Terms;

**"Relevant Indebtedness"** means any Indebtedness which is in the form of or represented by any bond, note, debenture, debenture stock, loan stock, certificate or other instrument which is, or is capable of being, listed, quoted or traded on any stock exchange or in any securities market (including, without limitation, any over-the-counter market);

**"Relevant Jurisdiction"** has the meaning given to it in Condition 15;

**"Relevant Screen Page"** means the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Relevant Screen Page in the relevant Final Terms, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

**"Relevant Time"** has the meaning given in the relevant Final Terms;

**"Reserved Matter"** has the relevant meaning given to it in the Trust Deed with respect to the Notes issued by the Issuer;

**"Reset Date"** means the First Reset Date, the Second Reset Date and each Subsequent Reset Date (as applicable);

**"Reset Determination Date"** means, in respect of the First Reset Period, the second Business Day prior to the First Reset Date, in respect of the first Subsequent Reset Period, the second Business Day prior to the Second Reset Date and, in respect of each Subsequent Reset Period thereafter, the second Business Day prior to the first day of each such Subsequent Reset Period;

**"Reset Note"** means a Note on which interest is calculated at reset rates payable in arrear on a fixed date or dates in each year and/or at intervals of one, two, three, six or 12 months or at such other

date or intervals as may be agreed between the Issuer and the relevant dealer(s) (as indicated in the relevant Final Terms);

"**Reset Period**" means the First Reset Period or a Subsequent Reset Period, as the case may be;

"**Second Reset Date**" means the date specified as such in the applicable Final Terms;

"**Security Interest**" means any mortgage, hypothec, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction;

"**Specified Currency**" has the meaning given in the relevant Final Terms;

"**Specified Denomination(s)**" has the meaning given in the relevant Final Terms;

"**Specified Office**" has the meaning given in the Agency Agreement;

"**Specified Period**" has the meaning given in the relevant Final Terms;

"**Subsequent Margin**" means the margin specified as such in the relevant Final Terms;

"**Subsequent Reset Date**" means the date or dates specified as such in the relevant Final Terms;

"**Subsequent Reset Period**" means the period from (and including) the Second Reset Date to (but excluding) the next Subsequent Reset Date, and each successive period from (and including) a Subsequent Reset Date to (but excluding) the next succeeding Subsequent Reset Date;

"**Subsequent Reset Rate of Interest**" means, in respect of any Subsequent Reset Period and subject to Condition 9(c) (*Fallbacks*), the rate of interest determined by the Calculation Agent on the relevant Reset Determination Date as the sum of the relevant Mid-Swap Rate and the relevant Subsequent Margin;

"**Subsidiary**" means in relation to any company or corporation, a company or corporation:

- (a) which is controlled, directly or indirectly, by the first mentioned company or corporation;
- (b) more than half the issued share capital of which is beneficially owned, directly or indirectly by the first mentioned company or corporation; or
- (c) which is a Subsidiary of another Subsidiary of the first mentioned company or corporation,

and for this purpose, a company or corporation shall be treated as being controlled by another if that other company or corporation is able to direct its affairs and/or to appoint the majority of the composition of its board of directors or equivalent body;

"**Switch Option**" has the meaning given to it in Condition 12;

"**Talon**" means a talon for further Coupons;

"**TARGET2**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007;

"**TARGET Settlement Day**" means any day on which TARGET2 is open for the settlement of payments in euro;

"**Treaty**" means the Treaty on the Functioning of the European Union, as amended; and

"**Zero Coupon Note**" means a Note specified as such in the relevant Final Terms.

- (b) **Interpretation:** In these Conditions:

- (A) if the Notes are Zero Coupon Notes, references to Coupons and Couponholders are not applicable;
- (B) if Talons are specified in the relevant Final Terms as being attached to the Notes at the time of issue, references to Coupons shall be deemed to include references to Talons;
- (C) if Talons are not specified in the relevant Final Terms as being attached to the Notes at the time of issue, references to Talons are not applicable;
- (D) any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 15 (*Taxation*), any premium payable in respect of a Note and any other amount in the nature of principal payable pursuant to these Conditions;
- (E) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 15 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Conditions;
- (F) references to Notes being "outstanding" shall be construed in accordance with the Trust Deed;
- (G) if an expression is stated in Condition 2(a) (*Definitions*) to have the meaning given in the relevant Final Terms, but the relevant Final Terms gives no such meaning or specifies that such expression is "not applicable" then such expression is not applicable to the Notes; and
- (H) any reference to the Trust Deed or the Deed of Guarantee or the Agency Agreement shall be construed as a reference to the Trust Deed or the Deed of Guarantee or the Agency Agreement, as the case may be, as amended and/or supplemented up to and including the Issue Date of the Notes.

3. **Form, Denomination, Title and Transfer**

The Notes are in bearer form in the Specified Denomination(s) with Coupons and, if specified in the relevant Final Terms, Talons attached at the time of issue. In the case of a Series of Notes with more than one Specified Denomination, Notes of one Specified Denomination will not be exchangeable for Notes of another Specified Denomination. Title to the Notes and the Coupons will pass by delivery. The holder of any Note or Coupon shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or any notice of any previous loss or theft thereof) and no Person shall be liable for so treating such holder. No person shall have any right to enforce any term or condition of any Note under the Contracts (Rights of Third Parties) Act 1999.

4. **Status of the Notes**

The Notes constitute direct, general, unconditional, unsecured and unsubordinated obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer, save for such obligations as may be preferred by mandatory or overriding provisions of law.

5. **Guarantee**

- (a) **Guarantee of the Notes:** Each Original Guarantor has unconditionally and (subject to the provisions of Condition 7(d) and subject to the provisions of and the limitations contained in the Trust Deed and the Deed of Guarantee, as applicable) irrevocably guaranteed on a joint and several basis (a) the due payment of all sums expressed to be payable by the Issuer under the Trust Deed, the Agency Agreement, the Notes and the Coupons and (b) the performance by the Issuer of all of its payment obligations under the Trust Deed, the Agency Agreement, the Notes and the Coupons. The obligations of each Original Guarantor in that respect (each a "**Guarantee of the Notes**", which expressions shall include any guarantees given by an Additional Guarantor pursuant to

Condition 7 but exclude any guarantees given by a Guarantor which is released from its obligations pursuant to Condition 7(d)) are contained in the Deed of Guarantee.

- (b) **Status of the Guarantee of the Notes:** The obligations of each Guarantor under the relevant Guarantee of the Notes constitute direct, unconditional, irrevocable, unsecured and unsubordinated obligations of such Guarantor and rank and will rank *pari passu* with all other present and future unsecured and unsubordinated obligations of such Guarantor, save for such obligations as may be preferred by mandatory or overriding provisions of law.

6. **Negative Pledge**

So long as any Note remains outstanding, neither the Issuer nor any Guarantor shall, and the Issuer and the Guarantors shall procure that none of their respective Material Subsidiaries will, create or permit to subsist any Security Interest upon the whole or any part of its present or future undertaking, assets or revenues (including uncalled capital) to secure any Relevant Indebtedness or Guarantee of Relevant Indebtedness without (a) at the same time or prior thereto securing the Notes equally and rateably therewith to the satisfaction of the Trustee or (b) providing such other security for the Notes as the Trustee may in its absolute discretion consider to be not materially less beneficial to the interests of the Noteholders or as may be approved by an Extraordinary Resolution of Noteholders.

7. **Additional Guarantors**

- (a) **Requirement to appoint Additional Guarantors:** If any Compliance Certificate (as defined below) supplied by the Issuer or Saipem to the Trustee shows that any of the Guarantor Coverage Levels are lower than the relevant Minimum Guarantor Coverage Level, then the Issuer and, failing which, Saipem shall procure within 90 days of the date of the Compliance Certificate that such one or more Subsidiaries of Saipem become additional guarantors (each an "**Additional Guarantor**" and together the "**Additional Guarantors**") in the manner set out in Condition 7(c) as may be required so that such Guarantor Coverage Level is not less than the relevant Minimum Guarantor Coverage Level. Saipem agrees to comply with the provisions of this Condition 7 and in order to allow the Issuer with its obligations hereunder.

Neither the Issuer nor Saipem is obliged to perform its obligations under this Condition 7(a) to the extent that:

- (A) it is unlawful for the relevant member of the Group to be and/or become a Guarantor;
- (B) that member of the Group being and/or becoming a Guarantor would cause, or would result in, a personal liability for that member of the Group's directors or other management;
- (C) that member of the Group being and/or becoming a Guarantor would result in costs, stamp duty, notarisation, registration or other applicable fees, taxes, and duties that are disproportionate to the benefit obtained by the beneficiaries of that guarantee;
- (D) that member of the Group becoming a Guarantor would cause a breach of contract; and/or
- (E) that member of the Group has:
  - (i) revenues representing less than 2.0 per cent. of the consolidated total revenues of the Group;
  - (ii) assets representing less than 2.0 per cent. of the consolidated total assets of the Group; and
  - (iii) EBITDA representing less than 2.0 per cent. of the Consolidated EBITDA,

(such relevant person being an "**Excluded Subsidiary**").

The Issuer will not be at any time in breach of the Guarantor Coverage Level if it has acceded all of its and Saipem's Subsidiaries other than the Excluded Subsidiaries.

- (b) **Compliance Certificate:** (i) The Guarantor Coverage Levels and (ii) the members of the Group who are Material Subsidiaries shall be tested annually by reference to any Compliance Certificate delivered pursuant to Condition 7(a) and as delivered pursuant to the definition of Material Subsidiary. The Compliance Certificate will set out (in reasonable detail):
- (A) the list of the Material Subsidiaries;
  - (B) the list of the Guarantors; and
  - (C) computations as to compliance with the Guarantor Coverage Level.
- (c) **Accession of Additional Guarantors:** If a member of the Group is required to become an Additional Guarantor (which, for the avoidance of doubt, may be a Material Subsidiary or a non-Material Subsidiary) pursuant to these Conditions, or if the Issuer requests that a member of the Group become an Additional Guarantor in connection with the release of a Guarantor pursuant to Condition 7(d) below, the Issuer shall procure the delivery to the Trustee and the Principal Paying Agent of each of the following documents in respect of such member of the Group (the "**Proposed Additional Guarantor**"):
- (A) a supplemental deed of guarantee (the "**Supplemental Deed of Guarantee**") in a form and with substance acceptable to the Trustee, duly executed by the Proposed Additional Guarantor and pursuant to which it agrees to be bound by the provisions of the Deed of Guarantee and gives a Guarantee of the Notes to the extent the execution of the Supplemental Deed of Guarantee is necessary for the purposes of the local law of such Proposed Additional Guarantor;
  - (B) a supplemental agency agreement (the "**Supplemental Agency Agreement**") in a form and with substance acceptable to the Trustee, duly executed by the Proposed Additional Guarantor and pursuant to which it agrees to be bound by the provisions of the Agency Agreement to the extent the execution of the Supplemental Agency Agreement is necessary for the purposes of the local law of such Proposed Additional Guarantor;
  - (C) a certificate signed by two duly authorised officers of the Proposed Additional Guarantor, in a form and with substance acceptable to the Trustee, certifying that the giving of the relevant Guarantee of the Notes by such Proposed Additional Guarantor will not breach any restriction imposed on it under laws generally applicable to persons of the same legal form as such Proposed Additional Guarantor;
  - (D) legal opinions of legal advisers of recognised standing in the country of incorporation of the Proposed Additional Guarantor in a form and with substance acceptable to the Trustee, subject to customary exceptions, qualifications and limitations in line with international market practice, to the effect that execution and delivery of the Supplemental Deed of Guarantee and the Supplemental Agency Agreement (in each case, to the extent applicable) have been validly authorised and that the obligations of the Proposed Additional Guarantor under the Supplemental Deed of Guarantee and the Supplemental Agency Agreement (in each case, to the extent applicable) constitute legal, valid and binding obligations and that the Guarantee of the Notes given by the Proposed Additional Guarantor ranks as provided in Condition 5(b); and
  - (E) an opinion of counsel or tax advisors of recognised standing in the country of incorporation of the Proposed Additional Guarantor in a form and with substance acceptable to the Trustee, subject to customary exceptions, qualifications and limitations in line with international market practice, is provided and addressed to the Trustee, to the effect that the Noteholders will not recognise any income, gain or loss for tax purposes as a result of the addition of the Proposed Additional Guarantor; and
  - (F) a certificate, signed by two Authorised Signatories of the Issuer or Saipem, confirming, by reference to the most recently published annual audited consolidated financial statements of Saipem and the most recent annual financial statements of the Proposed Additional Guarantor, that the Guarantor Coverage Levels will be satisfied immediately after the Proposed Additional Guarantor becomes a Guarantor (**provided that no**

certificate under this sub-paragraph (v) shall be required if the Proposed Additional Guarantor is substituting a Proposed Released Guarantor (as defined in Condition 7(d)) and a certificate is provided to the Trustee pursuant to Condition 7(d)).

Upon receipt of such documents to the Trustee and the Principal Paying Agent, the Proposed Additional Guarantor shall become a Guarantor.

Notice of any addition of a Guarantor pursuant to this Condition 7(c) will be given to the Noteholders in accordance with Condition 23.

(d) **Release of Guarantors:**

- (A) The Issuer may at any time by notice in writing to the Trustee signed by two Authorised Signatories of Saipem request the Trustee to agree to the release of any Guarantor (other than Saipem) (the "**Proposed Released Guarantor**") from its obligations under its Guarantee of the Notes and the Trustee shall grant such request if it has received, in a form and with substance satisfactory to it, each of the following documents:
- (i) a certificate, signed by two Authorised Signatories of the Issuer, confirming, by reference to the most recently published annual audited consolidated financial statements of the Group, that the Guarantor Coverage Levels will continue to be satisfied immediately after the release of the Proposed Released Guarantor;
  - (ii) a certificate, signed by two Authorised Signatories of the Issuer, confirming that no Event of Default or Potential Event of Default (as defined in the Trust Deed) has occurred and is continuing or would result from the release of the Proposed Released Guarantor; and
  - (iii) a certificate signed by two Authorised Signatories of the Issuer, and by two Authorised Signatories (or, if applicable, the sole director) of the Proposed Released Guarantor confirming that no amount owed by the Proposed Released Guarantor under its Guarantee of the Notes is outstanding.

Upon receipt by the Trustee of such documents, in forms and with substance satisfactory to it, the Proposed Released Guarantor shall be immediately and effectively released from its obligations under the Deed of Guarantee. Upon a reasonable request therefor the Trustee shall, at the Issuer's expense, confirm that the conditions to release of the relevant Guarantor set out in (i) to (iii) above have been satisfied.

- (B) In the event that all of the Guarantors other than Saipem shall have been fully and unconditionally released from all obligations under the Guarantees of the Financing, the Minimum Guarantor Coverage Levels will no longer need to be satisfied and each of the Guarantors shall, upon receipt by the Trustee of the notice described in this Condition 7(d)(B), be deemed released from all obligations under their Guarantee of the Notes without any further action required on the part of the Trustee, any Noteholder or any Couponholder provided that the Rating Agencies have confirmed to the Issuer that the relevant rating assigned to the Programme and/or the Notes will be not downgraded or put under creditwatch with negative implications as a result of such release. The Issuer will deliver a notice signed by two Authorised Signatories notifying the Trustee that all the Guarantors other than Saipem have been fully and unconditionally released from all obligations under any Guarantees of the Financing and such notice will contain (i) a certification that no Event of Default or a potential Event of Default is continuing or will result from the release of the Guarantors and (ii) a certification that the Rating Agencies have confirmed in writing that the relevant rating assigned to the Programme and/or the Notes will not be downgraded or put under creditwatch with negative implications as a result of such release. Such notice shall be relied upon by the Trustee without liability and without further enquiry or evidence (subject to the Trustee being indemnified and/or secured and/or prefunded to its satisfaction) and shall, in the absence of manifest error, be conclusive and binding on all parties. The Issuer shall promptly give notice to the Trustee, the Principal Paying Agent, and the Noteholders in accordance with Condition 23 following any such release of the Guarantors. Notwithstanding the foregoing, Notes

issued by the Issuer will at all times be guaranteed by Saipem regardless of any release of Saipem's obligations under the Financing as borrower or guarantor. If, at any time subsequent to the date on which the Guarantors are released from the Guarantee of the Notes as described in this Condition 7(d)(B), any member(s) of the Group other than Saipem issues a guarantee under the Financing or if any member(s) of the Group other than Saipem and SFI are a borrower under the Financing, then such member(s) of the Group (in each case issuing a guarantee or being a borrower under the Financing) will be required to provide a Guarantee of the Notes as described in Condition 5 provided that this will not apply where at such date Saipem has an investment grade credit rating (BBB-/Baa3/BBB-, or equivalent, or better) and the Rating Agencies have confirmed in writing to the Issuer and the Issuer has certified to the Trustee as set out herein that the relevant rating assigned to the Programme and/or the Notes will not be downgraded or put under creditwatch with negative implications if the Guarantee of the Notes is not provided by such member(s) of the Group pursuant to Condition 7(c). The Issuer shall promptly give notice to the Trustee, the Principal Paying Agent, and the Noteholders in accordance with Condition 23 following any such reinstatement of, or provision of, the Guarantee of the Notes.

"**Financing**" means the Euro 4,700,000,000.00 term and revolving credit facilities dated 10 December 2015 (as amended and restated from time to time) between (*inter alios*) Saipem, as borrower and guarantor, SFI, as borrower, and certain financial institutions, and any future financing made to the Group for an aggregate amount higher than Euro 300,000,000.00.

Notice of any release of a Guarantor pursuant to this Condition 7(d) will be given to the Noteholders in accordance with Condition 23.

(e) **Interpretation:** For the purposes of these Conditions:

- "**Guarantor Coverage Levels**" means that:
  - (i) the aggregate of the revenues of the Guarantors (the "**Guarantor Revenues Level**") represents, at any time not less than 65 per cent. of the consolidated total revenues of the Group (the "**Minimum Guarantor Revenues Level**");
  - (ii) the aggregate of the assets of the Guarantors (the "**Guarantor Total Assets Level**") represents, at any time not less than 70 per cent. of the consolidated total assets of the Group (the "**Minimum Guarantor Total Assets Level**"); and
  - (iii) the aggregate of EBITDA of the Guarantors (the "**Guarantor EBITDA Level**" and, together with the Guarantor Revenues Level and the Guarantor Total Assets Level, each a "**Guarantor Coverage Level**") represents, at any time not less than 75 per cent. of the Consolidated EBITDA (the "**Minimum Guarantor EBITDA Level**" and, together with the Minimum Guarantor Revenues Level and the Minimum Guarantor Total Assets Level, each a "**Minimum Guarantor Coverage Level**"),

calculated by reference to the then most recent annual financial statements of each Guarantor and the then most recent annual audited consolidated financial statements of the Group.

- "**Compliance Certificate**" means a certificate in the form set out in the Trust Deed and upon which the Trustee may rely absolutely and without further enquiry, delivered by the Issuer or Saipem to the Trustee as soon as its audited annual consolidated financial statements are available (and in any event within 180 calendar days of the relevant annual accounting period) which is signed by two Authorised Signatories of the Issuer or Saipem;
- "**Consolidated EBITDA**" means, in respect of any relevant Financial Year, the consolidated "*Margine operativo lordo (EBITDA)*" (or "Gross operating profit (EBITDA)") as resulting from the audited consolidated annual financial statements of the Group delivered for that relevant Financial Year adjusted to exclude any write-off of

"*Ricavi della gestione caratteristica*" (or "Core business revenue") (as resulting from the audited consolidated annual financial statements of the Group) relevant to activities performed in years ended before that relevant Financial Year.

Any write-off of "*Ricavi della gestione caratteristica*" (or "Core business revenue ") pertinent to the progress of projects realised in years ended before the relevant Financial Year will be added back to the reported "*Margine operativo lordo (EBITDA)*" (or "Gross operating profit (EBITDA)") to calculate the Consolidated EBITDA;

- "**Margine operativo lordo (EBITDA)**" (or "Gross operating profit (EBITDA)") shall be calculated as the "*Utile (perdita) dell'esercizio di competenza Saipem*" (or " Profit (loss) for the year attributable to owners of the Parent") before:
  - (a) "*Utile (perdita) dell'esercizio di competenza di terzi azionisti*" (or "Profit (loss) for the year attributable to non-controlling interests");
  - (b) "*Imposte sul reddito*" (or "Income taxes");
  - (c) "*Proventi (oneri) netti su partecipazioni*" (or "Net gains (losses) on equity investments");
  - (d) "*Proventi (oneri) finanziari netti*" (or "Net financial income (expense)"); and
  - (e) "*Ammortamenti e svalutazioni*" (or "Depreciation, amortisation and impairment losses") (which include impairment of tangible and intangible assets) "**Financial Year**" means each period of 12 months ending on 31 December of each year.

#### 8. **Fixed Rate Note Provisions**

- (a) **Application:** This Condition 8 (*Fixed Rate Note Provisions*) is applicable to the Notes only if: (a) the Fixed Rate Note Provisions are specified in the relevant Final Terms as being applicable; or (b) if a Change of Interest Basis is specified in the relevant Final Terms as being applicable, in respect of those periods for which the Fixed Rate Note Provisions are stated to apply; or (c) if the Fixed-Floating Rate Note Provisions or the Floating-Fixed Rate Note Provisions are specified in the relevant Final Terms as being applicable, in respect of those Interest Periods for which the Fixed Rate Note Provisions are stated to apply.
- (b) **Accrual of interest:** The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 14 (*Payments*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 8 (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Principal Paying Agent or the Trustee has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).
- (c) **Fixed Coupon Amount:** The amount of interest payable in respect of each Note for any Interest Period shall be the relevant Fixed Coupon Amount and, if the Notes are in more than one Specified Denomination, shall be the relevant Fixed Coupon Amount in respect of the relevant Specified Denomination.
- (d) **Calculation of interest amount:** The amount of interest payable in respect of each Note for any period for which a Fixed Coupon Amount is not specified shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount. For this purpose a "**sub-unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

9. **Reset Note Provisions**

(a) **Application:** This Condition 9 (*Reset Note Provisions*) is applicable to the Notes only if the Reset Note Provisions are specified in the relevant Final Terms as being applicable.

(b) **Accrual of interest:** The Notes bear interest:

(A) from (and including) the Interest Commencement Date specified in the relevant Final Terms until (but excluding) the First Reset Date at the rate per annum equal to the Initial Rate of Interest;

(B) from (and including) the First Reset Date until (but excluding) the Second Reset Date or, if no such Second Reset Date is specified in the relevant Final Terms, the Maturity Date at the rate per annum equal to the First Reset Rate of Interest; and

(C) for each Subsequent Reset Period thereafter (if any), at the rate per annum equal to the relevant Subsequent Reset Rate of Interest,

payable, in each case, in arrear on each Interest Payment Date and on the Maturity Date if that does not fall on an Interest Payment Date. The Rate of Interest and the Interest Amount payable shall be determined by the Calculation Agent, (A) in the case of the Rate of Interest, at or as soon as practicable after each time at which the Rate of Interest is to be determined, and (B) in the case of the Interest Amount in accordance with the provisions for calculating amounts of interest in Condition 8 (*Fixed Rate Note Provisions*) and, for such purposes, references in Condition 8 (*Fixed Rate Note Provisions*) to "Fixed Rate Notes" shall be deemed to be to "Reset Notes" and Condition 8 (*Fixed Rate Note Provisions*) shall be construed accordingly.

(c) **Fallbacks:**

If on any Reset Determination Date the Relevant Screen Page is not available or the Mid-Swap Rate does not appear on the Relevant Screen Page (other than in the circumstances provided for in Condition 10(e) (*Benchmark Discontinuation*)), the Issuer shall request each of the Reference Banks to provide the Calculation Agent with its Mid-Market Swap Rate Quotation as at approximately 11.00 a.m. in the Principal Financial Centre of the Specified Currency on the Reset Determination Date in question.

If two or more of the Reference Banks provide the Calculation Agent with Mid-Market Swap Rate Quotations, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) for the relevant Reset Period shall be the sum of the arithmetic mean (rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) of the relevant Mid-Market Swap Rate Quotations and the First Margin or Subsequent Margin (as applicable), all as determined by the Calculation Agent.

If on any Reset Determination Date only one or none of the Reference Banks provides the Calculation Agent with a Mid-Market Swap Rate Quotation as provided in the foregoing provisions of this paragraph, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) shall be determined to be the Rate of Interest as at the last preceding Reset Date or, in the case of the first Reset Determination Date, the First Reset Rate of Interest shall be the Initial Rate of Interest.

(d) **Publication:** The Calculation Agent will cause each Rate of Interest and Interest Amount determined by it, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the Paying Agents and each listing authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation as soon as practicable after such determination but (in the case of each Rate of Interest, Interest Amount and Interest Payment Date) in any event not later than the first day of the relevant Interest Period. Notice thereof shall also promptly be given to the Noteholders. The Calculation Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period. If the Calculation Amount is less than the minimum Specified Denomination, the Calculation Agent shall not be obliged to publish each

Interest Amount but instead may publish only the Calculation Amount and the Interest Amount in respect of a Note having the minimum Specified Denomination.

- (e) **Notifications etc:** All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Paying Agents, the Noteholders and the Couponholders and (subject as aforesaid) no liability to any such Person will attach to the Calculation Agent in connection with the exercise or non exercise by it of its powers, duties and discretions for such purposes.

#### 10. **Floating Rate Note Provisions**

- (a) **Application:** This Condition 10 (*Floating Rate Note Provisions*) is applicable to the Notes only if: (i) the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable; or (ii) if a Change of Interest Basis is specified in the relevant Final Terms as being applicable, in respect of those periods for which the Floating Rate Note Provisions are stated to apply; or (iii) if the Fixed-Floating Rate Note Provisions or the Floating-Fixed Rate Note Provisions are specified in the relevant Final Terms as being applicable, in respect of those Interest Periods for which the Floating Rate Note Provisions are stated to apply.

- (b) **Accrual of interest:** The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 14 (*Payments*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Principal Paying Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

- (c) **Screen Rate Determination:** If Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will (subject to Condition 10(e) (*Benchmark Discontinuation*)) be determined by the Calculation Agent on the following basis:

(A) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;

(B) if Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight-line linear interpolation by reference to two rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date, where:

(i) one rate shall be determined as if the relevant Interest Period were the period of time for which rates are available next shorter than the length of the relevant Interest Period; and

(ii) the other rate shall be determined as if the relevant Interest Period were the period of time for which rates are available next longer than the length of the relevant Interest Period;

**provided, however, that** if no rate is available for a period of time next shorter or, as the case may be, next longer than the length of the relevant Interest Period, then the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate;

(C) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;

- (D) if, in the case of (i) above, such rate does not appear on that page or, in the case of (iii) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Calculation Agent will:
  - (i) request the principal Relevant Financial Centre office of each of the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Interest Determination Date to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time; and
  - (ii) determine the arithmetic mean of such quotations; and
- (E) if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Calculation Agent) quoted by major banks in the Principal Financial Centre of the Specified Currency, selected by the Calculation Agent, at approximately 11.00 a.m. (local time in the Principal Financial Centre of the Specified Currency) on the first day of the relevant Interest Period for loans in the Specified Currency to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time,

and the Rate of Interest for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; **provided, however, that** if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to the Notes during such Interest Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Notes in respect of a preceding Interest Period.

- (d) **ISDA Determination:** If ISDA Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be the sum of the Margin and the relevant ISDA Rate where "ISDA Rate" in relation to any Interest Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (A) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the relevant Final Terms;
- (B) the Designated Maturity (as defined in the ISDA Definitions) is a period specified in the relevant Final Terms;
- (C) the relevant Reset Date (as defined in the ISDA Definitions) is either (A) if the relevant Floating Rate Option is based on LIBOR for a currency, the first day of that Interest Period or (B) in any other case, as specified in the relevant Final Terms; and
- (D) if Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight-line linear interpolation by reference to two rates based on the relevant Floating Rate Option, where:
  - (i) one rate shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period; and
  - (ii) the other rate shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period

**provided, however, that** if there is no rate available for a period of time next shorter than the length of the relevant Interest Period or, as the case may be, next longer than the length

of the relevant Interest Period, then the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

- (e) *Benchmark Discontinuation*: If the Issuer determines that a Benchmark Event has occurred in relation to the Reference Rate when the Rate of Interest (or any component part thereof) for any Interest Period remains to be determined by reference to such Reference Rate, then the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 10(e)) and, in either case, an Adjustment Spread, if any (in accordance with Condition 10(e)(cc)) and any Benchmark Amendments (in accordance with Condition 10(e)(dd)).

In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Trustee, Principal Paying Agent or the Noteholders for any determination made by it pursuant to this Condition 10(e) and the Trustee will not be liable for any loss, liability, cost, charge or expense which may arise as a result thereof.

- (aa) If (i) the Issuer is unable to appoint an Independent Adviser or (ii) the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 10(e) prior to the relevant Interest Determination Date, the Reference Rate applicable to the immediate following Interest Period shall be the Reference Rate applicable as at the last preceding Interest Determination Date. If there has not been a first Interest Payment Date, the Reference Rate shall be the Reference Rate applicable to the first Interest Period. For the avoidance of doubt, any adjustment pursuant to this Condition 10(e)(aa) (*Benchmark Discontinuation*) shall apply to the immediately following Interest Period only. Any subsequent Interest Period may be subject to the subsequent operation of this Condition 10(e).
- (bb) If the Independent Adviser determines in its discretion that:
- (A) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 10(e)(cc)) subsequently be used in place of the Reference Rate to determine the Rate of Interest for the immediately following Interest Period and all following Interest Periods, subject to the subsequent operation of this Condition 10(e) in the event of a further Benchmark Event affecting the Successor Rate; or
- (B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 10(e)(cc)) subsequently be used in place of the Reference Rate to determine the Rate of Interest for the immediately following Interest Period and all following Interest Periods, subject to the subsequent operation of this Condition 10(e) in the event of a further Benchmark Event affecting the Alternative Rate.
- (cc) If the Independent Adviser determines in its discretion (A) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (B) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall apply to the Successor Rate or the Alternative Rate (as the case may be).
- (dd) If any relevant Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 10(e) and the Independent Adviser determines in its discretion (i) that amendments to these Conditions are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the "**Benchmark Amendments**") and (ii) the terms of the Benchmark Amendments, then the Issuer shall, following consultation with the Calculation Agent (or the person specified in the applicable Final Terms Pricing Supplement as the party responsible for calculating the Rate of Interest and the Interest Amount(s)), subject to giving notice thereof in accordance with Condition 10(e)(ee), without any requirement for the consent or approval of relevant Noteholders, vary these Conditions to give effect to such Benchmark Amendments with effect from the date specified in such notice

- (ee) Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any proposed Benchmark Amendments, determined under this Condition 10(e) will be notified promptly by the Issuer to the Trustee, the Calculation Agent, the Paying Agents and, in accordance with Condition 20 (*Notices*), the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.
- (ff) At the same time as notifying the Trustee in accordance with sub-paragraph (ee) above, and if applicable, on the effective date of the Benchmark Amendments, the Issuer shall deliver to the Trustee a certificate signed by two authorised signatories of the Issuer (the "**Benchmark Amendment Certificate**") certifying that:
  - (A) (x) that a Benchmark Event has occurred, (y) the relevant Successor Rate, or, as the case may be, the relevant Alternative Rate and, (z) where applicable, any relevant Adjustment Spread and/or the specific terms of any relevant Benchmark Amendments, in each case as determined in accordance with the provisions of this Condition 10(e);
  - (B) the relevant Benchmark Amendments are necessary to ensure the proper operation of such relevant Successor Rate, Alternative Rate and/or Adjustment Spread, and have been drafted solely to such effect; and
  - (C) the Issuer has agreed to pay all fees, costs and expenses (including legal fees and any initial or ongoing costs associated with the Benchmark Amendments) incurred by the Trustee or any other party in connection with any Benchmark Amendments.
- (gg) Subject to the receipt of the Benchmark Amendment Certificate in accordance with sub-paragraph (ff) above, the Trustee shall at the request and expense of the Issuer consent to and effect such consequential amendments to the Trust Deed, the Agency Agreement and these Conditions as may be required in order to give effect to this Condition 10(e), **provided that** the Trustee shall not be obliged to agree to any modification pursuant to this Condition 10(e) which, in the sole opinion of the Trustee would have the effect of (A) exposing the Trustee to any liability against which it has not been indemnified and/or secured and/or prefunded to its satisfaction or (B) increasing the obligations or duties, or decreasing the rights or protection, of the Trustee in the Trust Deed and/or these Conditions.
- (hh) When implementing any amendments pursuant to this Condition 10(e), the Trustee shall not consider the interests of the Noteholders or any other person and shall act and rely solely, and without further investigation, on any Benchmark Amendment Certificate or evidence provided to it by the Issuer pursuant to this Condition 10(e), and shall not be liable to the Noteholders or any other person for so acting or relying, irrespective of whether any such modification is or may be materially prejudicial to the interests of any such person.
- (ii) The Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) specified in a Benchmark Amendment Certificate will (in the absence of manifest error or bad faith in the determination of such Successor Rate or Alternative Rate and such Adjustment Spread (if any) and such Benchmark Amendments (if any)) be binding on the Issuer, the Trustee and Principal Paying Agent, the Calculation Agent, the other Paying Agents and the Noteholders.
- (hh) As used in this Condition 10(e):

"**Adjustment Spread**" means either a spread (which may be positive or negative), or the formula or methodology for calculating a spread, in either case, which the Independent Adviser determines is required to be applied to the relevant Successor Rate or the relevant Alternative Rate (as the case may be) and is the spread, formula or methodology which:

- (A) in the case of a Successor Rate, is formally recommended, or formally provided as an option for parties to adopt, in relation to the replacement of the Reference Rate with the Successor Rate by any Relevant Nominating Body; or
- (B) (if no such recommendation has been made, or in the case of an Alternative Rate), the Independent Adviser, determines is customarily applied to the relevant Successor Rate or Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Reference Rate; or
- (C) (if no such recommendation has been made, or in the case of an Alternative Rate) the Independent Adviser determines, is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or
- (D) (if the Independent Adviser determines that no such industry standard is recognised or acknowledged) the Independent Adviser determines to be appropriate to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders as a result of the replacement of the Reference Rate with the Successor Rate or the Alternative Rate (as the case may be).

"**Alternative Rate**" means an alternative benchmark or screen rate which the Independent Adviser determines in accordance with this Condition 7(e) is customary in market usage in the international debt capital markets for the purposes of determining floating rates of interest (or the relevant component part thereof) in the Specified Currency.

"**Benchmark Event**" means:

- (A) the relevant Reference Rate has ceased to be published on the Relevant Screen Page as a result of such benchmark ceasing to be calculated or administered; or
- (B) a public statement by the administrator of the relevant Reference Rate that (in circumstances where no successor administrator has been or will be appointed that will continue publication of such Reference Rate) it has ceased publishing such Reference Rate permanently or indefinitely or that it will cease to do so by a specified future date (a "**Specified Future Date**"); or
- (C) a public statement by the supervisor of the administrator of the relevant Reference Rate that such Reference Rate has been or will, by a specified future date (a "**Specified Future Date**"), be permanently or indefinitely discontinued; or
- (D) a public statement by the supervisor of the administrator of the relevant Reference Rate that means that such Reference Rate will, by a specified future date (a "**Specified Future Date**"), be prohibited from being used or that its use will be subject to restrictions or adverse consequences, either generally or in respect of the Notes; or
- (E) a public statement by the supervisor of the administrator of the relevant Reference Rate (as applicable) that, in the view of such supervisor, (i) such Reference Rate is no longer representative of an underlying market or (ii) the methodology to calculate such Reference Rate has materially changed; or
- (F) it has or will, by a specified date within the following six months, become unlawful for the Calculation Agent to calculate any payments due to be made to any Noteholder using the relevant Reference Rate (as applicable) (including, without limitation, under the Regulation (EU) 2016/1011, if applicable).

Notwithstanding the sub-paragraphs above, where the relevant Benchmark Event is a public statement within sub-paragraphs (B), (C) or (D) above and the applicable Specified Future Date in the public statement is more than six months after the date of that public statement, the Benchmark Event shall not be deemed occur until the date falling six months prior to such Specified Future Date.

"**Benchmark Amendments**" has the meaning given to it in Condition 10(e)(dd).

"**Independent Adviser**" means an independent financial institution of international repute or other independent financial adviser experienced in the international capital markets, in each case appointed by the Issuer at its own expense under Condition 10(e).

"**Relevant Nominating Body**" means, in respect of a benchmark or screen rate (as applicable):

- (A) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or
- (B) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof.

"**Successor Rate**" means a successor to or replacement of the Reference Rate which is formally recommended by any Relevant Nominating Body.

- (f) **Maximum or Minimum Rate of Interest:** If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Final Terms, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified.
- (g) **Calculation of Interest Amount:** The Calculation Agent will, as soon as practicable after the time at which the Rate of Interest is to be determined in relation to each Interest Period, calculate the Interest Amount payable in respect of each Note for such Interest Period. The Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of the relevant Note divided by the Calculation Amount. For this purpose a "**sub-unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.
- (h) **Publication:** The Calculation Agent will cause each Rate of Interest and Interest Amount determined by it, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the Paying Agents and each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation as soon as practicable after such determination but (in the case of each Rate of Interest, Interest Amount and Interest Payment Date) in any event not later than the first day of the relevant Interest Period. Notice thereof shall also promptly be given to the Noteholders. The Calculation Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period. If the Calculation Amount is less than the minimum Specified Denomination the Calculation Agent shall not be obliged to publish each Interest Amount but instead may publish only the Calculation Amount and the Interest Amount in respect of a Note having the minimum Specified Denomination.
- (i) **Notifications etc:** All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Guarantor, the Paying Agents, the Noteholders and the Couponholders and (subject as aforesaid) no liability to any such Person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

#### 11. **Zero Coupon Note Provisions**

- (a) **Application:** This Condition 11 (*Zero Coupon Note Provisions*) is applicable to the Notes only if the Zero Coupon Note Provisions are specified in the relevant Final Terms as being applicable.

- (b) **Late payment on Zero Coupon Notes:** If the Redemption Amount payable in respect of any Zero Coupon Note is improperly withheld or refused, the Redemption Amount shall thereafter be an amount equal to the sum of:
- (A) the Reference Price; and
  - (B) the product of the Accrual Yield (compounded annually) being applied to the Reference Price on the basis of the relevant Day Count Fraction from (and including) the Issue Date to (but excluding) whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Principal Paying Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

12. **Change of Interest Basis**

If Change of Interest Basis is specified as applicable in the applicable Final Terms, the interest payable in respect of the Notes will be calculated in accordance with Condition 8 (*Fixed Rate Note Provisions*), Condition 9 (*Reset Note Provisions*) and Condition 10 (*Floating Rate Note Provisions*), each applicable only for the relevant periods specified in the relevant Final Terms.

If Change of Interest Basis is specified as applicable in the relevant Final Terms, and Issuer's Switch Option is also specified as applicable in the relevant Final Terms, the Issuer may, on one or more occasions, as specified in the relevant Final Terms, at its option (any such option, a "**Switch Option**"), having given notice to the Noteholders in accordance with Condition 23 (*Notices*) on or prior to the relevant Switch Option Expiry Date, change the Interest Basis of the Notes from Fixed Rate to Floating Rate or Floating Rate to Fixed Rate or as otherwise specified in the applicable Final Terms with effect from (and including) the Switch Option Effective Date specified in the relevant Final Terms to (but excluding) the Maturity Date (or, where more than one Switch Option Effective Date is specified in the applicable Final Terms, up to and excluding the next following Switch Option Effective Date), **provided that** (A) the Switch Option may be exercised only in respect of all the outstanding Notes, (B) upon exercise of a Switch Option, the Interest Basis change will be effective from (and including) the relevant Switch Option Effective Date until the Maturity Date (or, where more than one Switch Option Effective Date is specified as applicable in the relevant Final Terms, up to and excluding the next following Switch Option Effective Date to the extent the related Switch Option is exercised), and (C) where a Switch Option has not been exercised prior to the relevant Switch Option Expiry Date, the Issuer shall no longer be entitled to exercise such Switch Option and the Interest Basis shall not change.

"**Switch Option Expiry Date**" and "**Switch Option Effective Date**" shall mean any date specified as such in the relevant Final Terms **provided that** any date specified in the relevant Final Terms as a Switch Option Effective Date shall be deemed as such subject to the exercise of the relevant Switch Option having been notified by the Issuer pursuant to this Condition and in accordance with Condition 23 (*Notices*) prior to the relevant Switch Option Expiry Date.

13. **Redemption and Purchase**

- (a) **Scheduled redemption:** Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their Final Redemption Amount on the Maturity Date, subject as provided in Condition 14 (*Payments*).
- (b) **Redemption for tax reasons:** The Notes may be redeemed at the option of the Issuer in whole, but not in part:
- (A) at any time (unless the Floating Rate Note Provisions, the Floating-Fixed Rate Note Provisions (in respect of the Interest Period calculated in accordance with the Floating Rate Note Provisions) or the Fixed-Floating Rate Note Provisions (in respect of the Interest Period calculated in accordance with the Floating Rate Note Provisions) are specified in the relevant Final Terms as being applicable); or
  - (B) on any Interest Payment Date (if the Floating Rate Note Provisions, the Floating-Fixed Rate Note Provisions (in respect of the Interest Period calculated in accordance with the

Floating Rate Note Provisions) or the Fixed-Floating Rate Note Provisions (in respect of the Interest Period calculated in accordance with the Floating Rate Note Provisions) are specified in the relevant Final Terms as being applicable),

on giving not less than 30 nor more than 60 days' notice to the Noteholders, or such other period(s) as may be specified in the relevant Final Terms, (which notice shall be irrevocable), at their Early Redemption Amount (Tax), together with interest accrued (if any) to the date fixed for redemption, if, immediately before giving such notice, the Issuer satisfies the Trustee that:

- (i) (1) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 15 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of the Issuer's Relevant Jurisdiction (as defined in Condition 15) or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the date of issue of the first Tranche of the Notes and (2) such obligation cannot be avoided by the Issuer taking reasonable measures available to it; or
- (ii) (2) any Guarantor has or (if a demand was made under the Deed of Guarantee) would become obliged to pay additional amounts as provided or referred to in Condition 15 (*Taxation*) and/or the Guarantee of the Notes or the Guarantor has or will become obliged to make any such withholding or deduction as is referred to in Condition 15 (*Taxation*) and/or the Guarantee of the Notes from any amount paid by it to the Issuer in order to enable the Issuer to make a payment of principal or interest in respect of the Notes, in either case as a result of any change in, or amendment to, the laws or regulations of any Guarantor's Relevant Jurisdiction (as defined in Condition 15) or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the date of issue of the first Tranche of the Notes, and (2) such obligation cannot be avoided by any such Guarantor taking reasonable measures available to it,

**provided, however, that** no such notice of redemption shall be given earlier than:

- (1) where the Notes may be redeemed at any time, 90 days (or such other period as may be specified in the relevant final terms) prior to the earliest date on which the Issuer or, as the case may be, any Guarantor would be obliged to pay such additional amounts or any such Guarantor would be obliged to make such withholding or deduction if a payment in respect of the Notes were then due or (as the case may be) a demand under the Guarantee of the Notes were then made; or
- (2) where the Notes may be redeemed only on an Interest Payment Date, 60 days (or such other period as may be specified in the relevant final terms) prior to the Interest Payment Date occurring immediately before the earliest date on which the Issuer or any Guarantor would be obliged to pay such additional amounts or any such Guarantor would be obliged to make such withholding or deduction if a payment in respect of the Notes were then due or (as the case may be) a demand under the Guarantee of the Notes of the Notes were then made.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver or procure that there is delivered to the Trustee (1) a certificate signed by two directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (2) an opinion of independent legal advisers of recognised standing to the effect that

the Issuer or (as the case may be) the relevant Guarantor has or will become obliged to pay such additional amounts or (as the case may be) the Guarantor has or will become obliged to make such withholding or deduction as a result of such change or amendment.

The Trustee shall be entitled to accept such certificate and opinion as sufficient evidence of the satisfaction of the circumstances set out above, in which event they shall be conclusive and binding on the Noteholders.

Upon the expiry of any such notice as is referred to in this Condition 13(b), the Issuer shall be bound to redeem the Notes in accordance with this Condition 13(b).

(c) ***Redemption at the option of the Issuer (Issuer Call or Make-Whole Issuer Call)***

If the Call Option is specified in the relevant Final Terms as being applicable, the Issuer may, having given not less than 30 nor more than 60 days' notice to the Noteholders, or such other period(s) as may be specified in the relevant final terms (which notice shall be irrevocable and shall specify the date fixed for redemption) redeem all or some only of the Notes then outstanding on any Optional Redemption Date (Call) and at the relevant Optional Redemption Amount (Call) specified in the applicable Final Terms together, if appropriate, with interest accrued (if any) to (but excluding) the relevant Optional Redemption Date (Call). Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount in each case as may be specified in the applicable Final Terms.

The Optional Redemption Amount (Call) will either be the specified percentage of the nominal amount of the Notes stated in the applicable Final Terms or, if the Make-Whole Redemption Amount is specified in the applicable Final Terms, will be an amount calculated by the Agent (or delegated to a third party) equal to the higher of:

- a) 100 per cent. of the principal amount of the Note to be redeemed; or
- b) as determined by the Reference Dealers (as defined below), the sum of the then current values of the remaining scheduled payments of principal and interest (not including any interest accrued on the Notes to, but excluding, the Optional Redemption Date (Call)) discounted to the Optional Redemption Date (Call) on an annual basis (based on the actual number of days elapsed divided by 365 or (in the case of a leap year) by 366) at the Reference Dealer Rate (as defined below) plus the Make-Whole Margin,

plus, in each case, any interest accrued on the Notes to, but excluding, the Optional Redemption Date (Call).

In this condition 13(c):

**"Make-Whole Margin"** shall be as specified in the relevant Final Terms;

**"Make-Whole Redemption Amount"** shall have the meaning as specified in the relevant Final Terms;

**"Reference Bond"** shall be as set out in the applicable Final Terms;

**"Reference Dealers"** shall be as set out in the applicable Final Terms; and

**"Reference Dealer Rate"** means with respect to the Reference Dealers and the Optional Redemption Date (Call), the average of the five quotations of the mid-market annual yield to maturity of the Reference Bond or, if the Reference Bond is no longer outstanding, a similar security in the reasonable judgement of the Reference Dealers at 11.00 a.m. London time on the third business day in London preceding the Optional Redemption Date (Call) quoted in writing to the Issuer by the Reference Dealers.

(d) ***Partial redemption:*** If the Notes are to be redeemed in part only on any date in accordance with Condition 13(c) (*Redemption at the option of the Issuer*), in the case of Notes, the Notes to be

redeemed shall be selected by the drawing of lots in such place as the Principal Paying Agent approves and in such manner as the Principal Paying Agent considers appropriate, subject to compliance with applicable law, the rules of each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation and the notice to Noteholders referred to in Condition 13(c) (*Redemption at the option of the Issuer*) shall specify the serial numbers of the Notes so to be redeemed. If any Maximum Redemption Amount or Minimum Redemption Amount is specified in the relevant Final Terms, then the Optional Redemption Amount (Call) shall in no event be greater than the maximum or be less than the minimum so specified.

- (e) ***Redemption at the option of Noteholders:*** If the Put Option is specified in the relevant Final Terms as being applicable, the Issuer shall, at the option of the holder of any Note redeem such Note on the Optional Redemption Date (Put) specified in the relevant Put Option Notice at the relevant Optional Redemption Amount (Put) together with interest (if any) accrued to such date. In order to exercise the option contained in this Condition 13(e), the holder of a Note must, not less than 30 nor more than 60 days before the relevant Optional Redemption Date (Put) (or such other period(s) as may be specified in the relevant final terms), deposit with any Paying Agent such Note together with all unmatured Coupons relating thereto and a duly completed Put Option Notice in the form obtainable from any Paying Agent. The Paying Agent with which a Note is so deposited shall deliver a duly completed Put Option Receipt to the depositing Noteholder. No Note, once deposited with a duly completed Put Option Notice in accordance with this Condition 13(e), may be withdrawn; **provided, however, that** if, prior to the relevant Optional Redemption Date (Put), any such Note becomes immediately due and payable or, upon due presentation of any such Note on the relevant Optional Redemption Date (Put), payment of the redemption moneys is improperly withheld or refused, the relevant Paying Agent shall mail notification thereof to the depositing Noteholder at such address as may have been given by such Noteholder in the relevant Put Option Notice and shall hold such Note at its Specified Office for collection by the depositing Noteholder against surrender of the relevant Put Option Receipt. For so long as any outstanding Note is held by a Paying Agent in accordance with this Condition 13(e), the depositor of such Note and not such Paying Agent shall be deemed to be the holder of such Note for all purposes.
- (f) ***Redemption at the option of the Noteholders upon a Change of Control:*** A put event ("**Put Event (Change of Control)**") will be deemed to occur if:
- (A) a Change of Control occurs; and
  - (B) (in the event that the Notes carry a credit rating from any Rating Agency at the time of the Change of Control) the Notes carry a credit rating which is either:
    - (i) an investment grade credit rating (BBB-/Baa3/BBB-, or equivalent, or better), and such credit rating is, within 90 days of the occurrence of the Change of Control, either downgraded to a non-investment grade credit rating (BB+/Ba1/BB+, or equivalent, or worse) or withdrawn and is not, within such 90-day period, subsequently (in the case of a downgrade) upgraded to an investment grade credit rating by such Rating Agency or (in the case of a withdrawal) replaced by an investment grade credit rating from any other Rating Agency; or
    - (ii) a non-investment grade credit rating (BB+/Ba1/BB+, or equivalent, or worse), and such credit rating is, within 90 days of the occurrence of the Change of Control, either downgraded by one or more notches (for illustration purposes, with respect to Moody's Ba1 to Ba2 being one notch and, with respect to Standard & Poor's, BB+ to BB being one notch) or withdrawn and is not, within such 90-day period, subsequently (in the case of a downgrade) upgraded to its earlier credit rating or better by such Rating Agency or (in the case of a withdrawal) replaced by an equivalent credit rating or better from any other Substitute Rating Agency,
- and, in the case of (B) above, in making the relevant decision(s) referred to above, the relevant Rating Agency announces publicly or confirms in writing to the Issuer and the Trustee that such decision(s) resulted, in whole or in part, from the occurrence of the Change of Control.

For the avoidance of doubt (B) above shall only apply in the event the Notes carry a credit rating from any Rating Agency at the time of the Change of Control and, to the extent that there is no credit rating at such time, then only paragraph (A) above shall apply for determining a Put Event (Change of Control).

For the purposes of these Conditions:

- **"Related Party"** means any of (or any Subsidiary of) (i) the Italian Ministry of Finance; (ii) ENI S.p.A.; (iii) Cassa Depositi e Prestiti S.p.A.; or (iv) CDP Equity S.p.A. (formerly Fondo Strategico italiano S.p.A.);
- A **"Change of Control"** shall be deemed to occur if any Related Party or, as the case may be, the Related Parties between them cease to control Saipem S.p.A. according to Article 93 of the Italian Financial Act; for the sake of clarity, no Change of Control shall be deemed to occur if and to the extent at least one Related Party or any combination of Related Parties directly or indirectly controls Saipem according to Article 93 of the Italian Financial Act;
- **"Italian Financial Act"** means Legislative Decree 24 February 1998 n. 58, as amended from time to time;
- **"Rating Agency"** means S&P Global Ratings Europe Limited (**"Standard & Poor's"**) and Moody's Investor Services Limited (**"Moody's"**) or any of their respective successors or any rating agency (a **"Substitute Rating Agency"**) substituted for any of them by the Issuer from time to time with the prior written approval of the Trustee, such approval not to be unreasonably withheld or delayed.

- (g) ***Duties of the Trustee in connection with a Put Event (Change of Control):*** The Trustee is under no obligation to ascertain whether a Put Event (Change of Control) or any event which could lead to the occurrence of or could constitute a Put Event (Change of Control) has occurred and, until it shall have actual knowledge or notice pursuant to the Trust Deed to the contrary, the Trustee may assume that no Put Event (Change of Control) or other such event has occurred.
- (h) ***Procedure for exercising Put Option Change of Control:*** If a Put Event (Change of Control) occurs, each Noteholder shall have the option (a **"Put Option (Change of Control)"**) (unless, prior to the giving of the relevant Put Event Notice (Change of Control) (as defined below), the Issuer has given notice of redemption under Condition 13(b) above) to require the Issuer to redeem (or, at the Issuer's option, to purchase) the Notes held by it (in whole but not in part) on the date (the **"Put Date (Change of Control)"**) which is seven days after the expiration of the Put Period (Change of Control) (as defined below) at their principal amount together with interest accrued to (but excluding) the date of redemption.

No more than 10 days following the Issuer becoming aware that a Put Event (Change of Control) has occurred, the Issuer shall, and at any time upon the Trustee becoming aware that a Put Event (Change of Control) has occurred the Trustee may, and if so requested by the holders of at least one-fourth in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution of the Noteholders shall (subject in each case to the Trustee being indemnified and/or secured and/or prefunded to its satisfaction), give notice (a **"Put Event Notice (Change of Control)"**) to the Noteholders in accordance with Condition 23 specifying (i) that Noteholders are entitled to exercise the Put Option (Change of Control); (ii) all information material to Noteholders in relation to the Change of Control; and (iii) the procedure for exercising the Put Option (Change of Control).

To exercise the Put Option (Change of Control), the holder of the Notes must deliver at the specified office of any Paying Agent on any Business Day at the place of such specified office falling within the period of 90 days following the date of the Put Event Notice (Change of Control) (the **"Put Period (Change of Control)"**), a duly signed and completed notice of exercise in the form (for the time being current and which may, if this Note is held through Euroclear Banking SA/NV (**"Euroclear"**) or Clearstream Banking, S.A. (**"Clearstream, Luxembourg"**)), be any form acceptable to Euroclear and Clearstream, Luxembourg delivered in a manner acceptable to

Euroclear and Clearstream, Luxembourg) obtainable from any specified office of any Paying Agent (a "**Put Notice (Change of Control)**") and in which the holder must specify a bank account to which payment is to be made under this paragraph accompanied by such Notes and all Coupons appertaining thereto or evidence satisfactory to the Paying Agent concerned that such Notes and all Coupons appertaining thereto will, following the delivery of the Put Notice, be held to its order or under its control. A Put Notice (Change of Control) given by a holder of any Note shall be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred, in which event such holder, at its option, may elect by notice to the Issuer to withdraw the Put Notice (Change of Control).

If 90 per cent. or more in principal amount of the Notes then outstanding have been redeemed or purchased and cancelled pursuant to this Condition, the Issuer may, on giving not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 23, redeem or (or, at the Issuer's option, purchase), all but not some only of the remaining outstanding Notes at their principal amount, together with interest accrued to (but excluding) the date fixed for such redemption or purchase.

(i) ***Redemption at the option of the Noteholders upon a breach of the Guarantor Coverage Level:*** A put event ("**Put Event (Guarantor Coverage Level)**") will be deemed to occur if:

(A) any Compliance Certificate shows that any of the Guarantor Coverage Levels are lower than the relevant Minimum Guarantor Coverage Level and the Minimum Guarantor Coverage Level is not re-constituted and notified to Noteholders in accordance with Condition 23 (*Notices*) within 90 days of the date of such Compliance Certificate; and

(B) (in the event that the Notes carry a credit rating from any Rating Agency at the time of the Compliance Certificate referred to in (i) above) the Notes carry a credit rating which is either

(i) an investment credit rating (BBB-/Baa3/BBB-or equivalent or better) and such credit rating is, within 90 days of the date of the Compliance Certificate referred to in (i) above, either downgraded to a non-investment grade credit rating (BB+/Ba1/BB+, or equivalent, or worse) or withdrawn and is not, within such 90-day period, subsequently (in the case of a downgrade) upgraded to an investment grade credit rating by such Rating Agency or (in the case of a withdrawal) replaced by an investment grade credit rating from any other Rating Agency; or

(ii) a non-investment grade credit rating (BB+/Ba1/BB+, or equivalent, or worse) and such credit rating is, within 90 days of the date of the Compliance Certificate referred to in (i) above, either downgraded by one or more notches (for illustration purposes, with respect to Moody's Ba1 to Ba2 being one notch and, with respect to Standard & Poor's, BB+ to BB being one notch) or withdrawn and is not, within such 90-day period, subsequently (in the case of a downgrade) upgraded to its earlier credit rating or better by such Rating Agency or (in the case of a withdrawal) replaced by an equivalent credit rating or better from any other Substitute Rating Agency,

and, in the case of (B) above, in making the relevant decision(s) referred to above, the relevant Rating Agency announces publicly or confirms in writing to the Issuer and the Trustee that such decision(s) resulted, in whole or in part, from the breach of the Guarantor Coverage Level.

For the avoidance of doubt, (B) above shall only apply in the event the Notes carry a credit rating from any Rating Agency at the time of the breach of the Guarantor Coverage Level and, to the extent that there is no credit rating at such time, then only paragraph (A) above shall apply for determining a Put Event (Guarantor Coverage Level).

(j) ***Duties of the Trustee in connection with a Put Event (Guarantor Coverage Level):*** The Trustee is under no obligation to ascertain whether a Put Event (Guarantor Coverage Level) or any event which could lead to the occurrence of or could constitute a Put Event (Guarantor Coverage Level) has occurred and, until it shall have actual knowledge or notice pursuant to the Trust Deed to the

contrary, the Trustee may assume that no Put Event (Guarantor Coverage Level) or other such event has occurred.

- (k) ***Procedure for exercising Put Option (Guarantor Coverage Level)***: If a Put Event (Guarantor Coverage Level) occurs, each Noteholder shall have the option (a "**Put Option (Guarantor Coverage Level)**") (unless, prior to the giving of the relevant Put Event Notice (Guarantor Coverage Level) (as defined below), the Issuer has given notice of redemption under Condition 13(b) above) to require the Issuer to redeem (or, at the Issuer's option, to purchase) the Notes held by it (in whole but not in part) on the date (the "**Put Date (Guarantor Coverage Level)**") which is seven days after the expiration of the Put Period (Guarantor Coverage Level) (as defined below) at their principal amount together with interest accrued to (but excluding) the date of redemption.

No more than 10 days following the Issuer becoming aware that a Put Event (Guarantor Coverage Level) has occurred, the Issuer shall, and at any time upon the Trustee becoming aware that a Put Event (Guarantor Coverage Level) has occurred the Trustee may, and if so requested by the holders of at least one-fourth in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution of the Noteholders shall (subject in each case to the Trustee being indemnified and/or secured and/or prefunded to its satisfaction), give notice (a "**Put Event Notice (Guarantor Coverage Level)**") to the Noteholders in accordance with Condition 23 specifying (i) that Noteholders are entitled to exercise the Put Option (Guarantor Coverage Level); (ii) all information material to Noteholders in relation to the breach of the Guarantor Coverage Level; and (iii) the procedure for exercising the Put Option (Guarantor Coverage Level).

To exercise the Put Option (Guarantor Coverage Level), the holder of the Notes must deliver at the specified office of any Paying Agent on any Business Day at the place of such specified office falling within the period of 90 days following the date of the Put Event Notice (Guarantor Coverage Level) (the "**Put Period (Guarantor Coverage Level)**"), a duly signed and completed notice of exercise in the form (for the time being current and which may, if this Note is held through Euroclear or Clearstream Luxembourg, be any form acceptable to Euroclear and Clearstream, Luxembourg delivered in a manner acceptable to Euroclear and Clearstream, Luxembourg) obtainable from any specified office of any Paying Agent (a "**Put Notice (Guarantor Coverage Level)**") and in which the holder must specify a bank account to which payment is to be made under this paragraph accompanied by such Notes and all Coupons appertaining thereto or evidence satisfactory to the Paying Agent concerned that such Notes and all Coupons appertaining thereto will, following the delivery of the Put Notice, be held to its order or under its control. A Put Notice (Guarantor Coverage Level) given by a holder of any Note shall be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred, in which event such holder, at its option, may elect by notice to the Issuer to withdraw the Put Notice (Guarantor Coverage Level).

If 90 per cent. or more in principal amount of the Notes then outstanding have been redeemed or purchased and cancelled pursuant to this Condition, the Issuer may, on giving not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 23, redeem or (or, at the Issuer's option, purchase), all but not some only of the remaining outstanding Notes at their principal amount, together with interest accrued to (but excluding) the date fixed for such redemption or purchase.

- (l) ***Clean-Up Call Option***:

If the Clean-up Call Option (defined herein) is specified in the relevant Final Terms as being applicable, in the event that at least 80 per cent. of the initial aggregate principal amount of the Notes has been purchased and cancelled by the Issuer, the Issuer may, at its option (the "**Clean-Up Call Option**") but subject to having given not less than fifteen (15) nor more than thirty (30) days' notice to the Noteholders, redeem all, but not some only, of the outstanding Notes. Any such redemption of Notes shall be at their principal amount together with interest accrued to (but excluding) the date fixed for redemption.

- (m) ***Redemption at the Option of the Issuer from three months prior to the Maturity Date of the relevant Notes***

If this Three-Month par Call Option (as defined herein) is specified in the relevant Final Terms as being applicable, the Issuer may, at any time during the period starting three months prior to (but

excluding) the relevant Maturity Date, at its option ("**Three-Month par Call Option**"), having given not less than 15 nor more than 30 days' notice to the relevant Noteholders in accordance with Condition 23 (*Notices*) (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all, but not some only, of the relevant Notes, at their principal amount together with interest accrued to, but excluding, the date fixed for redemption.

- (n) **No other redemption:** The Issuer shall not be entitled to redeem the Notes otherwise than as provided in paragraphs (a) to (m) above.
- (o) **Early redemption of Zero Coupon Notes:** Unless otherwise specified in the relevant Final Terms, the Redemption Amount payable on redemption of a Zero Coupon Note at any time before the Maturity Date shall be an amount equal to the sum of:
  - (A) the Reference Price; and
  - (B) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Note becomes due and payable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the Final Terms for the purposes of this Condition 9(l) or, if none is so specified, a Day Count Fraction of 30E/360.

- (p) **Purchase:** The Issuer, the Guarantor or any of their respective Subsidiaries may at any time purchase Notes in the open market or otherwise and at any price, **provided that** all unmatured Coupons are purchased therewith.
- (q) **Cancellation:** All Notes so redeemed or purchased by the Issuer, the Guarantor or any of their respective Subsidiaries and any unmatured Coupons attached to or surrendered with them shall be cancelled and may not be reissued or resold.

#### 14. **Payments**

- (a) **Principal:** Payments of principal shall be made only against presentation and (**provided that** payment is made in full) surrender of Notes at the Specified Office of any Paying Agent outside the United States by cheque drawn in the currency in which the payment is due on, or by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency.
- (b) **Interest:** Payments of interest shall, subject to paragraph (h) below, be made only against presentation and (**provided that** payment is made in full) surrender of the appropriate Coupons at the Specified Office of any Paying Agent outside the United States in the manner described in paragraph (a) above.
- (c) **Payments in New York City:** Payments of principal or interest may be made at the Specified Office of a Paying Agent in New York City if (i) the Issuer has appointed Paying Agents outside the United States with the reasonable expectation that such Paying Agents will be able to make payment of the full amount of the interest on the Notes in United States dollars when due, (ii) payment of the full amount of such interest at the offices of all such Paying Agents is illegal or effectively precluded by exchange controls or other similar restrictions on the payment or receipt of interest in United States dollars and (iii) payment is permitted by applicable United States law.
- (d) **Payments subject to fiscal laws:** All payments in respect of the Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 15 (*Taxation*).
- (e) No commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

- (f) ***Deductions for unmatured Coupons:*** If the relevant Final Terms specifies that the Fixed Rate Note Provisions are applicable and a Note is presented without all unmatured Coupons relating thereto:
- (A) if the aggregate amount of the missing Coupons is less than or equal to the amount of principal due for payment, a sum equal to the aggregate amount of the missing Coupons will be deducted from the amount of principal due for payment; **provided, however, that** if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of such missing Coupons which the gross amount actually available for payment bears to the amount of principal due for payment;
  - (B) if the aggregate amount of the missing Coupons is greater than the amount of principal due for payment:
    - (i) so many of such missing Coupons shall become void (in inverse order of maturity) as will result in the aggregate amount of the remainder of such missing Coupons (the "**Relevant Coupons**") being equal to the amount of principal due for payment; **provided, however, that** where this sub-paragraph would otherwise require a fraction of a missing Coupon to become void, such missing Coupon shall become void in its entirety; and
    - (ii) a sum equal to the aggregate amount of the Relevant Coupons (or, if less, the amount of principal due for payment) will be deducted from the amount of principal due for payment; **provided, however, that**, if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of the Relevant Coupons (or, as the case may be, the amount of principal due for payment) which the gross amount actually available for payment bears to the amount of principal due for payment.
- Each sum of principal so deducted shall be paid in the manner provided in paragraph (a) above against presentation and (**provided that** payment is made in full) surrender of the relevant missing Coupons.
- (g) ***Unmatured Coupons void:*** If the relevant Final Terms specifies that this Condition 14(g) is applicable or that the Floating Rate Note Provisions are applicable, on the due date for final redemption of any Note or early redemption in whole of such Note pursuant to Condition 13(b) (*Redemption for tax reasons*), Condition 13(e) (*Redemption at the option of Noteholders*), Condition 13(f) (*Redemption at the option of the Noteholders upon a Change of Control*), Condition 13(i) (*Redemption at the option of the Noteholders upon a breach of the Guarantor Coverage Level*), Condition 13(l) (*Clean-up Call Option*), Condition 13(m) (*Redemption at the Option of the Issuer from three months prior to the Maturity Date of the relevant Notes*) or Condition 16 (*Events of Default*), all unmatured Coupons relating thereto (whether or not still attached) shall become void and no payment will be made in respect thereof.
- (h) ***Payments on business days:*** If the due date for payment of any amount in respect of any Note or Coupon is not a Payment Business Day in the place of presentation, the Holder shall not be entitled to payment in such place of the amount due until the next succeeding Payment Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.
- (i) ***Payments other than in respect of matured Coupons:*** Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Notes at the Specified Office of any Paying Agent outside the United States (or in New York City if permitted by paragraph (c) above).
- (j) ***Partial payments:*** If a Paying Agent makes a partial payment in respect of any Note or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and date of such payment.

- (k) **Exchange of Talons:** On or after the maturity date of the final Coupon which is (or was at the time of issue) part of a Coupon Sheet relating to the Notes, the Talon forming part of such Coupon Sheet may be exchanged at the Specified Office of the Principal Paying Agent for a further Coupon Sheet (including, if appropriate, a further Talon but excluding any Coupons in respect of which claims have already become void pursuant to Condition 17 (*Prescription*)). Upon the due date for redemption of any Note, any unexchanged Talon relating to such Note shall become void and no Coupon will be delivered in respect of such Talon.

15. **Taxation**

- (a) **Gross up:** All payments of principal and interest in respect of the Notes and the Coupons by or on behalf of the Issuer or any Guarantor or by any Guarantor under the Deed of Guarantee shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of any of the Relevant Jurisdictions or any political subdivision therein or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments, or governmental charges is required by law. In that event, the Issuer or (as the case may be) any Guarantor shall pay such additional amounts as will result in receipt by the Noteholders and the Couponholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Note or Coupon:

- (A) presented for payment in The Netherlands;
- (B) held by or on behalf of a Noteholder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of its (or the beneficial owner) having some connection with the Relevant Jurisdiction by which such taxes, duties, assessments or charges have been imposed, levied, collected, withheld or assessed other than the mere holding of the Note or Coupon; or
- (C) in the event of payment by Saipem to a non-Italian resident legal entity or a non-Italian resident individual, to the extent that interest or other amounts are paid to a non-Italian resident legal entity or a non-Italian resident individual which is resident in a country which does not allow for a satisfactory exchange of information with the Italian authorities; or
- (D) in all circumstances in which the procedures to obtain an exemption from *imposta sostitutiva* or any alternative future system of deduction or withholding set forth in Legislative Decree No. 239 of 1 April 1996, as amended, have not been met or complied with, except where such procedures have not been met or complied with due to the actions or omissions of the Issuer or its agents; or
- (E) held by or on behalf of a noteholder who is entitled to avoid such withholding or deduction in respect of such Note or Coupon by making, or procuring, a declaration of non-residence or other similar claim for exemption but has failed to do so; or
- (F) where the relevant Note or Coupon is presented or surrendered for payment more than 30 days after the Relevant Date except to the extent that the Noteholder of such Note or Coupon would have been entitled to such additional amounts on presenting or surrendering such Note or Coupon for payment on the last day of such period of 30 days; or
- (G) where such withholding or deduction is required pursuant to Italian Law Decree No. 512 of 30 September 1983, converted into Law No. 649 of 25 November 1983 as amended from time to time.

- (b) **Taxing jurisdiction:** If the Issuer or any Guarantor becomes subject at any time to any taxing jurisdiction other than its Relevant Jurisdiction respectively, references in these Conditions to the such Relevant Jurisdiction shall be construed as references to such other jurisdiction instead of the Issuer's Relevant Jurisdiction or (as the case may be) any Guarantor's Relevant Jurisdiction. Notwithstanding anything to the contrary contained herein, the Issuer or (if applicable) any

Guarantor shall be entitled to withhold and deduct any amounts required to be deducted or withheld pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), or otherwise imposed pursuant to (i) any regulations thereunder or official interpretations thereof, or (ii) an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof, or (iii) any law implementing such an intergovernmental agreement (any such withholding or deduction, a "**FATCA Withholding**"), and no person shall be required to pay any additional amounts in respect of FATCA Withholding.

- (c) **Interpretation:** In these Conditions: "**Relevant Jurisdiction**" means (in the case of payments by SFI and Saipem Contracting Netherlands B.V.) The Netherlands or (in the case of payments by Saipem (Portugal) - Comércio Marítimo, Sociedade Unipessoal Lda.) Portugal, or (in the case of payments by Saipem SA and Sofresid SA) France, (in the case of payments by Saipem Limited) the UK, or (in the case of payments by Saipem Offshore Norway AS or Saipem Drilling Norway AS) Norway, or (in the case of payments by Global Petroprojects Services AG) Switzerland, or (in the case of payments by Saipem Luxembourg S.A.) Luxembourg, or (in the case of payments by Saipem Contracting Nigeria Limited) Nigeria, or (in the case of payments by Snamprogetti Saudi Arabia Co Limited or Saudi Arabian Saipem Limited) Saudi Arabia, or (in the case of Saipem Italy in each case, any political subdivision or any authority thereof or therein having power to tax or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which the Issuer or any Guarantor (including any Additional Guarantor), as the case may be, becomes subject in respect of payments made by it of principal and interest on the Notes and Coupons.

#### 16. **Events of Default**

- (a) If any of the following events occurs, then the Trustee at its discretion may and, if so requested in writing by Noteholder of at least one fourth of the aggregate principal amount of the outstanding Notes or if so directed by an Extraordinary Resolution, shall (subject, in the case of the happening of any of the events mentioned in paragraphs (ii) (*Breach of other obligations*) below in relation to the Issuer or the Guarantors, to the Trustee having certified in writing that the happening of such event is in its opinion materially prejudicial to the interests of the Noteholders and, in all cases, to the Trustee having been indemnified and/or secured and/or pre-funded to its satisfaction) give written notice to the Issuer and the Guarantors declaring the Notes to be immediately due and payable, whereupon they shall become immediately due and payable at their Early Termination Amount together with accrued interest (if any) without further action or formality:
- (A) **Non-payment:** if default is made in the payment of any principal, premium (if any) or interest due in respect of the Notes of the relevant Series or any of them unless such default is cured within a period 14 days; or
- (B) **Breach of other obligations:** the Issuer or any Guarantor defaults in the performance or observance of any of its other obligations under or in respect of the Notes or the Trust Deed and such default (i) is, in the opinion of the Trustee, incapable of remedy or (ii) being a default which is, in the opinion of the Trustee, capable of remedy, remains unremedied for 20 Business Days (or such longer period as the Trustee may agree) after the Trustee has given written notice thereof to the Issuer and the relevant Guarantor; or
- (C) **Cross-default:**
- (i) any Indebtedness of the Issuer, the Guarantors or any Material Subsidiaries is not paid when due nor within any originally applicable grace period;
  - (ii) any Indebtedness of the Issuer, the Guarantors or any Material Subsidiaries is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described); and
  - (iii) any creditor of the Issuer, the Guarantors or any Material Subsidiaries becomes entitled to declare any Indebtedness of any member of the Group due and payable prior to its specified maturity as a result of an event of default (however described),

**provided that** no Event of Default will occur under this Condition (16(a)(iii) if the aggregate amount of the Indebtedness falling within paragraphs (A) to (C) above is not higher than €50,000,000.00 (or its equivalent in any other currency or currencies); or

- (D) **Unsatisfied judgment:** one or more judgment(s) or order(s) for the payment of any amount, individually or an aggregate amount, in excess of €15,000,000 (or its equivalent in any other currency or currencies) is rendered against the Issuer, any Guarantor or any of their respective Material Subsidiaries and continue(s) unsatisfied and unstayed for a period of 45 days after the date(s) thereof or, if later, the date therein specified for payment unless the Issuer certifies by two Authorised Signatories that any such judgment(s) or order(s) are being contested, appealed or opposed by the Issuer, the Guarantors, or the relevant Material Subsidiary in good faith, diligently, and by appropriate proceedings in a competent court; or
- (E) **Security enforced:** a secured party takes possession, or a receiver, manager or other similar officer is appointed, of the whole or any substantial part of the undertaking, assets and revenues of the Issuer, any Guarantor or any of their respective Material Subsidiaries but for the avoidance of doubt, not if the value thereof individually or in aggregate is not more than €150,000,000 (or its equivalent in any other currency or currencies); or
- (F) **Insolvency:** (i) the Issuer, any Guarantor or any of their respective Material Subsidiaries becomes insolvent, is unable to pay its debts as they fall due or is granted a suspension of payments or declared bankrupt, (ii) an administrator or liquidator is appointed (or application for any such appointment is made) in respect of the Issuer, any Guarantor or any of their respective Material Subsidiaries or the whole or substantially all (in the opinion of the Trustee) part of the undertakings, assets and revenues of the Issuer, any Guarantor or any of their respective Material Subsidiaries, or (iii) the Issuer, any Guarantor or any of their respective Material Subsidiaries makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of any of its Indebtedness or any Guarantee of any Indebtedness given by it; or
- (G) **Winding up:** an order is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Issuer, any Guarantor or any of their respective Material Subsidiaries (otherwise than (i) for the purposes of a Permitted Reorganisation or (ii) on terms previously approved by the Trustee or by an Extraordinary Resolution); or
- (H) **Cessation of Business:** the Issuer or any Guarantor or any Material Subsidiary ceases or announces to cease to carry on substantially all (in the opinion of the Trustee) its business either in a single transaction or in a series of transactions (whether or not related) otherwise than (i) for the purposes of a Permitted Reorganisation; or (ii) on terms previously approved by the Trustee or by an Extraordinary Resolution); or
- (I) **Analogous event:** any event occurs which under the laws of the Issuer's Relevant Jurisdiction or any Guarantor's Relevant Jurisdiction has an analogous effect to any of the events referred to in paragraphs (iv) to (viii) above; or
- (J) **Unlawfulness:** it is or will become unlawful for the Issuer or any Guarantor to perform or comply with any of its obligations (in the case of the Issuer) or payment obligations (in the case of the Guarantors) under or in respect of the Notes or the Trust Deed or the Deed of Guarantee; or
- (K) **Guarantee not in force:** if any Guarantee of the Notes is not (or is claimed by any Guarantor not to be) in full force and effect; or
- (L) **Cessation of a Guarantor:** if any Guarantor (other than a Proposed Released Guarantor but only following its release) ceases to be a subsidiary that is controlled, directly or indirectly, by Saipem or the Issuer.

- (b) **Interpretation:** For the purpose of this Condition 16, "**Permitted Reorganisation**" means any reorganisation, amalgamation, merger, demerger, consolidation, liquidation, contribution in kind or restructuring or other similar transactions, in each case whilst solvent:
- (A) under which the assets and liabilities of the Issuer or the Guarantor or the Material Subsidiaries, as the case may be, are assumed by the entity resulting from such Permitted Reorganisation and (A) such entity continues to carry on substantially the same business of the Issuer or such Guarantor or Material Subsidiary, as the case may be, and (B) in the case of a Permitted Reorganisation of the Issuer or the Guarantor, such entity assumes all the obligations of the Issuer or the Guarantor in respect of the Notes and the Coupons and an opinion of an independent legal adviser of recognised standing in the jurisdiction under which the Issuer or the Guarantor is incorporated has been delivered to the Trustee confirming the same prior to the effective date of such Permitted Reorganisation; or
  - (B) on terms previously approved by an Extraordinary Resolution of Noteholders.

17. **Prescription**

Claims for principal in respect of Notes shall become void unless the relevant Notes are presented for payment within ten years of the appropriate Relevant Date. Claims for interest in respect of Notes shall become void unless the relevant Coupons are presented for payment within five years of the appropriate Relevant Date.

18. **Replacement of Notes and Coupons**

If any Note or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Principal Paying Agent, in the case of Notes (and, if the Notes are then admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent or Transfer Agent in any particular place, the Paying Agent or Transfer Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system), subject to all applicable laws and competent authority, stock exchange and/or quotation system requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes or Coupons must be surrendered before replacements will be issued.

19. **Trustee and Agents**

Under the Trust Deed, the Trustee is entitled to be indemnified and relieved from responsibility in certain circumstances and to be paid its costs and expenses in priority to the claims of the Noteholders. In addition, the Trustee is entitled to enter into business transactions with the Issuer, the Guarantors and any entity relating to the Issuer or the Guarantors without accounting for any profit.

In the exercise of its powers and discretions under these Conditions and the Trust Deed, the Trustee will have regard to the interests of the Noteholders as a class and will not be responsible for any consequence for individual holders of Notes as a result of such holders being connected in any way with a particular territory or taxing jurisdiction.

In acting under the Agency Agreement and in connection with the Notes and the Coupons, the Agents act solely as agents of the Issuer and the Guarantors and (to the extent provided therein) the Trustee and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders or Couponholders.

The initial Agents and their initial Specified Offices are listed below. The initial Calculation Agent (if any) is specified in the relevant Final Terms. The Issuer and the Guarantors reserve the right (with the prior approval of the Trustee) at any time to vary or terminate the appointment of any Agent and to appoint a successor agent or Calculation Agent and additional or successor paying agents; **provided, however, that:**

- (A) the Issuer and the Guarantors shall at all times maintain a principal paying agent; and

- (B) if a Calculation Agent is specified in the relevant Final Terms, the Issuer and the Guarantors shall at all times maintain a Calculation Agent; and
- (C) if and for so long as the Notes are admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent and/or a Transfer Agent in any particular place, the Issuer and the Guarantors shall maintain a Paying Agent and/or a Transfer Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system.

Notice of any change in any of the Agents or in their Specified Offices shall promptly be given to the Noteholders.

20. **Meetings of Noteholders; Modification and Waiver**

(a) ***Notes issued by the Issuer:***

- (A) The Trust Deed contains provisions for convening meetings of Noteholders to consider matters relating to the Notes, including the sanctioning by Extraordinary Resolution of modifications of any of these Conditions or any provisions of the Trust Deed. Such a meeting may be convened by the Issuer and any Guarantor (acting together) or by the Trustee and shall be convened by the Trustee upon the request in writing of Noteholders holding not less than 10 per cent. of principal amount of the Notes for the time being outstanding (subject to the Trustee being indemnified and/or secured and/or prefunded to its satisfaction). The quorum for any meeting convened to vote on an Extraordinary Resolution shall be two or more persons holding or representing a clear majority in principal amount of the Notes for the time being outstanding, or at any adjourned meeting two or more persons being or representing Noteholders whatever the principal amount of the Notes held or represented, unless the business of such meeting includes voting on proposals, *inter alia*, (i) to change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest payable on any date in respect of the Notes or to alter the method of calculating the amount of any payment in respect of the Notes on redemption or maturity or the date for any such payment; (ii) to effect the exchange or substitution of the Notes for, or the conversion of the Notes into, shares, bonds or other obligations or securities of the Issuer, any Guarantor or any other person or body corporate formed or to be formed; (iii) to change the currency in which amounts due in respect of the Notes are payable; (iv) to modify any provision of the Deed of Guarantee; (v) to change the quorum required at any Meeting or the majority required to pass an Extraordinary Resolution, or (vi) to amend the definition of "Reserved Matter", in which case the necessary quorum shall be two or more persons holding or representing not less than 75 per cent., or at any adjourned meeting not less than 25 per cent., in principal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders.
- (B) The Trust Deed provides that (i) a resolution in writing signed by, or on behalf of, at least 75 per cent. of the holders of the Notes who for the time being are entitled to receive notice of a meeting of the Noteholders under the Trust Deed (a "**Written Resolution**") or (ii) where the Notes are held by or on behalf of a clearing system or clearing systems, approval of a resolution proposed by the Issuer, any of Guarantors or the Trustee (as the case may be) given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Notes outstanding ("**Electronic Consent**") shall, in each case for all purposes (including Reserved Matters) be as valid and effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held. A Written Resolution may be contained in one document or several documents in like form, each signed by or on behalf of one or more Noteholders. A Written Resolution and/or Electronic Consent will be binding on all Noteholders whether or not they participated in such Written Resolution and/or Electronic Consent, as the case may be.

- (b) **Modification and waiver:** The Trustee may, without the consent of the Noteholders, agree to any modification of these Conditions or the Trust Deed (other than in respect of a Reserved Matter) which is, in the opinion of the Trustee, proper to make if, in the opinion of the Trustee, such modification will not be materially prejudicial to the interests of Noteholders and to any modification of the Notes or the Trust Deed which is of a formal, minor or technical nature or is to correct a manifest error.

In addition, the Trustee may, without the consent of the Noteholders, authorise or waive any proposed breach or breach of the Notes or the Trust Deed (other than a proposed breach or breach relating to the subject of a Reserved Matter) if, in the opinion of the Trustee, the interests of the Noteholders will not be materially prejudiced thereby.

Unless the Trustee agrees otherwise, any such authorisation, waiver or modification shall be notified to the Noteholders as soon as practicable thereafter.

In addition, pursuant to Condition 10(e) (*Benchmark Discontinuation*) and subject to the conditions set out therein the Trustee shall agree, without the consent of the Noteholders, to certain changes to the interest calculation provisions of the Floating Rate Notes in the circumstances and as otherwise set out in such Condition.

## 21. **Enforcement**

The Trustee may at any time, at its discretion and without notice, institute such proceedings as it thinks fit to enforce its rights under the Trust Deed and the Deed of Guarantee in respect of the Notes, but it shall not be bound to do so unless:

- (A) it has been so requested in writing by the holders of at least one fourth of the aggregate principal amount of the outstanding Notes or has been so directed by an Extraordinary Resolution; and
- (B) it has been indemnified and/or secured and/or pre-funded to its satisfaction.

No Noteholder may proceed directly against the Issuer or the Guarantor unless the Trustee, having become bound to do so, fails to do so within a reasonable time and such failure is continuing.

## 22. **Further Issues**

The Issuer may from time to time, without the consent of the Noteholders and in accordance with the Trust Deed, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest) so as to form a single series with the Notes. The Issuer may from time to time, with the consent of the Trustee, create and issue other series of notes having the benefit of the Trust Deed.

## 23. **Notices**

All notices to the Noteholders will be valid if published in a leading English-language daily newspaper published in London or such other English-language daily newspaper with general circulation in Europe as the Issuer may decide and, so long as the Notes are listed on the Luxembourg Stock Exchange and the rules of that exchange so require, on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)). The Issuer shall also ensure that notices are duly published in a manner that complies with the rules and regulations of any stock exchange or other relevant authority on which the Notes are for the time being listed. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers. Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Notes.

## 24. **Currency Indemnity**

If any sum due from the Issuer and/or any Guarantor in respect of the Notes or the Coupons or any order or judgment given or made in relation thereto has to be converted from the currency (the "**first currency**") in which the same is payable under these Conditions or such order or judgment

into another currency (the "**second currency**") for the purpose of (a) making or filing a claim or proof against the Issuer, (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to the Notes, the Issuer and/or any Guarantor shall indemnify each Noteholder, on the written demand of such Noteholder addressed to the Issuer and any Guarantor and delivered to the Issuer and any Guarantor or to the Specified Office of the Principal Paying Agent, against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which such Noteholder may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

This indemnity constitutes a separate and independent obligation of the Issuer and/or any Guarantor and shall give rise to a separate and independent cause of action.

25. **Rounding**

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions or the relevant Final Terms), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.), (b) all United States dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (c) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount, and (d) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

26. **Governing Law and Jurisdiction**

(a) **Governing law:** The Notes, the Deed of Guarantee, the Agency Agreement and the Trust Deed and all non-contractual obligations arising out of or in connection with the Notes, the Deed of Guarantee, the Agency Agreement and the Trust Deed are governed by English law.

(b) **Jurisdiction:** Subject to Condition 26(d) (*Non-exclusivity*) and Condition 26(e) (*Referral to Arbitration*), each of the Issuer and the Guarantors (except any Saudi Arabian Guarantor) has pursuant to the Trust Deed and the Deed of Guarantee (as applicable) agreed that the courts of England shall have exclusive jurisdiction to settle any dispute (a "**Dispute**") arising out of or in connection with the Notes.

(c) **Appropriate forum:** Subject to Condition 26(d) (*Non-exclusivity*) and Condition 26(e) (*Referral to Arbitration*), the Trust Deed and the Deed of Guarantee (as applicable) state that each of the Issuer and the Guarantors (except any Saudi Arabian Guarantor) has irrevocably waived any objection which it might now or hereafter have to the courts of England being nominated as the forum to hear and determine any Proceedings (as defined below) and to settle any Disputes, and has agreed not to claim that any such court is not a convenient or appropriate forum.

(d) **Non-exclusivity:**

(i) Notwithstanding Condition 26(b) (*Jurisdiction*) and Condition 26(c) (*Appropriate forum*), the Trust Deed and the Deed of Guarantee also state that nothing contained in the Trust Deed or the Deed of Guarantee prevents the Trustee or any of the Noteholders from taking proceedings relating to a Dispute ("**Proceedings**") in any other courts with jurisdiction and that, to the extent allowed by law, the Trustee or any of the Noteholders may take concurrent Proceedings in any number of jurisdictions.

(ii) The Trust Deed and the Deed of Guarantee state that the provisions of Condition 26(d)(i) shall not apply in relation to any proceedings commenced by the Trustee or any of the Noteholders against any French Guarantor and any such proceedings shall be commenced in the courts of England pursuant to Condition 26(b) (*Jurisdiction*).

(e) **Referral to Arbitration:**

The Trust Deed and the Deed of Guarantee state that any dispute, including those of non-contractual nature, arising out of or in connection with the Notes, the Trust Deed or the Deed of Guarantee in relation to the guarantee provided by a Saudi Arabian Guarantor (a “**Saudi Arabian Dispute**”) shall be referred to and finally resolved by arbitration under the LCIA Arbitration Rules (the “**Rules**”), which Rules (as amended from time to time) are deemed to be incorporated by reference into this Condition 26(e). For these purposes:

- (i) the seat of arbitration shall be London, England and all hearings shall take place in London, England;
  - (ii) there shall be three arbitrators, each of whom shall be disinterested in the arbitration, shall have no connection with any party to the Saudi Arabian Dispute and shall be an attorney experienced in international securities transactions. The parties to the Saudi Arabian Dispute shall each nominate one arbitrator and both arbitrators in turn shall appoint a further arbitrator who shall be the chairman of the tribunal. In cases where there are multiple claimants and/or multiple respondents, the class of claimants jointly, and the class of respondents jointly shall each nominate one arbitrator. If one party or both fails to nominate an arbitrator within the time limits specified by the Rules, such arbitrator(s) shall be appointed by the LCIA. If the party nominated arbitrators fail to nominate the third arbitrator within 15 days of the appointment of the second arbitrator, such arbitrator shall be appointed by the LCIA; and
  - (iii) the language of the arbitration shall be English.
- (f) **Waiver:** Each Saudi Arabian Guarantor has agreed that no immunity (to the extent that it may at any time exist, whether on the grounds of sovereignty or otherwise) in relation to any proceedings relating to a Saudi Arabian Dispute and instituted pursuant to Condition 26(e) (*Referral to Arbitration*) shall be claimed by it or on its behalf or with respect to its assets and any such immunity has been irrevocably waived. Each Saudi Arabian Guarantor has irrevocably agreed that it and its assets are, and shall be, subject to such Proceedings in respect of their obligations under the Trust Deed, the Deed of Guarantee and the Notes.
- (g) **Process Agent:** In the Trust Deed, each of the Issuer and the Guarantors has agreed that the documents which start any Proceedings or any other documents required to be served in relation to those Proceedings may be served on it by being delivered to Saipem Limited which is presently at 12-42 Wood Street, Kingston upon Thames, Surrey, England, KT1 1TG or its address for the time being. If such person is not or ceases to be effectively appointed to accept service of process on the Issuer and the Guarantors' behalf or is not or ceases to be registered in England, the Issuer and the Guarantors have agreed in the Trust Deed that they shall, on the written demand of the Trustee or, failing the Trustee, any Noteholder, addressed to the Issuer and delivered to the Issuer or to the specified office of the Principal Paying Agent, appoint a further person in England to accept service of process on their behalf and, failing such appointment within 15 days, the Trustee or, failing the Trustee, any Noteholder, shall be entitled to appoint such a person by written notice addressed to each of the Issuer and the Guarantors or to the specified office of the Principal Paying Agent. Nothing in this paragraph shall affect the right of the Trustee or, failing the Trustee, any Noteholder, to serve process in any other manner permitted by law. This Condition 26(e) applies to Proceedings in England and, if provided by applicable law, to Proceedings elsewhere.
- (h) **Consent to enforcement etc.:** In the Trust Deed, each of the Issuer and the Guarantors has consented generally in respect of any Proceedings to the giving of any relief or the issue of any process in connection with such Proceedings including (without limitation) the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment which may be made or given in such Proceedings.

## FORM OF FINAL TERMS

*The Final Terms in respect of each Tranche of Notes will be in the following form, completed to reflect the particular terms of the relevant Notes and their issue. Text in this section appearing in italics does not form part of the form of the Final Terms but denotes directions for completing the Final Terms.*

**[PROHIBITION OF SALES TO EEA OR UK RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the "EEA") or in the United Kingdom (the "UK"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); or (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.]

**[MIFID II Product Governance / Professional investors and ECPs only target market** – Solely for the purposes of each of the manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.]

**Final Terms dated [•]**

**Saipem Finance International B.V.**

*(incorporated with limited liability under the laws of The Netherlands)*

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]**

**unconditionally and irrevocably guaranteed by**

**Saipem (Portugal) - Comércio Marítimo, Sociedade Unipessoal Lda., Saipem SA, Sofresid SA, Saipem Limited, Saipem Offshore Norway AS, Saipem Drilling Norway AS, Saipem Contracting Netherlands B.V., Global Petroprojects Services AG, Saipem Contracting Nigeria Limited, Saipem Luxembourg S.A., Snamprogetti Saudi Arabia Co Limited, Saudi Arabian Saipem Limited and Saipem S.p.A.**

**under the €3,000,000,000 Euro Medium Term Note Programme**

### PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Base Prospectus dated [•] [and the supplemental Base Prospectus dated [•] which [together] constitute[s] a base prospectus (the "**Base Prospectus**"). The Base Prospectus does not constitute a base prospectus for the purposes of the Prospectus Regulation. This document constitutes the Final Terms of the Notes described herein and must be read in conjunction with the Base Prospectus.

The Base Prospectus has been published [*website*].

The expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129.

The Notes have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States, and Notes in bearer form are subject to U.S. tax law requirements. The Notes may not be offered, sold or (in the case of Notes in bearer form) delivered within the United States or to, or for the

account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act ("**Regulation S**")) except in certain transactions exempt from the registration requirements of the Securities Act.

*[The following alternative language applies if the first tranche of an issue, which is being increased was issued under a Prospectus with an earlier date.]*

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Base Prospectus [•] which are incorporated by reference in the Base Prospectus dated [•]. This document contains the Final Terms of the Notes described herein and must be read in conjunction with the Base Prospectus dated [•] [and the supplemental Base Prospectus dated [•] which [together] constitute[s] a base prospectus] (the "**Base Prospectus**"), save in respect of the Conditions which are extracted from the base prospectus dated [•]. The Base Prospectus does not constitute a base prospectus for the purposes the Prospectus Regulation.]

Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus [and the supplement to the Base Prospectus] [is/are] available for viewing [at [website]] [and] during normal business hours at [address] [and copies may be obtained from [address]].]

*[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote guidance for completing the Final Terms.]*

- |    |         |   |   |
|----|---------|---|---|
| 1. | (i)     | Issuer:                                   | Saipem Finance International B.V.   |
|    | (ii)    | Guarantors:                               | [•]   |
|    | [(iii)] | Series Number:]                           | [•]   |
|    | [(iv)]  | Tranche Number:]                          | [•]   |
|    | [(v)]   | Date on which the Notes become fungible:] | [Not Applicable/The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the [•] on [[•]/the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 28 below [which is expected to occur on or about [•]].] |
| 2. |         | Specified Currency or Currencies:         | [•]   |
| 3. |         | Aggregate Nominal Amount:                 | [•]   |
|    | [(i)]   | [Series]:                                 | [•]   |
|    | [(ii)]  | Tranche:                                  | [•]   |
| 4. |         | Issue Price:                              | [•] per cent. of the Aggregate Nominal Amount [plus accrued interest from [•]   |
|    | (i)     | Specified Denominations:                  | [•]   |

*(Note – The Issuer may issue Notes with a single Specified Denomination i.e. EUR 100,000 or its equivalent in another currency, and multiples thereof.)*

*(Note – where multiple denominations above EUR 100,000 or equivalent are being used the following wording should be used: "EUR 100,000 and integral amounts of EUR 1,000 in excess thereof up to and including EUR 199,000. No Notes in definitive form will be issued with a denomination above EUR 199,000".)*

- (ii) Calculation Amount: [•]
- (iii) Issue Date: [•]
- (iv) Interest Commencement Date: [[•]/Issue Date/Not Applicable]
5. Maturity Date: [*Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year*]
6. Interest Basis: [[•] per cent. Fixed Rate]  
 [•][•] [EURIBOR/LIBOR]+/- [•] per cent. Floating Rate]  
 [Zero Coupon]  
 (see paragraph [13, 14/15/16, 17/18] below)
7. Redemption/Payment Basis: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [•]/[100] per cent. of their nominal amount.
8. Change of Interest or Redemption/Payment Basis: [*Specify the date when any fixed to floating rate change occurs or refer to paragraphs 16 and 17 below and identify there/Not Applicable*]
- (i) Switch Options: [Applicable]/[Not Applicable]  
 (N.B. *The Issuer must give notice of the exercise of the Switch Option to Noteholders in accordance with Condition 12 on or prior to the relevant Switch Option Expiry Date*)
- (ii) Switch Option Expiry Dates: [•]
- (iii) Switch Option Effective Dates: [•]
9. Put/Call Options: [Investor Put]  
 [Put Event (Change of Control)] / [Put Event (Guarantor Coverage Level)] (*The placeholder here should reflect the name ascribed to any "event risk" put in the Conditions*)  
 [Issuer Call]  
 [Clean-up Call Option]  
 [Three Month par Call Option]  
 [See paragraph [19/20/21/22/23/24] below]  
 [Not Applicable]
10. [(i)] Status of the Notes: [Senior]
11. [(ii)] Status of the Guarantee: [Senior]
12. [(iii)] [Date [Board] approval for issuance of Notes [and Guarantee] [respectively]] obtained: [•] [and [•], respectively]

*(N.B Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes or related Guarantee)*

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

13. **Fixed Rate Note Provisions** [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Rate[(s)] of Interest: [•] per cent. per annum payable in arrear on each Interest Payment Date
  - (ii) Interest Payment Date(s): [•] in each year
  - (iii) Fixed Coupon Amount[(s)]: [•] per Calculation Amount
  - (iv) Broken Amount(s): [•] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [•]
  - (v) Day Count Fraction: [30/360 / Actual/Actual (ICMA/ISDA) / other]
14. **Reset Note Provisions** [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Initial Rate of Interest: [•] per cent. per annum payable in arrear [on each Interest Payment Date]
  - (ii) First Margin: [+/-][•] per cent. per annum
  - (iii) Subsequent Margin: [[+/-][•] per cent. per annum]/[Not Applicable]
  - (iv) Interest Payment Date(s): [•] [and [•]] in each year up to and including the Maturity Date
  - (v) Fixed Coupon Amount up to (but excluding) the First Reset Date: [[•] per Calculation Amount]/[Not Applicable]
  - (vi) Broken Amount(s): [[•] per Calculation Amount, payable [on/in the Interest Payment Date falling in [•]]/[Not Applicable]
  - (vii) First Reset Date: [•]
  - (viii) Second Reset Date: [•]/[Not Applicable]
  - (ix) Subsequent Reset Date(s): [•] [and [•]]/[Not Applicable]
  - (x) Relevant Screen Page: [•]
  - (xi) Mid-Swap Rate: [Single Mid-Swap Rate/Mean Mid-Swap Rate]
  - (xii) Mid-Swap Maturity: [•]
  - (xiii) Reference Banks: [•]
  - (xiv) Day Count Fraction: [Actual/Actual(ICMA)]/  
[Actual/365]/  
[Actual/ Actual(ISDA)]/  
[Actual/365(Fixed)]/  
[Actual/360]/  
[30/360]/[30/360]/[Bond Basis]/

- [30E/360]/[Eurobond Basis]
- (xv) Reset Determination Dates: [[•] in each year]/[The provisions in the Conditions apply]
- (xvi) Business Day Convention: [Following Business Day Convention/  
Modified Following Business Day Convention/  
Preceding Business Day Convention/  
FRN Convention]/  
[Not Applicable]
- (xvii) Principal Financial Centre: [•]
- (xviii) Party responsible for calculating the Rate(s) of Interest and the Interest Amount(s) (if not the Principal Paying Agent): [•]
- (xix) Mid-Swap Floating Leg Benchmark Rate: [EURIBOR/LIBOR]
15. **Floating Rate Note Provisions** [Applicable/Not Applicable]
- (If not applicable delete the remaining sub-paragraphs of this paragraph)*
- (i) Specified Period: [•]
- (ii) Specified Interest Payment Dates: [•]
- (iii) First Interest Payment Date: [•]
- (iv) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/  
Modified Following Business Day Convention/  
Preceding Business Day Convention]
- (v) Additional Business Centre(s): [Not Applicable/[•]]
- (vi) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination]
- (vii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the [Principal Paying Agent]): [•] shall be the Calculation Agent
- (viii) Screen Rate Determination:
- Reference Rate: [•][•] [EURIBOR/ LIBOR]
  - Interest Determination Date(s): [•]
  - Relevant Screen Page: [•]
  - Relevant Time: [•]
  - Relevant Financial Centre: [•]
- (ix) ISDA Determination:
- Floating Rate Option: [•]
  - Designated Maturity: [•]

- Reset Date: [•]
  - [ISDA Benchmarks Supplement: [Applicable/Not Applicable]
- (x) [Linear interpolation Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)]
- (xi) Margin(s): [+/-][•] per cent. per annum
- (xii) Minimum Rate of Interest: [•] per cent. per annum
- (xiii) Maximum Rate of Interest: [•] per cent. per annum
- (xiv) Day Count Fraction: [•]
16. **Fixed-Floating Rate Note Provisions:** [Applicable/Not Applicable]  
 [[•] per cent. Fixed Rate in respect of the Interest Period(s) ending on (but excluding) [•], then calculated in accordance with paragraph 16 above.]
17. **Floating-Fixed Rate Note Provisions:** [Applicable/Not Applicable]  
 [[*Floating Rate*] in respect of the Interest Period(s) ending on (but excluding) [ ], then calculated in accordance with paragraph 13 above.]
18. **Zero Coupon Note Provisions** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Accrual Yield: [•] per cent. per annum
- (ii) Reference Price: [•]
- (iii) Day Count Fraction in relation to Early Redemption Amount: [30/360 / Actual/Actual (ICMA/ISDA) / other]

**PROVISIONS RELATING TO REDEMPTION**

19. Call Option [Applicable/Not Applicable]
- (i) Optional Redemption Date(s): [•]
- (ii) Optional Redemption Amount and method, if any, of calculation of such amount(s): [[•] per Calculation Amount] [Make-Whole Redemption Amount]
- (iii) Make-Whole Margin: [[•] per cent.] [Not Applicable] [*Only applicable to Make-Whole Redemption Amount*]
- (iv) Reference Bond: [*insert applicable reference bond*] [Not Applicable] [*Only applicable to Make-Whole Redemption Amount*]
- (v) Reference Dealers: [[•] / [Not Applicable] [*Only applicable to Make-Whole Redemption Amount*]
- (vi) Redemption in part: [Applicable/Not Applicable]
- (vii) If redeemable in part:
- (a) Minimum Redemption Amount: [[•] per Calculation Amount / Not Applicable]

	(b) Maximum Redemption Amount	[[•] per Calculation Amount/ Not Applicable]
(viii)	Notice period:	[Not Applicable/[•]] [Minimum period: [•] days Maximum period: [•] days]
		<i>(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 clearing system business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)</i>
20.	Clean-up Call Option	[Applicable/Not Applicable]
21.	Three Month par Call Option	[Applicable/Not Applicable]
22.	Put Option	[Applicable/Not Applicable]
		<i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i) Optional Redemption Date(s):	[•]
	(ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s):	[•] per Calculation Amount
	(iii) Notice period:	[•]
23.	Put Event (Change of Control):	[Applicable/Not Applicable]
	[(i) Optional Redemption Amount(s):	[•] per Calculation Amount]
	[(ii) Put Period	[•]]
24.	Put Event (Guarantor Coverage Level):	[Applicable/Not Applicable]
	[(i) Optional Redemption Amount(s):	[•] per Calculation Amount]
	[(ii) Put Period	[•]]
25.	Final Redemption Amount of each Note	[•] per Calculation Amount
26.	Early Redemption Amount	
27.	Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption:	[Not Applicable]

**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

28.	Form of Notes:	<b>Bearer Notes:</b>
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[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes on [•] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note]

[Temporary Global Note exchangeable for Definitive Notes on [•] days' notice]

[Permanent Global Note exchangeable for Definitive Notes on [•] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note]\*

*(\*The exchange upon notice/at any time options should not be expressed to be applicable if the Specified Denomination of the Notes includes language substantially to the following effect: "€100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000". Furthermore, such Specified Denomination construction is not permitted in relation to any issuance of Notes which is to be represented on issue by a Permanent Global Notes exchangeable for Definitive Notes.)*

[There are no transfer and trading restrictions in relation to the listing and the trading of the Notes on the Euro MTF market of the Luxembourg Stock Exchange.]

- |     |   |   |
|-----|---|---|
| 29. | New Global Note:  | [Yes] [No]/ [Not Applicable]  |
| 30. | Additional Financial Centre(s) or other special provisions relating to payment dates:                 | [Not Applicable/give details. Note that this paragraph relates to the date of payment, and not the end dates of interest periods for the purposes of calculating the amount of interest, to which subparagraph 15(v) relates] |
| 31. | Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature): | [Yes/No. As the Notes have more than 27 coupon payments, talons may be required if, on exchange into definitive form, more than 27 coupon payments are left.]   |

Signed on behalf of *[name of the Issuer]*:

By: .....  
Duly authorised

[Signed on behalf of the [*name of any Guarantors*]:

By: .....  
Duly authorised]

## PART B – OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

- (i) Listing: [Luxembourg /other (*specify*)/None]
- (ii) Admission to trading: [Application [has been/is expected to be] made for the Notes to be admitted to trading on [•] with effect from [•].]/[Not Applicable.]
- (Where documenting a fungible issue need to indicate that original Notes are already admitted to trading.)*
- (iii) Estimate of total expenses related to admission for trading [•]

### 2. RATINGS

- Ratings: The Notes to be issued [[have been]/[are expected to be]]/[have not been] rated:
- [Standard & Poor's: [•]]
- [Moody's: [•]]
- [[Other]: [•]]
- (Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.)*
- (The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)*
- (Insert legal name of particular credit rating agency entity providing rating) is established in the European Union and the United Kingdom and registered under Regulation (EC) No 1060/2009 (as amended) (the "CRA Regulation").*

### 3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER

*(Need to include a description of any interest, including a conflict of interest, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the statement below:)*

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer [and the Guarantor] and [its/their] affiliates in the ordinary course of business. (Amend as appropriate if there are other interests)]

### 4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

- (i) Reasons for the offer / Use of proceeds: [•]
- (See "Use of Proceeds" in Base Prospectus. [If reasons differ from what is disclosed in the Base Prospectus, including for green, social or sustainability bond, give details here])*

[(ii) Estimated net proceeds: [•]

*(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)*

[(iii) Estimated total expenses:] [•]

5. **[Fixed Rate Notes only – YIELD]**

Indication of yield: [•] per cent. [payable on an annual/semi-annual basis]

*[The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]*

6. **OPERATIONAL INFORMATION**

ISIN: [•]

Common Code: [•]

Delivery: Delivery [against/free of] payment

Names and addresses of additional Paying Agent(s) (if any): [•]

Relevant Benchmark[s] *[[specify benchmark] is provided by [administrator legal name]][repeat as necessary]. As at the date hereof, [[administrator legal name][appears]/[does not appear]][repeat as necessary] in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 (Register of administrators and benchmarks) of the Benchmark Regulation]/[As far as the Issuer is aware, as at the date hereof, [specify benchmark] does not fall within the scope of the Benchmark Regulation]/ [As far as the Issuer is aware, the transitional provisions in Article 51 of Regulation (EU) 2016/1011, as amended apply, such that [name of administrator] is not currently required to obtain authorisation/registration (or, if located outside the European Union or the United Kingdom, recognition, endorsement or equivalence)]/ [Not Applicable]*

[Intended to be held in a manner which would allow Eurosystem eligibility:

*[Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]*

*[No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may*

then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

7. **DISTRIBUTION**

- (i) Method of Distribution: [Syndicated/Non-syndicated]
- (ii) If syndicated:
  - (A) Names of Dealers / Managers: [Not Applicable/*give names*]
  - (B) Stabilising Manager(s), if any: [Not Applicable/*give names*]
- (iii) If non-syndicated, name of Dealer: [Not Applicable/*give names*]
- (iv) U.S. Selling Restrictions: [Reg S Compliance Category [1/2]; TEFRA C / TEFRA D not applicable]

## **USE OF PROCEEDS**

The Issuer will use the net proceeds from the issue of each Series of Notes for its general corporate purposes (including repayment of previous loans granted by certain of the Dealers), unless otherwise specified in the Final Terms.

## DESCRIPTION OF THE ISSUER

### SAIPEM FINANCE INTERNATIONAL B.V.

#### *Overview*

Saipem Finance International B.V. ("**SFI**") is a limited liability company incorporated under the laws of the Netherlands on 21 September 2015, to enable Saipem to autonomously source and manage its operational financing processes. SFI has its registered office in Amsterdam.

SFI is the finance company of the Group and is responsible for sourcing the most expedient financial sources from banks and capital markets and ensuring the successful completion of extraordinary operations involving Saipem capital. As of the date of the Base Prospectus, SFI employs 9 people.

#### *Capital*

As of the date of this Base Prospectus, SFI's share capital is equal to Euro 1,000,000.00, fully paid up and divided in 1,000,000.00 shares with a nominal value of 1 Euro each, numbered 1 up to including 1,000,000.00.

The share premium reserve amounts to Euro 39,000,000.00.

#### *Management*

SFI is managed by a board of directors.

#### **Corporate Bodies and Principal Officers**

##### **Board of Directors**

As of the date of this Base Prospectus, the board of directors of SFI is composed of five members. The table below lists the names of all directors and the offices they hold within SFI.

<b>Name</b>	<b>Position</b>
Giuseppe Moscarda	Chairman
Massimiliano Guerra	Managing Director
Valerio Bellamoli	Director
Helena M. Lemmens	Chairman Audit and Compliance Committee
Gabriel Almandoz	Member Audit and Compliance Committee

##### **Principal Officers**

The table below lists the names of all principal officers of SFI in charge as of the date of this Base Prospectus, specifying the offices they hold within SFI.

<b>Name</b>	<b>Position</b>
Rodolfo Dainese	Administration, Finance, Control and ICT
Claudio Faedi	Company Secretary
Olaf Torenvliet	Procurement
Eugenio Paese	Quality System Management
Daniel Melisanidi	Human Resources and Organisation
Massimiliano Guerra (a.i.)	Front Office Derivatives and Intercompany Financing
Alberto Dall'Arche	Monetary Settlement and Back Office Derivatives

For the purposes of their corporate offices, members of the board of directors are domiciled at the registered offices of SFI.

The following table lists the corporations or partnerships in which the members of the board of directors currently serve as a member of either an administrative, management or supervisory body as of the date of this Base Prospectus.

<b>Name</b>	<b>Company Name</b>	<b>Office(s)/Equity ownership</b>
Giuseppe Moscarda	ERS Equipment Rental & Services B.V.	Managing Director
Massimiliano Guerra	Saipem International B.V.	Managing Director

<b>Name</b>	<b>Company Name</b>	<b>Office(s)/Equity ownership</b>
	Saipem S.p.A.	Head of Administration, Finance and Control Onshore E&C Division
	Saipem S.p.A.	Head of Administration, Finance and Control X-Sight Division
Valerio Bellamoli	Saipem S.p.A.	Head of Finance
Helena M. Lemmens	AON Netherlands B.V.	Chief Transformation Officer
Gabriel Almandoz	Saipem S.p.A.	Risk Management, Supply Chain and Business Integrity Compliance Committee Assistance

### **Principal Shareholders**

The following table shows the composition of SFI share capital:

<b>Shareholder</b>	<b>Share capital</b>
Saipem International B.V.	75% <sup>1</sup>
Saipem S.p.A.	25% <sup>2</sup>

<sup>1</sup> The percentage represents 750,000 shares numbered 1 up to including 750,000.

<sup>2</sup> The percentage represents 250,000 shares numbered up to 750,001 up to including 1,000,000.

For additional information concerning Saipem S.p.A. please see Paragraph “*Description of the Guarantors*”.

## DESCRIPTION OF THE GUARANTORS

### **Saipem S.p.A.**

#### *Overview*

Saipem S.p.A. ("**Saipem**") is a joint stock company under Italian law, incorporated in Italy with its registered office at via Martiri di Cefalonia no. 67, 20097 San Donato Milanese (Milano), Italy, telephone number (+39) 02.44231. Saipem was incorporated on 1 September 1969, with the name "Saipem S.p.A." by deed of the notary Enrico Castellini, index no. 120712, deed no. 22844. As of the date of the Base Prospectus, Saipem employs 6,631 people.

The duration of Saipem is set at 31 December 2100 and may be extended according to law. Saipem is registered with the Milan, Monza-Brianza, Lodi Register of Companies, registration number, taxpayer's code and VAT number 00825790157 and with the Economic Administrative Register (R.E.A.) at the Milan, Monza-Brianza, Lodi Chamber of Commerce Industry Handicraft and Agriculture with number 788744.

Saipem's shares have been listed on the Mercato Telematico Azionario, organized and managed by Borsa Italiana S.p.A., since 1984 (having previously been a wholly owned subsidiary of Eni) with ISIN code No. IT0005252140.

Pursuant to Article 2 of Saipem's by-laws the principal activities are: (a) geological and geophysical exploration surveys and studies; (b) research, drilling, exploration operations and exploitation of oil fields, gas and endogenous vapours deposits, and mineral extraction activities in general; (c) construction, utilisation, lease, purchase and sale of drilling and survey plant and equipment for mineral research activities; (d) construction works and any type of civil works: infrastructure and plants/facilities; construction of industrial installations such as: chemical, petrochemical, refining, storage, processing, handling and distribution of hydrocarbons and gas; plants and facilities for the production and exploitation of nuclear power and industrial energy in general; trade in the associated materials; (e) construction of installations and pipelines for the transport of gas, petrochemical products and water; refrigeration plants and methane re-gasification installations and associated auxiliary plants; trade in the related materials; (f) construction of industrial installations, electrical protection plants, telemetry, remote control systems and similar works; trade in the related materials; (g) research and development in the fields of physics, chemistry and technologies of interest.

#### *Capital*

As of the date of this Base Prospectus, Saipem's share capital amounts to Euro 2,191,384,693, fully paid up and divided in No. 1,010,977,439 shares without par value, of which No. 1,010,966,841 are ordinary shares, and No. 10,598 are savings shares.

#### *Organisational Structure*

Saipem is the parent company of the Group. The following chart illustrates the main companies of the Group as of the date of the Base Prospectus.



<b>Name</b>	<b>Position</b>	<b>Place and Date of Birth</b>
Claudia Carloni	Director	Foligno (PG), August 31, 1967
Paul Simon Schapira	Independent Director	Milan, March 26, 1964
Ines Maria Lina Mazzilli	Independent Director	Milan, May 5, 1962
Federico Ferro-Luzzi	Independent Director	Rome, September 22, 1968
Alessandra Ferone	Director	Naples, November 24, 1970

For the purposes of their corporate offices, members of the board of directors are domiciled at the registered offices of Saipem.

The following table lists the corporations or partnerships in which the members of the board of directors currently serve as a member of either an administrative, management or supervisory body as of the date of this Base Prospectus.

<b>Name</b>	<b>Company Name</b>	<b>Office(s)/Equity ownership</b>
Francesco Caio	BNL S.p.A. Gruppo BNP Paribas	Member of the Board of Directors
	Fondazione Eni Enrico Mattei (FEEM)	Member of the Board of Directors
	Guala Closures S.p.A.	Member of the Board of Directors
	Politecnico di Milano	Member of the Advisory Board
Stefano Cao	-	-
Maria Elena Cappello	TIM S.p.A.	Member of the Board of Directors
	Prysmian S.p.A.	Member of the Board of Directors
Paolo Fumagalli	GFT & Partners	Founder Partner
	BFS Partner S.p.A.	Chairman of the Board of Directors
	CAPFIN S.p.A.	Chairman of the Board of Directors and Managing Director
	Sisal Pay Group S.p.A.	Chairman of the Board of Directors
	Sisal Pay S.p.A.	Chairman of the Board of Directors
	Sisal Pay Servizi S.p.A.	Chairman of the Board of Directors
	ICAM S.p.A.	Member of the Board of Directors
	Fondo Pensione Dirigenti Gruppo Eni (FOPDIRE)	Deputy Chairman
	Fondo Pensione Fondenergia	Member of the Board of Directors
	Unipol SAI S.p.A.	Chairman of the Board of Statutory Auditors
Autostrade Lombarde S.p.A.	Chairman of the Board of Statutory Auditors	
Claudia Carloni	Istituto Europeo di Oncologia S.r.l.	Statutory Auditor
	Eni S.p.A.	Senior Vice President R&M International Negotiations
	Eni Gas e Luce S.p.A.	Member of the Board of Directors
Paul Simon Schapira	Raffineria di Milazzo S.c.p.a.	Member of the Board of Directors
	Tamburi Investment Partners S.p.A.	Member of the Board of Directors
Ines Maria Lina Mazzilli	Safilo Group S.p.A.	Member of the Board of Directors
	Assicurazioni Generali S.p.A.	Member of the Board of Directors
Federico Ferro-Luzzi	Banca Sistema S.p.A.	Member of the Board of Directors
	Garofalo HC S.p.A.	Member of the Board of Directors
Alessandra Ferone	CDP Immobiliare S.r.l.	Member of the Board of Directors

The board of directors has established the following internal committees: (i) the audit and risk committee; (ii) the compensation and nomination committee; (iii) the sustainability, scenarios and governance committee; and (iv) compliance committee and model 231.

#### ***Board of Statutory Auditors***

Pursuant to Article 27 of Saipem's by-laws, the board of auditors comprises three statutory auditors and two alternate auditors.

The board of statutory auditors was appointed at the shareholders' meeting on April 29, 2020 and is expected to remain in office until the shareholders' meeting called for approval of the financial statements for the year ending 31 December 2022.

The table below lists the names of all auditors, the offices they hold within Saipem and the place and date of birth of each auditor.

<b>Name</b>	<b>Position</b>	<b>Place and Date of Birth</b>
Giovanni Fiori	Chairman	Padua, December 12, 1961
Norberto Rosini	Statutory Auditor	Barbariga, February 16, 1959
Giulia De Martino	Statutory Auditor	Rome, June 2, 1978
Francesca Michela Maurelli	Alternate Auditor	Rome, July 24, 1971
Maria Francesca Talamonti	Alternate Auditor	Rome, January 5, 1978

For the purposes of their corporate offices, members of the board of statutory auditors are domiciled at the registered offices of Saipem.

The following table lists the corporations or partnerships in which the members of the board of statutory auditors currently serve as a member of either an administrative, management or supervisory body as of the date of this Base Prospectus.

<b>Name</b>	<b>Company Name</b>	<b>Office(s)/Equity ownership</b>
Giovanni Fiori	Elettra 1938 S.p.A.	Chairman of the Board of Directors
	FCA S.p.A.	Chairman of the Board of Directors
	Sonick S.p.A.	Chairman of the Board of Directors
	Luxtotta Group S.p.A.	Chairman of the Board of Statutory Auditors
	Astaldi S.p.A.	Chairman of the Board of Statutory Auditors
	Italo Treno NTV S.p.A.	Chairman of the Board of Statutory Auditors
	Pfizer Italy Group Holding S.r.l.	Chairman of the Board of Statutory Auditors
	Italconsult S.p.A.	Chairman of the Board of Statutory Auditors
	Armònia SGR S.p.A.	Chairman of the Board of Statutory Auditors
	SIAE (Società Italiana degli Autori ed Editori)	Member of the Board of Auditors
	Fondazione Telecom Italia	Chairman of the Board of Auditors
	Chapter romano Ned Community	Chairman
	Selta S.p.A.	Extraordinary Commissioner
	Alitalia LAI S.p.A. in liquidazione	Extraordinary Commissioner
	Alitalia Servizi S.p.A. in liquidazione	Extraordinary Commissioner
	Alitalia Express S.p.A.	Extraordinary Commissioner
Alitalia Airport S.p.A.	Extraordinary Commissioner	
Volare S.p.A.	Extraordinary Commissioner	
Ilva Pali Dalmine S.p.A. in amministrazione straordinaria	Extraordinary Commissioner	
Ilva Pali Dalmine design community S.r.l.	Extraordinary Commissioner	
Sidercomit Centro Meridionale S.r.l.	Extraordinary Commissioner	

<b>Name</b>	<b>Company Name</b>	<b>Office(s)/Equity ownership</b>
	Scala S.p.A. in amministrazione straordinaria	Extraordinary Commissioner
	Selfin S.p.A.	Extraordinary Commissioner
	Met Sviluppo S.r.l.	Extraordinary Commissioner
	Met. Fin. S.a.s in amministrazione straordinaria	Extraordinary Commissioner
Norberto Rosini	Assoartigiani	Chairman of the Board of the Auditors
	Consorzio Servizi Valle Camonica	Chairman of the auditors
	Gironofra Re S.r.l.	Sole Director
	Nofra S.r.l.	Co-director
Giulia De Martino	Elettra Investimenti S.p.A.	Member of the Board of Directors
	TIM S.p.A.	Member of the Board of Statutory Auditors
	NovaSIM S.p.A. in Liquidazione	Chairman of the Board of Statutory Auditors
	Versalis S.p.A.	Chairman of the Board of Statutory Auditors
	Autostrade per l'Italia S.p.A.	Member of the Board of Statutory Auditors
	Società Italiana Traforo del Monte Bianco S.p.A.	Member of the Board of Statutory Auditors
	e-geos S.p.A.	Member of the Board of Statutory Auditors
	Eni Trading & Shipping S.p.A.	Member of the Board of Statutory Auditors
	Eni Trade & Biofuels S.p.A.	Member of the Board of Statutory Auditors
	AGI S.p.A.	Member of the Board of Statutory Auditors
	International Energy Services S.p.A.	Member of the Board of Statutory Auditors
	Floaters S.p.A.	Member of the Board of Statutory Auditors
	Credito Cooperativo Interprovinciale Veneto in Liquidazione Coatta Amministrativa	Member of the Supervisory Board
	Valore Italia Holding di Partecipazioni S.p.A.	Member of the Supervisory Board
	Independent Private Bankers SIM S.p.A.	Member of the Supervisory Board
	Advam Partners SGR S.p.A. in L.c.a.	Liquidator
Francesca Michela Maurelli	Cosmo SPV S.r.l.	Sole Director
	Corallo SPV S.r.l.	Sole Director
	Resloc IT S.r.l.	Sole Director
	Credito Valtellinese S.p.A.	Chairman of the Board of Statutory Auditors
	Acque Blu Fiorentine S.p.A.	Member of the Board of Statutory Auditors
	Am.e.a. S.p.A.	Member of the Board of Statutory Auditors
	International Energy Services S.p.A.	Alternate Auditor
	Acea Energia S.p.A.	Alternate Auditor

<b>Name</b>	<b>Company Name</b>	<b>Office(s)/Equity ownership</b>
	Acquedotto del Fiora S.p.A.	Alternate Auditor
	A Reti S.p.A.	Alternate Auditor
	PLC S.p.A. già Industria e Innovazione S.p.A.	Alternate Auditor
Maria Francesca Talamonti	Elettra Investimenti S.p.A.	Member of the Board of Directors
	Bramito SPV S.r.l.	Sole Director
	Convento SPV S.r.l.	Sole Director
	Vette SPV S.r.l.	Sole Director
	New Levante SPV S.r.l.	Sole Director
	Ponente SPV S.r.l.	Sole Director
	BasicNet S.p.A.	Chairman of the Board of Statutory Auditors
	Servizi Aerei S.p.A.	Chairman of the Board of Statutory Auditors
	Armonia SGR S.p.A.	Chairman of the Board of Statutory Auditors
	Costiero Gas Livorno S.p.A.	Member of the Board of Statutory Auditors
	Digitouch S.p.A.	Member of the Board of Statutory Auditors
	Musinet Engineering S.p.A.	Member of the Board of Statutory Auditors
	PLC S.p.A.	Member of the Board of Statutory Auditors
	PS Parchi S.p.A.	Member of the Board of Statutory Auditors
	Raffineria di Milazzo S.c.p.A.	Member of the Board of Statutory Auditors
	Acea S.p.A.	Member of the Board of Statutory Auditors
	D-Share S.p.A.	Member of the Board of Statutory Auditors
	Rainbow Magicland S.p.A.	Member of the Board of Statutory Auditors
	Federazione Italiana Nuoto (FIN)	Member of the Board of Auditors
	International Energy Services S.p.A.	Alternate Auditor

### ***Principal Officers***

The table below lists the names of all principal officers of Saipem in charge as of the date of this Base Prospectus, specifying the offices they hold within Saipem, the place and date of birth and date of assumption.

<b>Name</b>	<b>Position</b>	<b>Place and Date of Birth</b>	<b>Date of Assumption</b>
Mauro Piasere	Director Digital and Innovation Chief Operating Officer XSIGHT Division	Milan, May 3, 1967	1997
Maurizio Coratella	Chief Operating Officer E&C Onshore Division	Bari, December 1, 1965	2018
Stefano Cavacini	Chief Financial Officer and Manager responsible for the preparation of the Company's Financial Reports	Torino, January 4, 1971	2018

<b>Name</b>	<b>Position</b>	<b>Place and Date of Birth</b>	<b>Date of Assumption</b>
Mario Colombo	Director General Counsel, Contract Management, Company Affairs and Governance	Desio, July 23, 1969	2013
Marco Satta	Director Health, Safety and Environment	Nuoro, September 18, 1973	2001
Dario Gallinari	Director Human Resources, Organization and Services	Lodi, March 27, 1959	1981
Gaetano Colucci	Director Sustainability, Identity and Corporate Communication	Rome, February 8, 1961	2016
Stefano Porcari	Chief Operating Officer Onshore Drilling Division	Cairo (Egypt), June 19, 1956	1987
Silvia Abrate	Director Risk Management, Supply Chain and Business Integrity	Piacenza, December 28, 1970	2003
Luigi Siri	Director Internal Audit	Savona, April 22, 1961	2015
Marco Toninelli	Chief Operating Officer Offshore Drilling Division	Brescia, April 26, 1960	1986
Francesco Racheli	Chief Operating Officer E&C Offshore Division	Rome, October 26, 1972	2017
Davide Ruvolo	Director Strategy	Milan, July 7, 1970	1998

For the purposes of their corporate offices, senior managers with strategic responsibilities are domiciled at the registered offices of Saipem.

#### ***Conflict of interest***

As of the date of this Base Prospectus, no member of the board of directors or the board of statutory auditors or any of the Saipem principal officers has any personal conflict of interests arising from his or her office or position within the Group.

As of the date of this Base Prospectus, Saipem is not aware of any agreement with the main shareholders, clients, suppliers or other persons pursuant to which the members of the board of directors, of the board of statutory auditors and Saipem principal officers have been appointed in their respective roles except for the following. As of the date of this Base Prospectus, Mr. Luigi Siri entered into individual agreements with Eni, pursuant to which Eni undertook to re-employ Mr. Siri within Eni, if Eni were to transfer its majority shareholding in Saipem to a third party outside the Eni group.

#### ***Principal Shareholders***

The following table shows the composition of Saipem share capital.

<b>Shareholder</b>	<b>Share capital</b>
Eni S.p.A. <sup>1</sup>	30.54%
CDP Industria S.p.A. <sup>2</sup>	12.55%
Capital Research and Management Company	5.05%
Eleva Capital SAS	3.07%
Norges Bank (The Central Bank of Norway)	1.04%
Banca d'Italia	1.00%

<sup>1</sup>Company under the *de facto* control of the Italian Ministry of Economy and Finance which holds directly a participation of 4.34% of the Eni capital share and, indirectly, by means of Cassa Depositi e Prestiti S.p.A., the 25.76% of the Eni capital share.

<sup>2</sup>Company under the control of the Italian Ministry of Economy and Finance, which holds indirectly, by means of Cassa Depositi e Prestiti S.p.A., a participation of the 100% of the share capital of CDP Industria S.p.A.

#### **Shareholders' agreement**

On 27 October 2015, Eni and CDP Equity S.p.A. (former Fondo Strategico Italiano S.p.A.) signed a shareholders' agreement relating to Saipem's ordinary shares, pursuant to Article 122, paragraphs 1 and 5,

letters a), b), and d) of Legislative Decree 58/98 (the "**Agreement**"). The Agreement came into effect on 22 January 2016 (the "**Effective Date**").

On 13 December 2019, in the context of a reorganisation of the Cassa Depositi e Prestiti S.p.A. group's equity portfolio. ("**CDP**"), the partial demerger of the shareholding held by CDP Equity S.p.A. in Saipem in favour of CDP Industria S.p.A. ("**CDP Industria**"), whose share capital is wholly owned by CDP, came into effect. Therefore, the Syndicated Shares (as defined below) held by CDP Equity was transferred, with the consent of ENI, to CDP Industria.

On 16 December 2019, CDP Equity, Eni and CDP Industria entered into an agreement to transfer the Agreement, pursuant to which CDP Industria succeeded to CDP Equity in the rights and obligations provided by the Agreement, starting from the date of effectiveness of the demerger as set out in the deed of demerger, without prejudice to the joint and several liability of CDP Equity and CDP Industria in relation to the obligations under the Agreement. The number of shares brought to the Agreement by each party will be, at any time, the same for the whole duration of the Agreement.

Specifically, the Agreement concerns the following shares ("**Syndicated Shares**"):

- (i) as for CDP Industria, No. 126,401,182 Saipem shares, equal to approximately 12.503% of the ordinary share capital of Saipem (or other percentage that might result from any conversion of convertible savings shares of Saipem); and
- (ii) as for Eni, No. 126,401,182 Saipem shares, equal to approximately 12.503% of the ordinary share capital of Saipem (or other percentage that might result following any conversion of convertible savings shares of Saipem).

The parties assigned to the Agreement a total interest of approximately 25.006% of the ordinary share capital of Saipem (or other percentage that might result following any conversion of convertible savings shares of Saipem) which, unless otherwise agreed, will also be the maximum holding assigned to the Agreement by Eni and CDP Equity S.p.A. for the entire duration of the Agreement.

In accordance with the Agreement, the shares held from time to time by Eni and/or CDP Industria (other than the Syndicated Shares) are defined as "**Non-Syndicated Shares**".

Pursuant to the Agreement, Eni and CDP Industria will jointly appoint members of the board of directors of Saipem and its relevant committees, as well as members of the board of statutory auditors. In addition, the parties will coordinate their actions in certain matters relating to the corporate governance of Saipem through a mechanism of prior consultation. The Agreement also stipulates certain trading and transfer restrictions on to the Syndicated Shares.

Pursuant to the Agreement, neither of these parties exercises sole control over Saipem pursuant to Article 93 of Legislative Decree 58/98.

The Agreement will remain in force until the third anniversary of the Effective Date and it will be automatically renewed for an additional three-year period unless expressly terminated via written notice at least 6 months before the expiration.

Since none of the parties expressed their will to terminate the Agreement, the Agreement has been renewed for an additional three-year period and shall expire on 22 January 2022.

### **Strategy**

On 25 February 2020, the Board of Directors of Saipem approved the strategic plan 2020-2023.

Refocusing the business portfolio, de-risking operations, optimizing costs, making processes more efficient, emphasizing technology and innovation as well as debt reduction and financial discipline are all reaffirmed as the basis of the Group's strategy.

As regard the refocusing the business portfolio, in 2018 Saipem business was reorganized into five divisions, each with a new management team. The new organization allows for an increased decision-making agility, greater consistency between responsibility for results and attribution of decision-making levers, complete autonomy in the identification of priorities, and greater focus on project execution. In addition, it will enable the possibility to focus on diversification and to provide new solutions to support the energy transition. As part of the business portfolio strategy, the company is continuing to evaluate strategic options for the Drilling business.

The business model has been further de-risked, becoming more selective in tendering, offering early engagement to clients through XSIGHT, Saipem's cross-divisional innovation engine. The de-risking efforts have reduced the level of unbilled revenues under litigation to zero.

The efficiency of operations has been improved over last years, promoting the turnaround in the E&C Onshore business, and additional efforts have been devoted to strengthen and rationalize the asset base to compete in the current environment.

R&D drivers are focused on business and are mainly aimed at delivering to customers new digital solutions and more cost-effective services.

### **Rating**

On 27 May 2019 S&P Global Ratings published a research update affirming its "BB+" rating, with stable outlook, for the long term corporate credit rating and for senior unsecured facilities including an Euro 1 billion Revolving Credit Facility and four bond issues of Euro 500 million each executed under its Euro EMTN Programme.

On 27 March 2020 Moody's Deutschland GmbH published a research update affirming its "Ba1" rating for the corporate family rating and for senior unsecured facilities, including three bond issues of Euro 500 million each executed under Saipem Euro EMTN Programme. The outlook has been revised from stable to negative.

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## **Saipem (Portugal) – Comercio Maritimo, Sociedade Unipessoal Lda**

### **Overview**

Saipem (Portugal) – Comercio Maritimo, Sociedade Unipessoal Lda ("**Saipem Portugal**"), is a limited liability company incorporated under the laws of Portugal, with registered office in Funchal, and employs 571 people, of whom 118 are local and around 413 are deployed on its own vessels.

Saipem Portugal operates primarily in the offshore business as an engineering and construction contractor at a global level on offshore projects where one or more vessels of its fully-owned fleet is deployed, and in the drilling businesses as a drilling contractor in the provision of drilling assets and services.

When not contracted directly to the final client, Saipem Portugal leases its construction and drilling vessels to other companies of the Group, acting as an asset owner, specialising in asset management and maintenance.

Concerning the offshore sector, Saipem Portugal owns the following vessels: "Castoro 6", "Castoro 10", "Castoro 11", "Castoro 14", "Castoro 15", "Saipem 3000", "S42", "S43", "S44", "S45" "S600", "FDS 2" and "FPSO Gimboa".

Concerning the offshore drilling sector, Saipem Portugal owns the following assets: "Perro Negro 2", "Perro Negro 3", "Perro Negro 8", "Scarabeo 7", "Scarabeo 9", "Saipem 10000", "Saipem 12000" and "TAD".

### **Capital**

As of the date of this Base Prospectus Saipem Portugal's share capital is equal to Euro 299,278,738.24.

### **Management**

Saipem Portugal is managed by a board of directors ("*conselho de gerencia*").

### **Corporate Bodies and Principal Officers**

#### **Conselho de Gerencia**

As of the date of this Base Prospectus, the *conselho de gerencia* of Saipem Portugal is composed of three members. The table below lists the names of all directors and the offices they hold within Saipem Portugal.

<b>Name</b>	<b>Position</b>
Massimiliano Guerra	<i>Presidente</i>
Giuseppe Maria Sofrà	<i>Diretor Geral</i>

Name	Position
Giampaolo Bonalumi	<i>Gerente</i>

### **Principal Officers**

The table below lists the names of all principal officers of Saipem Portugal in charge as of the date of this Base Prospectus, specifying the offices they hold within Saipem Portugal.

Name	Position
Pedro Antonio Martins	Administration, Finance and Control
Maria Marta Nunes Gomes	Human Resources
a.i. Giuseppe Maria Sofra	Quality
Sandro Vieira	Health, Safety, Environment and Sustainability
a.i. Giuseppe Maria Sofrà	Tendering
Paolo Barbon	Procurement and Post Order
Enrico Russo	Asset Management and Production
Amina Rehan	Maritime Certification and Flags Management

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### **SAIPEM S.A.**

#### **Overview**

Saipem S.A. ("**Saipem SA**") is a *société anonyme* incorporated under the laws of France, with its registered office in Montigny le Bretonneux, and employs 1,468 people the majority of whom are French nationals.

The Company joined the Group in 2002, following the acquisition of the French group Bouygues Offshore (BOS), a contractor operating at a global level.

As of the date of the Base Prospectus Saipem SA acts as a holding company, as it was originally the parent company of the BOS holding structure. Saipem SA also operates as an engineering and construction contractor in the offshore and onshore business sectors, developing engineering, procurement and construction projects (i.e. the design and realization of deep water and ultra-deep water offshore fields, liquefied natural gas plants, chemical plants, refineries and electrical plants, and port infrastructures).

Saipem SA is also an engineering center thanks to the engineering and project management competencies it has in the Paris engineering, procurement and construction hub<sup>2</sup>, especially in the deep water development segment.

#### **Capital**

As of the date of the Base Prospectus, Saipem SA's share capital is equal to Euro 25,050,000, divided in No. 15,000,000 shares of Euro 1.67 each.

#### **Management**

Saipem SA is managed by a board of directors ("*conseil d'administration*").

#### **Corporate Bodies and Principal Officers**

##### **Conseil d'Administration**

As of the date of this Base Prospectus, the *conseil d'administration* of Saipem SA is composed of eight members. The table below lists the names of all directors and the offices they hold within Saipem SA.

Name	Position
Stefano Porcari	<i>Président</i>
Francesco Racheli	<i>Administrateur e Directeur Général</i>
Adriana Veronica Gea	<i>Administrateur</i>

<sup>2</sup> Saipem engineering, procurement and construction hubs (Milan, Fano, Paris, and Chennai) grant standardization of processes among Group companies, ensuring the coherence with Corporate guidelines and promoting the Group's best practices, support local engineering centers by providing risk assessment competences and procurement services, together with specialized engineering know-how.

Name	Position
Luisa Santoro	<i>Administrateur</i>
Ida Husem	<i>Administrateur</i>
Benoit Landreau	<i>Administrateur</i>
Louis Pierre Schneider	<i>Administrateur</i> and Chairman Audit and Compliance Committee
Martin Schiff	<i>Administrateur</i> and Member Audit and Compliance Committee

### ***Principal Officers***

The table below lists the names of all principal officers of Saipem SA in charge as of the date of this Base Prospectus, specifying the offices they hold within Saipem SA.

Name	Position
Bertrand Marechal	Deputy CEO
Giuseppe Oliviero	Administration, Finance, Control and ICT
Jerome Hugnot	Risk management
Laurent Mellier	Human Resources, Organisation and Services
Eric Mifsud	Legal Affairs and Company Secretary
Martin Schiff	Compliance and Anti-Corruption
Paolo Marcarini	Contract Management
Fulvio Rizzo	Quality, Health, Safety and Environment
Christophe Le-Gousse	Procurement and Post Order
Kofi Vercellino	Offshore Plant Engineering and EPC Management
Stephane Couprie	Subsea Engineering
Carine Tramier	Offshore Project Management
Gloria Vittadini	Commissioning and Hook-Up
Gary Owens	MMO Commercial and Tendering
Sebastien Le Gall	MMO Execution
Alain Menard	Onshore
Roberto Pellegrini	S-Lay, Lifting and Float Over Installation Methods and Analysis
Ernesto De Franco	Offshore Fabrication
Paul Tricard	Offshore Installation Operations
Emmanuel Huot	Offshore Assets
Bertrand Marechal	South Mediterranean Sea, South Atlantic Ocean and West Indian Ocean Offshore Management

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### **SOFRESID S.A.**

#### ***Overview***

Sofresid S.A. ("**Sofresid**") is a *société anonyme* incorporated under the laws of France, with registered office in Montigny le Bretonneux. Sofresid is a holding company and owns a participation in the Sofresid Group and in Saipem Contracting Algérie. Since 2014 Sofresid has been carrying out the Kaombo project on behalf of the client Total Angola for the construction of 2 floating production storage and offloading units.

#### ***Capital***

As of the date of the Base Prospectus Sofresid's share capital is equal to Euro 26,454,765, divided in No. 8,818,255 shares of Euro 3.00 each.

#### ***Management***

Sofresid is managed by a board of directors ("*conseil d'administration*").

#### **Corporate Bodies and Principal Officers**

##### ***Conseil d'Administration***

As of the date of this Base Prospectus, the *conseil d'administration* of Sofresid is composed of three members. The table below lists the names of all directors and the offices they hold within Sofresid.

<u>Name</u>	<u>Position</u>
Gaetano Colucci	Président
Pierre Pommies	Administrateur – Directeur Général
Carine Tramier	Administrateur

### ***Principal Officers***

The table below lists the names of all principal officers of Sofresid in charge as of the date of this Base Prospectus, specifying the offices they hold within Sofresid.

<u>Name</u>	<u>Position</u>
Benoit Broutin	Administration, Finance and Control
Isabelle Delaporte	Company Secretary
Christophe Le-Gousse	Procurement
	***

## **SAIPEM LIMITED**

### ***Overview***

Saipem Limited ("**Saipem Ltd**") is a limited liability company incorporated in 2010 under the laws of England and Wales, with registered office in London.

Saipem Ltd's main activities are the provision of offshore services in the Oil&Gas sector of the North Sea and other designated areas. In particular, Saipem Ltd provides for the laying of offshore pipelines, the transport and installation of facilities and offshore vessels and the provision of subsea services. It employs 674 people, of which approximately 79% are local.

Saipem Ltd owns the following assets: 41 remoted operated vehicles.

### ***Capital***

Saipem Ltd's share capital is equal to Euro 7,500,000.00.

### ***Management***

Saipem Ltd is managed by a board of directors.

## **Corporate Bodies and Principal Officers**

### ***Board of Directors***

As of the date of this Base Prospectus, the board of directors of Saipem Ltd is composed of three members. The table below lists the names of all directors and the offices they hold within Saipem Ltd.

<u>Name</u>	<u>Position</u>
Guido D'Aloisio	Chairman
Paolo Formica	Managing Director
Marcello Cascella	Director

### ***Principal Officers***

The table below lists the names of all principal officers of Saipem Ltd as of the date of this Base Prospectus, specifying the offices they hold within Saipem Ltd.

<u>Name</u>	<u>Position</u>
Lisa Cooper	Administration, Finance, Control
John Soares	Human Resources, Organisation and Services
Emma Cansfield	Contract Management
Enrico Giovannini	Procurement and Post Order
Chiara Bernardelli	Quality, Health, Safety and Environment

Name	Position
Dmytro Nalywajko	Risk Management, Process Reengineering and ICT
a.i. Robin Galletti	Commercial
Robin Galletti	Renewables and Decommissioning Execution
Luca Sposito	Tendering
Floriano Casola	Offshore Engineering
Sherif Elgebaly	Xsight Subsea Engineering
Hugh Thomas	Offshore Asset and Installation Operations
Paolo Delbene	Subsea and Fixed Facilities Execution

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## SAIPEM OFFSHORE NORWAY AS.

### *Overview*

Saipem Offshore Norway AS ("**Saipem Offshore Norway**") is a limited liability company under the laws of Norway, with its registered office in Sola. Saipem Offshore Norway is a ship management company.

As of the date of the Base Prospectus, Saipem Offshore Norway employs 86 people and owns the following vessels: "Saipem Constellation", "CastorOne", "Saipem 7000" and "FDS".

### *Capital*

As of the date of the Base Prospectus, Saipem Offshore Norway's share capital is equal to 120,000.00 NOK.

### *Management*

Saipem Offshore Norway is managed by a board of directors.

### **Corporate Bodies and Principal Officers**

#### *Board of Directors*

As of the date of this Base Prospectus, the board of directors of Saipem Offshore Norway is composed of three members. The table below lists the names of all directors and the offices they hold within Saipem Offshore Norway.

Name	Position
Emmanuel Huot	Chairman
Alessandro Cimelli	Managing Director
Fabio Maffezzoni	Director

#### *Principal Officers*

The table below lists the names of all principal officers of Saipem Offshore Norway in charge as of the date of this Base Prospectus, specifying the offices they hold within Saipem Offshore Norway.

Name	Position
Fabio Maffezzoni	Administration, Finance and Control and ICT
Alessandro Cimelli (a.i.)	Human Resources and Organisation
Alessandro Cimelli (a.i.)	Procurement
Carlo Guadalupi	Asset
Bakary Kolley	Health, Safety, Environment and Sustainability
Alessandro Cimelli (a.i.)	Quality

\*\*\*

## SAIPEM CONTRACTING NETHERLANDS B.V.

### *Overview*

Saipem Contracting Netherlands B.V. ("**Saipem Contracting**"), is a limited liability company incorporated under the laws of The Netherlands in 2010, with its registered office in Amsterdam, and employs 1,832 resources.

The Company is active in the supply of services in the Oil&Gas industry.

Its principal activities are related to the performance and support of offshore engineering and construction projects in the Caspian area and in the United Arab Emirates.

The head office is located in Amsterdam and the Company has three branches, one located in Sharjah, in the United Arab Emirates, one located in Baku, in Azerbaijan and one located in Tbilisi, in Georgia

### ***Capital***

As of the date of the Base Prospectus, Saipem Contracting's share capital is equal to Euro 20,000.00.

### ***Management***

Saipem Contracting is managed by a board of directors.

### **Corporate Bodies and Principal Officers**

#### ***Board of Directors***

As of the date of this Base Prospectus, the board of directors of Saipem Contracting is composed of three members. The table below lists the names of all directors and the offices they hold within Saipem Contracting.

<b>Name</b>	<b>Position</b>
Massimiliano Guerra	Chairman
Roberto Stranieri	Managing Director
Massimiliano Bellotti	Director

#### ***Principal Officers***

The table below lists the names of all principal officers of Saipem Contracting in charge as of the date of this Base Prospectus, specifying the offices they hold within Saipem Contracting.

<b>Name</b>	<b>Position</b>
Dino Carbutto	Administration, Finance and Control
Stefana Marinescu	Company Secretary
Daniel Melisanidi	Human Resources, Organisation and ICT
Luigi Grilli	Quality, Health, Safety and Environment
Giovanni Toscani	Procurement and Post Order

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### **GLOBAL PETROPROJECTS SERVICES AG.**

#### ***Overview***

Global Petroprojects Services AG. ("**Global Petroprojects**") is a company incorporated with limited liability under the laws of Switzerland, with registered office in Zurich, and, as of the date of the Base Prospectus, manages 7,032 employees including personnel supplied mainly to other Group companies and, in smaller part, to third companies.

Global Petroprojects recruits and provides international personnel to fulfil staff requirements or, generally, to carry out offshore, onshore and/or drilling projects, upon request to Group companies as well as, to a lesser extent, to third companies.

#### ***Capital***

As of the date of the Base Prospectus, Global Petroprojects' share capital is equal to 5,000,000.00 Swiss Francs.

#### ***Management***

Global Petroprojects is managed by a board of directors.

### **Corporate Bodies and Principal Officers**

### ***Board of Directors***

As of the date of this Base Prospectus, the board of directors of Global Petroprojects is composed of three members. The table below lists the names of all directors and the offices they hold within Global Petroprojects.

<b>Name</b>	<b>Position</b>
Daniele Zucchi	Chairman
Gianmaria Puglia	Managing Director
Martin Peter Henry	Director

### ***Principal Officers***

The table below lists the names of all principal officers of Global Petroprojects in charge as of the date of this Base Prospectus, specifying the offices they hold within Global Petroprojects.

<b>Name</b>	<b>Position</b>
Lino Dragone	Administration, Finance and Control
Stefano Zucal	Human Resources and Organisation
Marcello Cavaliere	ICT and General Services
Enrico Becagli	Chennai Activities Management and Improvement Project
Fabio Matarese	Procurement and Post Order
Alessandra Pedrazzoli	Quality
Maria Claudia Romano	Operative Personnel Management and Administration

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## **SAIPEM DRILLING NORWAY AS.**

### ***Overview***

Saipem Drilling Norway AS ("**Saipem Drilling Norway**") is a limited liability company under the laws of Norway, with its registered office in Sola. Saipem Drilling Norway AS is an offshore drilling contractor.

As of the date of the Base Prospectus, Saipem Drilling Norway employs 220 people and owns the vessel "Scarabeo 8".

### ***Capital***

As of the date of the Base Prospectus, Saipem Drilling Norway's share capital is equal to 110,000 NOK.

### ***Management***

Saipem Drilling Norway is managed by a board of directors.

## **Corporate Bodies and Principal Officers**

### ***Board of Directors***

As of the date of this Base Prospectus, the board of directors of Saipem Drilling Norway is composed of three members. The table below lists the names of all directors and the offices they hold within Saipem Drilling Norway.

<b>Name</b>	<b>Position</b>
Fabio Rondini	Chairman
Fabio Micari	Managing Director
Fabio Maffezzoni	Director

### ***Principal Officers***

The table below lists the names of all principal officers of Saipem Drilling Norway in charge as of the date of this Base Prospectus, specifying the offices they hold within Saipem Drilling Norway.

<b>Name</b>	<b>Position</b>
Fabio Maffezzoni	Administration, Finance, Control and IT
Wenche Espeland	Human Resources and Organisation

Name	Position
Fabio Micari (a.i)	Quality
Bente GRØNNING	Health, Safety, Environment and Sustainability
Paal Norheim	Assets
Fabio Micari (a.i.)	Procurement
Davila Zamarripa	Post Order Management

## SAIPEM LUXEMBOURG S.A.

### *Overview*

Saipem Luxembourg S.A. ("**Saipem Luxembourg**") is a *société anonyme* incorporated under the laws of Luxembourg, with its registered office in Strassen. Saipem Luxembourg's main activities are the purchase, the selling, the chartering in, the chartering out and the management of sea-going vessels. As of the date of the Base Prospectus Saipem Luxembourg S.A. employs 509 people.

### *Capital*

As of the date of the Base Prospectus, Saipem Luxembourg's share capital is equal to Euro 31,002.

### *Management*

Saipem Luxembourg S.A. is managed by a board of directors.

### **Corporate Bodies and Principal Officers**

#### *Board of Directors*

As of the date of this Base Prospectus, the board of directors of Saipem Luxembourg S.A. is composed of three members. The table below lists the names of all directors and the offices they hold within Saipem Luxembourg S.A.

Name	Position
Fabio Pallavicini	Chairman and Manager "A"
Roberto Stranieri	Managing Director and Manager "A"
Vincent Mulder	Manager "B"

#### *Principal Officers*

The table below lists the names of all principal officers of Saipem Luxembourg S.A. in charge as of the date of this Base Prospectus, specifying the offices they hold within Saipem Luxembourg S.A.

Name	Position
Roberto Stranieri	Managing Director
Giuseppe Pariotti	Administration, Finance and Control
Roberto Stranieri (a.i.)	Commercial
Julien Tuccella	Human Resources, Organisation and ICT
Luciano Furini	Operations
Cristian Comotti	Procurement
Arcangelo Lapomarda	Quality, Health, Safety, Environment and Sustainability

## SAIPEM CONTRACTING NIGERIA LIMITED.

### *Overview*

Saipem Contracting Nigeria Limited ("**Saipem Contracting Nigeria**") is a limited liability company incorporated under the laws of Nigeria, with its registered office in Lagos. Saipem Contracting Nigeria provides for the laying of land and submarine pipelines, civil engineering and construction services, the erection of petrochemical plants and other projects relating to oil and civil services. As of the date of the Base Prospectus Saipem Contracting Nigeria Limited employs 1,656 people.

### **Capital**

As of the date of the Base Prospectus, Saipem Contracting Nigeria share capital is equal to 827,000,000 NGN.

### **Management**

Saipem Contracting Nigeria Limited is managed by a board of directors.

#### **Corporate Bodies and Principal Officers**

##### **Board of Directors**

As of the date of this Base Prospectus, the board of directors of Saipem Contracting Nigeria Limited is composed of six members. The table below lists the names of all directors and the offices they hold within Saipem Contracting Nigeria Limited.

<b>Name</b>	<b>Position</b>
Emmanuel Justin Olabode	Chairman
Walter Peviani	Managing Director
Luca Gentili	Director
Gianmaria Zangrandi	Director
Louis-Pierre Schneider	Director and Chairman of the Audit & Compliance Committee
Martin Schiff	Director and Member of the Audit & Compliance Committee

##### **Principal Officers**

The table below lists the names of all principal officers of Saipem Contracting Nigeria Limited in charge as of the date of this Base Prospectus, specifying the offices they hold within Saipem Contracting Nigeria Limited.

<b>Name</b>	<b>Position</b>
Walter Peviani	Managing Director
Edgar Van Stijn	Administration, Finance and Control
Stefano Canello	Asset
Sergio Sisinni	Company Counsel and Company Affairs
Riccardo Sansone	Construction
Simone Mazzon	Quality
Pasquale Angeloni	Logistics and Security Coordination
Simone Mazzon	Risk Management and Compliance Focal Points
Emanuel Topazio	Health, Safety and Environment
Giancarlo Dagnino	Procurement and Post Order
Sergio Sisinni	Contract Management
Michele Poggi	Onshore Commercial
Innocent Ogbu	Stakeholders Relationa and Analysis
Paolo Evangelista	Offshore Commercial
Matteo Spedicato	Engineering
Walter Peviani (a.i.)	Onshore Operations
Walter Peviani (a.i.)	Offshore Operations
Amilcare Berti	Yard

#### **SNAMPROGETTI SAUDI ARABIA CO. LTD**

##### **Overview**

Snamprogetti Saudi Arabia Co. Ltd ("**Snamprogetti Saudi Arabia**") is a limited liability company incorporated under the laws of Saudi Arabia, with its registered office in Al Khobar. Snamprogetti Saudi Arabia main activities are related to contracting and management of projects concerning the installation, extension and maintenance of petrochemicals facilities, railways, power projects, chemical fertilizers, water

desalination, oil and gas pipelines, water pipes, in addition to drilling services of oil and gas fields. As of the date of the Base Prospectus Snamprogetti Saudi Arabia employs 2,720 people.

### **Capital**

As of the date of the Base Prospectus, Snamprogetti Saudi Arabia share capital is equal to SAR 10,000,000.

### **Management**

Snamprogetti Saudi Arabia is managed by a board of directors.

### **Corporate Bodies and Principal Officers**

#### **Board of Directors**

As of the date of this Base Prospectus, the board of directors of Snamprogetti Saudi Arabia is composed of five members. The table below lists the names of all directors and the offices they hold within Snamprogetti Saudi Arabia.

<u>Name</u>	<u>Position</u>
Jean-Luc Dubois	Chairman
Saba Sindaha	Chairman audit & Compliance committee
Giancarlo Proietti	Executive Director
Massimiliano Bellotti	Director

#### **Principal Officers**

The table below lists the names of all principal officers of Snamprogetti Saudi Arabia in charge as of the date of this Base Prospectus, specifying the offices they hold within Snamprogetti Saudi Arabia.

<u>Name</u>	<u>Position</u>
Sunny Josè	Administration, Finance and Control
Giancarlo Proietti (a.i.)	Business Support and Services
Giancarlo Proietti (a.i.)	Human Resources and Organisation
Mohammad Tawfeeq Alzoori	Quality
Fadi Jabbour	Health, Safety, Environment and Sustainability
Lorenzo Scarabottini	Procurement and Post Order
Carlo Alberto Cornacchini	Contract Management
Antonio Sgambati	Commercial and Tendering
Stefano De Alexandris	Engineering
Giovanni Cossu	Onshore E&C Asset
Massimiliano Campanini	Onshore Operations

## **SAUDI ARABIAN SAIPEM LTD**

### **Overview**

Saudi Arabian Saipem Ltd ("**Saudi Arabian Saipem**") is a limited liability company incorporated under the laws of Saudi Arabia, with its registered office in Al Khobar. Saudi Arabian Saipem main activities are related to the performance of construction works of oil, gas and petrochemical facilities, oil and gas well drilling, industrial works, onshore and offshore water systems. As of the date of the Base Prospectus Saudi Arabian Saipem employs 3,609 people.

### **Capital**

As of the date of the Base Prospectus, Saudi Arabian Saipem share capital is equal to SAR 5,000,000.

On May 12, 2020 Saudi Arabian Saipem Resolved upon a share capital increase for a total amount of SAR 125,000,000. Upon execution of such capital increase, the share capital of Saudi Arabian Saipem will be equal to SAR 130,000,000.

## ***Management***

Saudi Arabian Saipem is managed by a board of directors.

### **Corporate Bodies and Principal Officers**

#### ***Board of Directors***

As of the date of this Base Prospectus, the board of directors of Saudi Arabian Saipem is composed of three members. The table below lists the names of all directors and the offices they hold within Saudi Arabian Saipem.

<b>Name</b>	<b>Position</b>
Franco Pandolfi	Chairman
Stefano Marcoaldi	Executive Director
Jean-Luc Dubois	Director

#### ***Principal Officers***

The table below lists the names of all principal officers of Saudi Arabian Saipem in charge as of the date of this Base Prospectus, specifying the offices they hold within Saudi Arabian Saipem.

<b>Name</b>	<b>Position</b>
Abdul Majeed Muhammad Zubair	Administration, Finance and Control
a.i. Stefano Marcoaldi	Business Support and Services
Zuhair Emsaad	Human Resources and Organisation
Gianluca Quarta	Quality
Sergo Kikilashvili	Health, Safety and Environment and Sustainability
Massimo Buonpane	Procurement and Post Order
Joby Mechery	Onshore Drilling Commercial
Antonio Blanco	Onshore Drilling Asset and Warehouses Management
Vincenzo Billè	Onshore Drilling Operations
Marco Cascianini	Offshore Drilling Management
Sergio Ferranti	E&C Onshore Management

## DESCRIPTION OF THE GROUP

### History and Development of the Group

Saipem began operations in the 1950s, gradually developing and acquiring expertise and know-how in the onshore pipeline sector, the construction of offshore and onshore rigs, and the drilling sector. It initially operated as a division of Eni, before becoming an independent company in 1969. In the 1960s Saipem began offshore activities in the Mediterranean and in the 1970s extended its operations to the challenging North Sea environment.

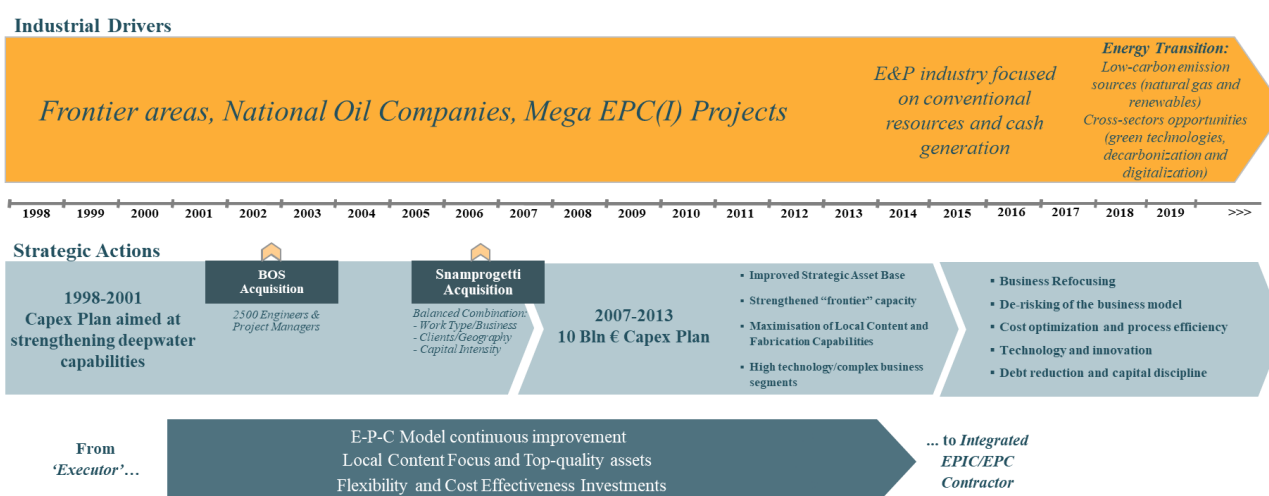
At the end of the 1990s, with the focus of its operations shifting towards deep water activities and developing countries, Saipem implemented an investment plan designed to expand its fleet to meet the increasingly challenging requirements of deep water drilling and exploitation, pipe laying, leased floating production storage and offloading vessels and subsea robotics.

Saipem was one of the first companies to leverage Local Content as a competitive advantage, establishing a number of major logistical bases, fabrication yards and engineering centers in West Africa, CEI countries, the Middle East and South East Asia in which the largest percentage of workers employed were local workers.

On 9 July 2002, Saipem acquired an interest of 50.8% in Bouygues Offshore S.A. ("**BOS**"), a leading French engineering company operating in the international oil industry specialized in deep water drilling. The subsequent acquisition of the entire capital of BOS, following a takeover bid launched in France and the US, allowed Saipem to reorganize the Group into six business units.

Subsequently, in response to industry trends towards increasingly large and complex onshore EPC projects, and also to expand its client base and its position in the Middle East, on 27 March 2006, Saipem Projects S.p.A., a subsidiary of Saipem, acquired from Eni a 100% stake in Snamprogetti S.p.A. ("**Snamprogetti**"). Snamprogetti was one of the leading engineering and project management companies, active in the international market for the design and execution of large-scale onshore plants for the production and treatment of hydrocarbons and the monetization of natural gas. The acquisition facilitated the creation of a contractor company capable of operating in both the offshore and onshore segments, integrated both horizontally and vertically in the oil and gas services value chain.

In subsequent years, and with a view to consolidating its industrial model in terms of operational capacity of the fleet and control over the critical phases of the engineering, procurement, construction and installation process, Saipem undertook an investment program, completed in 2012, which further expanded its asset base in the engineering and construction offshore and drilling sectors. With the acquisition of cutting-edge vessels designed for subsea field development, the laying of pipelines and the development of fields in ultradeep water and frontier environments (i.e., the Arctic regions), as well as the construction of fabrication yards for the integration of the phases of the engineering, procurement, construction and installation chain, which would otherwise be subcontracted to third parties.



The level of investment in exploration and production for 2019 increased in volume compared to the previous year, in line with the positive trend which began in 2016. North America, which in recent years has driven investment growth, in particular in non-conventional developments in the onshore market, recorded a stable expenditure for 2019, while Asia-Pacific, Africa and Latin America are contributing more to global growth. At the same time, other markets including renewables, are becoming increasingly important in the energy field, with a rapid growth in investments above all in the wind and solar sectors.

Following a period of strong market decline started in the second half of 2014, the main companies in the hydrocarbon sector, in order to remain competitive, had to adapt to an industrial context characterized by lower volumes, promoting a strategy of cost reduction and downsizing. In a number of cases restructuring programmes have been implemented, to strengthen the financial structure and diversify the businesses, also beyond the Oil&Gas market.



To align its cost and competitive profile to the market environment, the Company has implemented in the past years the "Fit For the Future" program, whose various initiatives also envisage rationalisation of structural, fabrication yard and vessel costs.

In addition, as part of the "Fit For the Future 2.0" program, Saipem has set up a new business model based on a new, leaner, more effective and more efficient organization, encompassing five divisions for the following sectors: offshore construction, onshore construction, offshore drilling, onshore drilling, and a new entity dedicated to high added value engineering activities and services. The new model is aimed at entrusting individual businesses with greater responsibility for project outcomes and performance, therefore allowing for increased decision-making agility, greater consistency between responsibility for results and attribution of decision making levers, complete autonomy in the identification of priorities, and greater focus on project execution.

**Principal Activities**

Saipem is a global player in the engineering, procurement, construction and installation of pipelines and complex projects, onshore and offshore, in the Oil&Gas market, as well as in the drilling services market. The company has distinctive competences in operations in harsh environments, remote areas and deep water and provides a full range of services with contracts on an "EPC" and/or "EPCI" ("turn-key" basis) leveraging on assets with high technological content. The Group's clients include the largest international and national oil companies including Saudi Aramco, BP, Eni, ExxonMobil, Gazprom, Petrobras and Total.

The Group has a global presence with a multi-local emphasis. It operates in approximately 72 countries, employs more than 32,000 employees of 122 nationalities, possesses 13 main engineering and project execution centers worldwide, and 9 main logistics and fabrication yards in five continents.

The Group's business is organized into five business divisions: Offshore Engineering & Construction, Onshore Engineering & Construction, Offshore Drilling, Onshore Drilling and XSIGHT. The process of divisionalisation, which concluded in December 2018, gave the divisions full autonomy, specifically with regard to sales, project execution, technology and Research and Development, business strategies, partnerships, etc.

### ***XSight***

XSight is a Saipem Group start-up. It provides state of the art, high value and highly innovative services to the entire Energy industry, including renewables and green energy. XSight division works to improve the efficiency of engineering services through simplified processes and innovative digitalisation models.

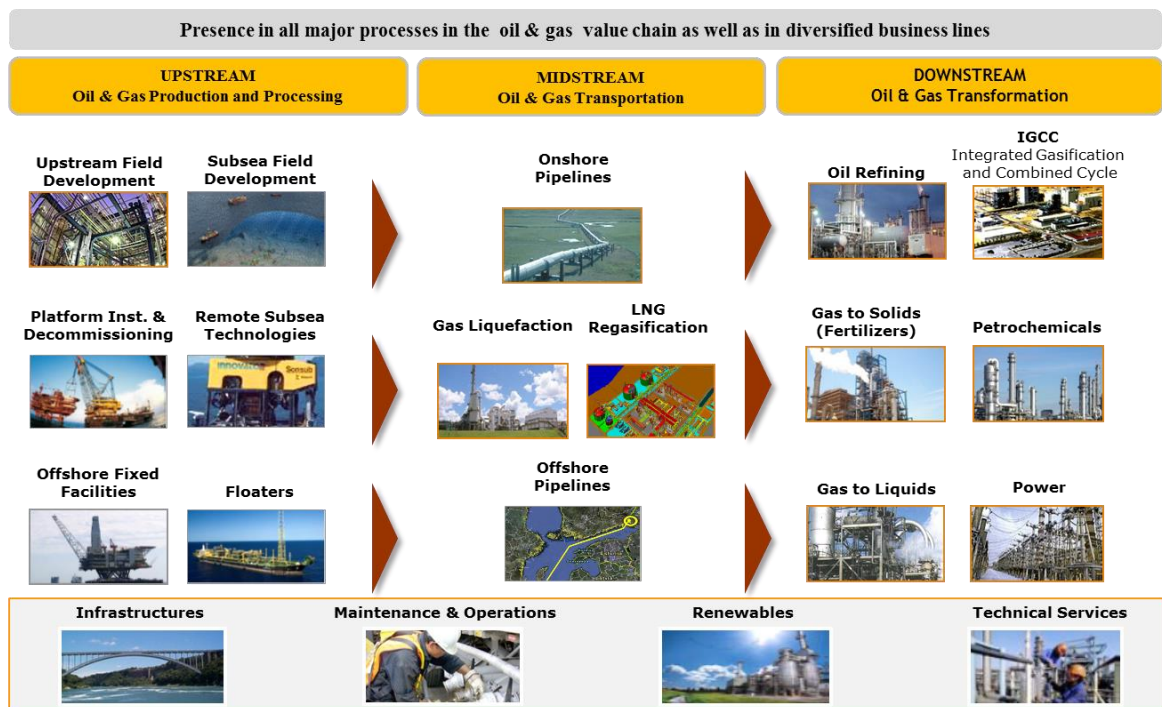
In addition to engineering, it offers a complete range of services, offshore and onshore: from feasibility to front-end engineering, as well as support services throughout the entire life cycle of a project, with the goal to develop strong and trusting relationships with Saipem's clients, (i) through the delivery of innovative, value led services; (ii) by engaging contractors in the early phases of the project definition, and (iii) by assessing new technologies and applications, in particular in the renewable and green/tech field.

### ***Engineering & Construction***

The engineering & construction operations are conducted through offshore and onshore divisions that focus on the execution of large-scale projects mainly related to the development, production, treatment and transportation of oil and gas and their products. The projects in which the Group participates generally possess a high degree of complexity in terms of engineering, technology and operations, with a strong bias towards challenging environments and remote areas.

The engineering & construction divisions provide a range of services tailored to each phase of the project lifecycle. In the project pre-execution phase, the Group provides a variety of front-end engineering design services. These services include feasibility studies, preliminary designs, schematizations, timelines, costs and logistics analysis, economic assessments, technical planning, projections, site evaluation and engineering and architectural simulations to assess the overall functionality and viability of the project. During the actual project execution phase, the engineering & construction divisions provide detailed engineering, procurement, installation (more typical for the offshore projects, but applicable also for certain onshore projects), construction, pre-commissioning and commissioning services, normally rendered under a "turnkey" contract in which each of these phases is executed in sequence, providing to the client a finished product ready to be operated.

In providing such services, the engineering & construction divisions benefit from a combination of diversified and complementary skills and assets as well as a broad portfolio of activities ranging from the development of oil and gas fields to the construction of complex facilities, the oil and gas transportation, refining and monetization. In addition to the focus on oil and gas value chain, the Group is also active in providing services in the post-execution phase as well as in other industrial segments (e.g. complex marine and civil infrastructures and environmental markets) with relatively limited sales revenue. The following graphic sums up the activities carried out by the engineering & construction divisions.



### Engineering & Construction Offshore

The Group is a leader in offshore construction, strongly oriented towards the Oil&Gas operations in remote areas and deep water. In particular, 42% of the Group's 2019 annual revenues derives from the engineering & construction offshore segment. The main competitors in the offshore segments worldwide include: TechnipFMC plc, Subsea 7 S.A., McDermott International Inc.<sup>3</sup>, and AkerSolutions ASA. Saipem, TechnipFMC plc, Mc Dermott International Inc. and Subsea7 S.A. occupy a leading position in the engineering & construction offshore segment, according to the internal market data of Saipem based on business diversification and revenues of the competitors.

The principal areas of activity of the engineering & construction offshore division include (i) the engineering, construction and installation of fixed platforms; (ii) the installation of subsea oil and gas pipelines (including both s-laying and j-laying of pipelines in deep and shallow waters); (iii) Deep Water field development (including the realization of subsea, umbilicals, risers and flowlines ("SURF") complex underwater projects); (iv) Marine Renewables in the segment of offshore windfarms; (v) design, construction and installation of marine terminals, mooring facilities, docks and wharfs; (vi) the maintenance of existing facilities; and (vii) the use of underwater robots, or remote-controlled equipment able to perform complex operations during the laying of deep water pipelines.

The engineering & construction offshore division's construction fleet is made up of 30 vessels and a large number of robotized vehicles able to perform advanced sub-sea operations. The major vessels are: (i) the CastorOne a top in class s-lay pipelay ship suitable for the installation of trunklines also in deep-water; (ii) the Saipem 7000 semi-submersible dynamically positioned vessel, with 14,000 tonnes of lift capacity, capable of laying pipelines using the j-lay technique to a maximum depth of 3,000 meters; (iii) the field development ships "FDS" and "FDS2" for the development of underwater fields in dynamic positioning, provided with cranes lifting up to 1,000 tons and a system for j-lay pipe laying to a depth of 2,000 meters; (iv) the Castoro 6 semi-submersible vessel, capable of laying pipes in waters up to 1,000 meters deep; (v) the Saipem 3000 self-propelled dynamically positioned derrick crane ship, capable of laying flexible pipes and umbilicals in deep waters and of lifting structures weighing up to 2,200 tons; (vi) the Saipem Constellation, a dynamically positioned vessel for reel-lay of rigid and flexible pipelines, down to ultra-deep water depths; and (vii) the Normand Maximus (leased), a dynamic positioning ship for laying umbilicals and flexible lines up to a depth of 3,000 metres. The fleet also includes remotely operated vehicles ("ROV"), highly sophisticated and advanced underwater robots capable of performing complex

<sup>3</sup> On May 2018, McDermott International Inc. completed the combination with Chicago Bridge and Iron N.V. (CB&I) creating an integrated provider of onshore and offshore engineering and construction services.

interventions in deep waters. For further information relating to the Saipem's fleet, please refer to following paragraph "*Vessels and Equipment*".

The acquisition is part of Saipem's strategy aimed at fostering the growth of subsea activities, by integrating engineering & construction offshore division's offering with reeling capabilities in order to respond to the needs of the growing tie-back market.

The most significant contracts awarded during the year ended 31 December 2019, in engineering & construction offshore were: (i) for Saudi Aramco, two new EPCI contracts as part of the ongoing Long-Term Agreement with the client, for the development of the offshore Berri and Marjan fields in the Persian Gulf. The works comprise engineering, procurement, construction and installation of subsea systems, the laying of pipelines, cables, umbilicals and related platforms; (ii) for BP, the EPCI Tortue project to be carried out as a joint venture with the French company Eiffage on the border of Mauritanian and Senegalese territorial waters, which comprises engineering, procurement, construction and installation of docking and mooring facilities; (iii) for ExxonMobil, the Payara development project located in the Stabroek block offshore Guyana at a water depth of around 2,000 metres. Subject to government approvals and project sanction, the contract scope includes detailed Engineering, Procurement, Construction, Installation (EPCI) of flowlines, rigid risers, associated terminations and jumpers together with the installation of manifolds, flexible risers, dynamic and static umbilicals and flying leads; and (iv) for EDF Renewables, the construction of the Neart na Gaoithe (NnG) windfarm offshore Scotland, consisting of the engineering, procurement, construction and installation of steel foundation jackets, wind turbines, as well as the transportation and installation of the relevant topsides.

For the year ended 31 December 2019, the revenues of the engineering & construction offshore division were Euro 3,841 million, equal to 42% of total revenues of Euro 9,099 million, and in line with the Euro 3,852 million out of a total of Euro 8,526 million registered in the corresponding period of 2018. Operating profit (EBIT) was Euro 325 million (including depreciation for a total amount of Euro 307 million), higher than the corresponding period of 2018, where the Operating profit (EBIT) of the engineering & construction offshore division was Euro 305 million.

#### *Engineering & Construction Onshore*

The Group's engineering & construction onshore division designs and constructs hydrocarbon production facilities (extraction, separation, stabilization, collection of hydrocarbons and water injection), hydrocarbon treatment facilities (removal and recovery of sulfur dioxide and carbon dioxide, fractioning of gaseous liquids, recovery of condensates) and large onshore transport systems (pipelines, compression stations, terminals). In addition, thanks to the distinctive gas monetization know-how, the Group is also capable of delivering large, complex turnkey projects in the high-tech liquefied natural gas market. In particular, 46% of the Group's 2019 annual revenues derive from the engineering & construction onshore segment. According to the internal market data of Saipem, the worldwide engineering & construction onshore segment's main competitors, considering business diversification and revenues, include Petrofac S.A., Technip S.A., McDermott International Inc.<sup>4</sup>, Maire Tecnimont S.p.A, KBR Inc., JGC Corporation, Chiyoda Corporation, Samsung Engineering Co. Tecnicas Reunidas and Hyundai Engineering.

The main activities of the engineering & construction onshore division include: (i) the production and treatment of oil and gas upstream through integrated solutions for large structures, which include treatment and transformation plants, piping systems, pumping and compression stations, and marine terminals; (ii) liquefaction and regasification of natural gas; (iii) design and construction of piping systems and onshore plants; (iv) crude oil refining through facilities designed and built in Europe, Africa and the Middle East; (v) petro chemical and monetization of natural gas using a combination of proprietary and third-party technologies by means of chemical production plants designed and built throughout the world; (vi) single/combined cycle thermal power plants; and (vii) the engineering, construction and installation of floating production storage vessels for oil production, storage and offloading.

The most significant contracts awarded during the year ended 31 December 2019 in the engineering & construction onshore were: (i) for Anadarko, in Mozambique, in a joint venture with McDermott International and Chiyoda Corporation, an EPC contract for the engineering and construction of a LNG project consisting of the construction of two natural gas liquefaction trains, as well as all the necessary infrastructures, storage tanks and port facilities for export. The contract is subject to a Notice to Proceed that Anadarko issued on July 26, 2019 after the 'FID' Final Investment Decision; (ii) for Saudi Aramco, in

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<sup>4</sup> On May 2018, Chicago Bridge and Iron N.V. (CB&I) completed the combination with McDermott International Inc. creating an integrated provider of onshore and offshore engineering and construction services.

Saudi Arabia, an EPC contract for the implementation of “Package 10” of the Marjan development programme, which includes gas treatment, sulphur recovery and tail gas treatment trains; ≥ for Saudi Aramco, in Saudi Arabia, an EPC contract to increase the capacity of the Berri field through the realisation of new facilities in Abu Ali and Khursaniyah; (iii) for JSC GazpromNeft Moscow Refinery, in Russia, a preliminary agreement providing for EPC of a new ‘Sulphur Recovery Unit’ within the existing Moscow refinery; (iv) for Infrastructure Development and Construction (IDC), in Serbia, a new contract providing for engineering and construction activities for the Transmission Gas Pipeline project (Interconnector) Border of Bulgaria-Border of Hungary; and (v) for Eni, in Indonesia, an EPC contract for the implementation of the “Merakes” project to increase production in the Jangkrick and Jangkrick NE fields through the installation of new modules to increase the capacity of the existing Barge FPU.

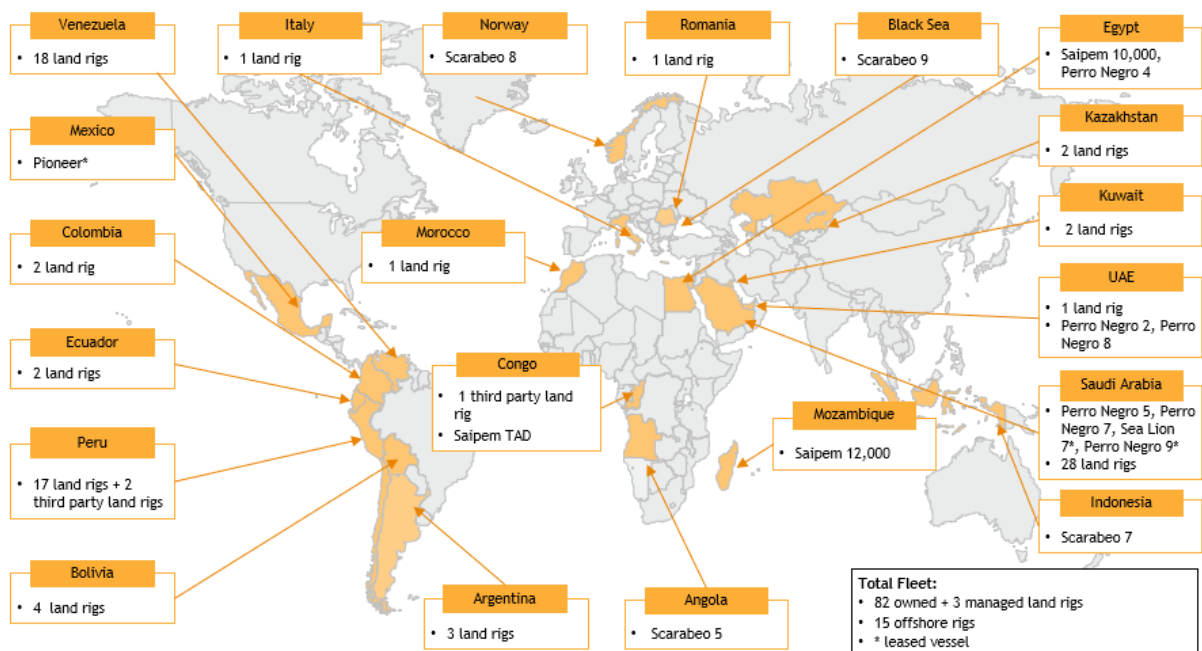
For the year ended 31 December 2019 the revenues of the engineering & construction onshore division were Euro 4,165 million, equal to 46% of total revenues of Euro 9,099 million, an increase with respect to the corresponding period of 2018 in which revenues for the aforesaid division were Euro 3,769 million out of a total of Euro 8,526 million. The Operating profit (EBIT) of the period was Euro 94 million (including depreciation for a total amount of Euro 83 million), compared with an Operating profit (EBIT) of Euro 125 million in the corresponding period of 2018.

### Drilling

The activities of the offshore drilling division and of the onshore drilling division involve the supply of drilling services in shallow and deep waters and on land for exploration and exploiting stocks of oil or natural gas.

The Group carries out its activities in onshore and offshore areas very often in hostile climatic conditions on behalf of top ranking international and national oil and gas companies, including Total, Eni, Equinor (Statoil), Shell, Saudi Aramco, ADNOC and KOC whereas the offshore drilling division and the onshore drilling division works in synergy with the engineering & construction division.

The graphic below illustrates the geographic coverage of the offshore and onshore drilling activities carried out by the Group as of 31 December 2019.



The offshore drilling market differs from the onshore drilling market primarily because of the value of the drilling rigs. Offshore drilling activities require the use of offshore drilling vessels which are valued in the range of a few hundred million dollars. This represents a significant barrier for new operators in this sector.

Drilling activities consist of drilling holes in the ground (so called "wells"). These wells reach a depth of several kilometers and change direction during the drilling process.

The drilling contractor supplies the drilling rig, either onshore or offshore for the development and exploitation of wells. Such activity is conducted under the guidance of the client, who also coordinates other oil-service contractors specialized in analyzing and monitoring the perforated layers of soil and in providing services and materials for the construction and maintenance of well.

#### *Offshore Drilling*

The Group believes that it is the only contractor in the Oil&Gas industry that provide offshore and onshore drilling services and engineering and construction services to oil companies. In the offshore drilling segment, the Group mainly operates in Africa, North Sea, the Mediterranean sea, Middle East and in Indonesia. The Group is well positioned in the most complex segments of deep and ultradeep water offshore, leveraging on the outstanding technical features of its drilling rig, capable of drilling exploration and development wells. The fleet undergoes periodic maintenance in order to keep the vessels with valid certification and efficient safety and operational capability and to upgrade equipment to the characteristics of projects or to clients' needs. 6% of the Group's 2019 annual revenues derive from the offshore drilling segment. Globally, the main competitors are Valaris Plc., Transocean Ltd., Seadrill Ltd., Noble Corp, Diamond Offshore Drilling Inc., Shelf Drilling Ltd., Maersk drilling and Borr Drilling Ltd. According to the internal market data of Saipem, Valaris Plc., Transocean Ltd. and Seadrill Ltd. occupy a leading position in the offshore drilling segment, considering business diversification and revenues.

The Group provides shallow water, deep water and ultradeep water drilling services through the operation of a fleet of 15 drilling units fully equipped for its primary operations. The Group's major owned vessels are: the Saipem 12000 and Saipem 10000, designed to explore and develop hydrocarbon reservoirs operating in excess of 3,600 and 3,000-meters of water, respectively, in full dynamic positioning, Scarabeo 8 and 9, sixth generation semi-submersible rigs able to operate at depths of 3,000 meters of water and Perro Negro 7 and Perro Negro 8, two high specification jackup for shallow water.

The most significant contract awarded during the year ended 31 December 2019 in the offshore drilling division were (i) for Saudi Aramco, the four-year extension in direct continuation of the contract for the high specs Perro Negro 7 jack-up for works in Saudi Arabia; (ii) for ADNOC, the four-year extension in direct continuation of the contract for the high specs Perro Negro 8 jack-up for works in the United Arab Emirates; (iii) for Saudi Aramco, the award of a 3-year contract plus an optional contract for work in Saudi Arabia to be carried out with a high specs jack-up; the activities have begun in 2020, carried out by the Sea Lion 7 unit; (iv) for Var Energi, the award of a contract for two wells plus five optionals; the activities will be performed offshore of Norway by the semi-submersible Scarabeo 8 starting in July 2020; (v) for GSP, the realisation of a well in the Black Sea waters, with the semi-submersible Scarabeo 9; (vi) for Wintershall, the construction of two wells offshore Norway with the use of the semi-submersible harsh environment Scarabeo 8; the works started in December; the contract also provides for two additional optional wells; (vii) for Eni, the award of a one-year contract plus five 120-day options for production support activities; the project began in September 2019 in Angola with the use of the semi-submersible Scarabeo 5; and (viii) for Repsol, the execution of a well in the offshore of Norway; the activities were performed in September and October and involved the use of the semi-submersible harsh environment Scarabeo 8.

For the year ended 31 December 2019, the revenues of the offshore drilling division were Euro 555 million, corresponding to 6% of the Group's total revenue of Euro 9,099 million, higher with respect to the corresponding period of 2018 when revenue for the division was Euro 465 million out of a total of Euro 8,526 million. The Operating Profit (EBIT) of the period was Euro 40 million (including depreciation for a total amount of Euro 176 million), higher than the Operating Profit (EBIT) of Euro -149 million recorded in the corresponding period of 2018.

#### *Onshore Drilling*

The Group's onshore drilling division provides services for the drilling of oil and gas exploration, appraisal and production wells. The Group operates 85 onshore drilling rigs with different capabilities on a worldwide scale, including Latin America (Peru, Bolivia, Colombia, Ecuador and Argentina), the Middle East (Saudi Arabia, Kuwait and UAE), Kazakhstan, Italy, Romania and Africa (Congo and Morocco). In particular, 6% of the Group's 2019 annual revenues derive from the onshore drilling segment. According to internal market data, Saipem is one of the largest operators in terms of geographic diversification and revenues. The main competitors in the onshore drilling international market (excluding US) are Nabors Industries Ltd., Helmerich & Payne Inc., Parker Drilling and KCA Deutag.

At 31 December 2019, the Group had 82 company-owned rigs, located as follows: 28 in Saudi Arabia, 18 in Venezuela, 17 in Peru, 4 in Bolivia, 2 in Colombia, 2 in Ecuador, 2 in Kazakhstan, 2 in Kuwait, 1 in UAE, 3 in Argentina, 1 in Romania, 1 in Italy and 1 in Morocco. In addition, 1 third-party unit was used in Congo and 2 third-party units were used in Peru.

The most significant contracts awarded during the year ended 31 December 2019 in the onshore drilling division relate to extensions of contracts for 19 drilling rigs in the Middle East, with a duration of between three and ten years. Moreover, new contracts and extensions to other contracts already included in the portfolio were awarded in relation to new projects that will be completed in Bolivia, Peru and Romania.

As of 31 December 2019, the onshore drilling operations recorded revenue of Euro 538 million, corresponding to 6% of the Group's total revenue of Euro 9,099 million, higher to the corresponding period of 2019 when revenue for the aforesaid division was Euro 501 million out of a total of Euro 8,526 million. The Operating loss (EBIT) of Euro 3 million (including depreciation for a total amount of Euro 124 million) registered a slight decrease compared to the corresponding period of 2018 when Onshore Drilling division recorded an Operating profit (EBIT) of Euro 6 million.

## Properties, Plants and Equipment

### *Properties and Plants under ownership and use*

The following table indicates the main properties owned by the Group as of 31 December 2019.

Company	Use and location	Surface area, m <sup>2</sup>	Book value as of 12/31/2019		
			Buildings	Land	Currency
Saipem S.p.A.	Onshore Construction – office buildings located at bases operating in Fano, Beijing, Iraq base and Vibo Valentia	approximately 1,887,779	14,332	552	EUR (000)
	Offshore Construction – Sharjah Base and former Intermare Sarda building in Arbatax–Tortoli (NU) to construct platform modules	approximately 235,962	2,299	1,091	EUR (000)
	Total	approximately 2,123,741	16,631	1,643	EUR (000)
Saipem Canada	Onshore Construction – Yard located in Edmonton to prefabricate modules for oil sands projects	approximately 20,000 of covered structures	–	–	CAD (000)
PT Saipem Indonesia	Offshore Construction – Yard located in Karimun Island	approximately 1,392,382	32,809	–	USD (000)
ER SAI Caspian Kazakhstan	Offshore Construction – Yard located in Kuryk (Kazakhstan) to fabricate piping and modules and to store materials	approximately 2,200	26,443	15,486	USD (000)
Boscongo SA Congo	Offshore Construction – Yard located in Pointe Noire to fabricate modules and store materials	approximately 280,000, 1,450 of which covered	742	–	EUR (000)
Saipem Contracting Nigeria	Offshore Construction – Yard located in Rumuolumeni to fabricate modules and store materials	approximately 724,500	22,144	222	USD (000)

Company	Use and location	Surface area, m <sup>2</sup>	Book value as of 12/31/2019		
			Buildings	Land	Currency
Petrex Peru	Onshore Drilling – Base located in Talara	approximately 29,976	269	1,049	USD (000)
Saipem Do Brasil	Offshore Construction – Yard and marine base located in Guarujà to fabricate modules and store materials	approximately 354,000	–	225,718	BRL (000)

The following table indicates the main properties under use by the Group as of 31 December 2019.

Company	Location	Expiration date	Yearly rent
	San Donato Milanese 3rd Office building – V.le De Gasperi, 16	06/30/2025	€8,943,000
	San Donato Milanese 4th Office building – Via Martiri di Cefalonia, 67	06/30/2025	€7,980,000
Saipem SpA (Italy)	San Donato Milanese 12th Office building – Via Milano, 10	06/01/2019	€1,476,000
	San Donato Milanese Office building – Via Milano, 6/8	12/31/2026	€1,300,000
	Rome Office building – Via Luca Gaurico, 91-93	11/23/2023	€725,000
	Rome Office building – Piazza Montecitorio Marghera – Palazzina 1	07/31/2024	€156,000
	1/7 avenue san fernando 78884 Saint Quentin en Yvelines cedex, Montigny Le Bretonneux	06/30/2023	€6,700,000
Saipem SA (France)	“8 avenue de Lunca 78884 Saint Quentin en Yvelines cedex, Montigny Le Bretonneux	06/30/2023	€3,540,000
Saipem Ltd (UK)	Saipem House - Kings Place	10/29/2027	€1,700,000
	Saipem House - Conquest	10/29/2027	€1,300,000
SCN BV Sharjah branch (UAE)	Al Saadah Tower	12/31/2020	€1,770,000
Saipem India Projects – SIP (India)	Yarlagadda Towers	06/30/2021	€900,000
	Ispahini Towers	08/31/2020	€860,000
Saipem Contracting Nigeria Ltd (Nigeria)	Lake Point Towers	09/06/2020	€1,350,000
	Ark Tower	06/30/2020	€3,100,000
	Nigeria – Port Harcourt	01/01/2096 (Lease)	NGN 10,136,005
Snamprogetti Saudi Arabia (KSA)	Al Thuraya Tower	03/31/2020	€1,600,000
	Alamanda Tower	03/31/2020	€1,280,000
PT Saipem Indonesia (Indonesia)	Indonesia – Karimun Island	03/31/2079 (Assignment)	IDR 12,600,000,000
Saipem America Inc (USA)	Huston, Texas - Saipem America Building	03/31/2028	€770,000

<b>Company</b>	<b>Location</b>	<b>Expiration date</b>	<b>Yearly rent</b>
Global Petroprojects Services AG (Switzerland)	Patio A1-A3	09/30/2022	€620,000
Saipem	Italy – Ravenna – Darsena San Vitale	10/31/2024 (Concession)	€800,000
Saipem	Italy – Arbatax	03/08/2020 (Concession)	€138,176
Saipem	Italy – Trieste	01/24/2020 (Concession)	€162,559
Saipem	Iraq – Rumaila	10/17/2030 (Lease)	US\$480,000 (yearly adjustment of 10% + 2% for admin. exp.)
Saipem	UAE – Sharjah	11/30/2021 (Concession)	Free of charge
Equipment Rental & Services BV	The Netherlands – Schiedam	03/01/2040 (Lease)	€425,252
Saipem Taqa Al-Rushid Fabricators Co. Ltd. – STAR (KSA)	Saudi Arabia – Dammam	02/20/2027	€950,000
Boscongo SA	Congo – Pointe Noire	01/01/2030 (Assignment)	XAF 212,693,196
Saipem Canada Inc.	Canada – Edmonton	06/30/2021 (Lease)	CAD 2,498,000

### ***Vessels and Equipment***

With regard to the engineering & construction division, the following table indicates the main vessels that made up the fleet as of 31 December 2019.

<b>Vessel</b>	<b>Description</b>
<b>Saipem 7000</b>	Self-propelled, semi-submersible, dynamically positioned crane and pipelay vessel capable of lifting structures of up to 14,000 tonnes and J-laying pipelines at depths of up to 3,000 metres
<b>Saipem Constellation</b>	Dynamically positioned vessel for reel-lay of rigid and flexible pipelines, down to ultra-deep water depths. It is equipped with a 3,000 tonnes crane and a laying tower (800 tonnes capacity) equipped with 2 tensioners each with 400 tonnes capacity.
<b>Saipem FDS</b>	Dynamically positioned vessel utilised for the development of deep-water fields at depths of over 2,000 metres. Capable of launching 22" diameter pipes in J-lay configuration with a holding capacity of up to 750 tonnes (upgrade to 750 tonnes currently underway) and a lifting capacity of up to 600 tonnes.
<b>Saipem FDS 2</b>	Dynamically positioned vessel utilised for the development of deep-water fields, capable of launching pipes with a maximum diameter of 36" in J-lay mode with a holding capacity of up to 2,000 tonnes. Also capable of operating in S-lay mode with a lifting capacity of up to 1,000 tonnes.
<b>Castoro Sei</b>	Semi-submersible pipelay vessel capable of laying large diameter pipe at depths of up to 1,000 metres.

<b>Vessel</b>	<b>Description</b>
<b>Castorone</b>	Self-propelled, dynamically positioned pipe-laying vessel operating in S-lay mode with a 120-metre long S-lay stern ramp composed of 3 articulated and adjustable stinger sections for shallow and deep-water operation, a holding capacity of up to 500 tonnes, pipelay capability of up to 60 inches, onboard fabrication facilities for triple and double joints and large pipe storage capacity in cargo holds.
<b>Saipem 3000</b>	Mono-hull, self-propelled dynamically positioned derrick crane ship, capable of laying flexible pipes and umbilicals in deep waters (3.000 meters) and lifting structures of up to 2,200 tonnes.
<b>Normand Maximus</b>	Self-propelled, dynamically positioned pipe-laying (leased) vessel operating in S-lay mode with a 120-metre long S-lay stern stinger composed of 3 articulated and adjustable sections for shallow and deep-water operation, a holding capacity of up to 500 tonnes, pipelay capability of up to 60 inches, onboard fabrication facilities for triple and double joints and large pipe storage capacity in cargo holds.
<b>Dehe</b>	Dynamically positioned (leased) vessel equipped with anchors for laying pipes and a crane with a lifting capacity of up to 5,000 tonnes, capable of deep water installations up to depths of 3,000 metres and laying pipes up to 600 tonnes using 3 tensioners.
<b>Castoro II</b>	Derrick lay barge capable of laying pipe of up to 60' diameter and lifting structures of up to 1,000 tonnes.
<b>Castoro 10</b>	Trench/pipelay barge capable of burying pipes of up to 60" diameter and of laying pipes in shallow waters.
<b>Castoro 12</b>	Pipelay barge capable of laying pipes of up to 40" diameter in ultra-shallow waters of a minimum depth of 1.4 metres.
<b>Castoro 16</b>	Pipelay barge capable of laying pipes of up to 40" diameter in ultra-shallow waters of a minimum depth of 1.4 metres.
<b>Ersai 1</b>	Heavy lifting barge equipped with 2 crawler cranes, capable of carrying out installations whilst grounded on the seabed and is capable of operating in S-lay mode. The lifting capacities of the 2 crawler cranes are 300 and 1,800 tonnes, respectively.
<b>Ersai 2</b>	Work barge equipped with a fixed crane capable of lifting structures of up to 200 tonnes.
<b>Ersai 3</b>	Support barge with storage space, workshop and offices for 50 people.
<b>Ersai 4</b>	Support barge with workshop and offices for 150 people.
<b>Bautino 1</b>	Shallow water post trenching and backfilling barge.
<b>Bautino 2</b>	Cargo barge for the execution of tie-ins and transportation of materials.
<b>Ersai 400</b>	Accommodation barge for up to 400 people, equipped with gas shelter in the event of an evacuation due to H2S leaks.
<b>Castoro XI</b>	Heavy-duty cargo barge.
<b>Castoro 14</b>	Cargo barge.
<b>Castoro 15</b>	Cargo barge.
<b>S42</b>	Cargo barge, currently used for storing the J-lay tower of the Saipem 7000
<b>S43</b>	Cargo barge.
<b>S44</b>	Launch cargo barge, for structures of up to 30,000 tonnes.

<b>Vessel</b>	<b>Description</b>
<b>S45</b>	Launch cargo barge, for structures of up to 20,000 tonnes.
<b>S46</b>	Cargo barge.
<b>S47</b>	Cargo barge.
<b>S600</b>	Launch cargo barge, for structures of up to 30,000 tonnes.
<b>FPSO - Cidade de Vitoria</b>	FPSO unit with a production capacity of 100,000 barrels a day.
<b>FPSO - Gimboa</b>	FPSO unit with a production capacity of 60,000 barrels a day.

With regard to the drilling division, the following table indicates the main vessels of the offshore sector as of 31 December 2019.

<b>Units</b>
Semi-submersible platform Scarabeo 5
Semi-submersible platform Scarabeo 7
Semi-submersible platform Scarabeo 8
Semi-submersible platform Scarabeo 9
Drillship Saipem 10000
Drillship Saipem 12000
Jack up Perro Negro 2
Jack up Perro Negro 4
Jack up Perro Negro 5
Jack up Perro Negro 7
Jack up Perro Negro 8
Jack up Pioneer (leased)
Jack up Sea Lion 7 (leased)
Jack up Perro Negro 9 (leased)
Tender Assisted Drilling Barge

## **Research and Development Activities of the Group**

### ***Research and Development Activities***

Technology innovation has always been one of Saipem's strongest strategic pillars over the last 60 years. Nowadays the Oil&Gas industry needs to sharply renew its focus in order to cope both with immediate and future challenges and Saipem puts itself in this framework to play its role as an innovative Global Solutions Provider to the energy industry. Innovation efforts aim at providing a synthesis between the urgency to implement concrete solutions, mostly driven by current commercial projects, and the need to develop novel

solutions reflecting the changing macro-scenarios. In the latter respect, Technology Innovation is just one of the key levers to bring Saipem towards the target of a progressive and effective energy decarbonization.

Our model is encompassing two dimensions: first, 'evolutionary', aiming at efficiency improvement, the second one 'disruptive' to drive Saipem through the future. Here, effort is mostly led by our 'Innovation Factory' that promotes an innovative and collaborative culture within and outside the company, by promoting open innovation and joint projects with major technological players, start-ups and academic spin-offs. "Evolutionary" innovation, a traditional domain of our Divisions, is described in detail in the following paragraphs.

## **Engineering & Construction**

### ***Engineering & Construction Offshore***

Saipem is working on several innovative solutions. In particular, within the Offshore Engineering & Construction Division, technologies integrate and enable the business strategy as they increase: a) the efficiency on clients' investments for submarine reservoirs development (CAPEX) and production costs (OPEX); b) execution efficiency in projects for clients; c) opportunities for diversification or transformation of the business, both inside and outside the Oil&Gas value chain, mainly driven by energy transition demand.

Among the ongoing initiatives, several involve the development of technologies on frontier areas, such as abyssal waters and High Pressure/High Temperature fields, where the challenge is now to combine demanding technical requirements with cost efficiency, necessitating the consideration of more advanced materials such as composites or polymers, whilst complying with new installation capabilities. In this frame, solutions using inner plastic liners are under qualification to extend the area of application, while a few riser configurations like SIR (Single Independent Riser) are under assessment for 4000 meters of depth, by using composite materials. For the more conventional steel SHR (Single Hybrid Riser) configuration, Saipem has recently qualified the new Clamped Bottom Connection, capable of reducing the cost of the riser base and its installation. Key to increasing efficiency is the ability to propose, at the start of a project, innovative field architectures and cost-effective solutions to our clients. Saipem continues to develop new technologies that will allow processes, currently performed on the surface, to be moved to the seabed, and/or to be connected to facilities positioned at ever-greater distances by feeding them with the renewable energy harvested around the Oil&Gas field. This is the case of "WINDSTREAM" technology, a solution, currently under development, that is based on Saipem's "Hexafloat" floating wind turbine system, which will provide additional electric power to subsea utilities or to the power distribution systems in the field in order to reduce the costs of long tie-backs.

The backbones of such architectures are the all-electric subsea power distribution and the new sealines, in particular those electrically heated by means of the "Heat Traced Pipe-in-Pipe" technology, further developed to reach longer step out (thanks to the new cables and connectors qualified for 6,6 kV), or by means of a Local Heating Station, which has been recently tested and for which the next qualification campaign is under preparation. Local submarine intervention solutions are also being developed, always based on heating, to minimize conservatism on flow assurance assumptions and therefore the CAPEX for the field. To guarantee the flow of products over long distances, Saipem is proposing, to clients, to develop these proprietary technologies into optimized "Long Subsea Tie-Back" systems, together with new concepts for subsea storage of chemicals and some subsea process technologies. In parallel, solutions for flow monitoring are also under testing, with the aim to provide real time monitoring capabilities where criticalities are anticipated.

Saipem has recently signed several partnerships with clients and providers of key technologies to be integrated into the so-called 'subsea factories' of the future. With Curtiss-Wright, Saipem is developing, building, and testing a barrier fluid-less subsea pump and motor. This is a fundamental step for the industrialisation of desulphation technology SPRINGS™ (developed together with Total and Veolia) and of other proprietary subsea processing technologies. This development also fits with the "All-Electric" field vision, that subsea infrastructures will not require complex electro-hydraulic umbilicals to actuate the valves, but rather electric lines and optical fibers. The Joint Development Agreement signed in 2017 with Siemens, brought to the full qualification of the new "Open Framework" subsea control system components. Similarly, thanks to agreements signed with other partners, the development of underwater electric actuators, high-cycling valves, and sulphate meters in water is almost completed. Within the same framework, it was launched a new initiative on chemicals, which aims to industrialize and qualify the technology enabling the transfer of the storage and injection packages from the surface to the sea floor. The objective is to remove the traditional tubing delivering the chemicals through the umbilical, as the tubing has a significant impact on long tie-back development costs. A joint development agreement has been

signed with Seko for the ongoing development of a subsea pump for chemicals, a fundamental step of the industrialization program. Regarding the other subsea processes still under development, some of the leading oil companies are discussing with Saipem about the third phase of the joint development project of the proprietary technology "Spoolsep". These new tests at scale would qualify the "Spoolsep" system to separate and clean the water from the oil produced, and to reinject it into the reservoir. Furthermore, after the successful conceptual study on Hi-Sep™ technology done for Petrobras, new intermediate tests for the characterization of subsea separation of dense-phase CO<sub>2</sub> are under preparation. Other investigations are performed on sand management and subsea processing of gas fields, to provide solutions to transport pre-treated gas on very long distances.

As the increase in the number of functions and operations assigned to subsea plants leads to increasingly complex fields, Saipem is looking to integrate the entire value chain, by proposing products, services and technologies that support the entire lifecycle of clients' field, from initial development to their decommissioning ("Life of Field", or LoF), and improve efficiency on operating costs, also by minimizing vessels intervention.

Indeed, the new "Hydrone" platform projects Saipem into the future of subsea robotics for operations assistance, even by remote control. The first hybrid ROV/AUV Hydrone-R vehicle has been launched and intensively tested in Saipem's 'playground' nearshore Trieste and is now under delivery for service to Equinor's Njord Field, offshore Trondheim, in an extremely harsh environment. This is the first LoF contract of a resident drone ever: it covers 10 years of service and involves both the new Hydrone-R and the new Hydrone-W, a work class, temporary resident, electric ROV, which is in the process of industrialization. Both vehicles will be operated remotely onshore; a test has been successfully conducted by operating from Italy an ROV launched underwater from a drilling rig in Norway, through a high latency satellite link, thanks to Augmented Reality and Motion Prediction techniques. The third vehicle of this platform is the Hydrone-S, an advanced AUV (Autonomous Underwater Vehicle) with Artificial Intelligence (AI) and residency capabilities, that takes advantage from some of the technologies already developed by Shell for its "FlatFish" prototype (Saipem has recently signed an agreement for industrial production and commercialization of the same) and from the collaboration with a second major international player, which in turn is developing similar underwater robotic technologies. In addition, the entire Hydrone platform will benefit from more advanced AI features that, combined with subsea wireless networks, will improve continuous and detailed inspection capability and a more efficient data collection, introducing advanced capabilities already attracting the interest of various international players.

Saipem's capability to increase the execution efficiency of offshore projects has been further proven in the third phase of "Zohr" fast track flagship project. The new solutions developed by Saipem's Pipeline Technology Centre in Ploiesti (Romania) allow Saipem to further increase the lay rate of carbon steel pipes for sour service with Castorone and clad pipes with FDS and the PLET tie-ins, allowing consistent time and cost savings. Other significant cost reductions have been obtained by maximizing the prefabrication phases onboard the laying vessels, through a complete process redesign. Similar solutions have been adopted for other projects like "Liza" in Guyana and "Barzan" in Qatar.

Among the results achieved on Welding, NDT and FJC activities, it is worth noting the pre-qualification of AutoGTAW welding of high pressure carbon steel pipes, the development of real-time (digital) radiography on girth welds, the qualification of "SINCRO" internal FJC machine, the improved "SANDI" (sand blasting cleaning) and "SHRINKA" (FJC) technologies, both developed for the incoming large trunkline projects. Investigations on high-productivity, single-pass Laser techniques for thick pipes welding have shown encouraging results.

Efficiency is also increased by extending the automation and digitalization of production processes on board construction vessels or elsewhere. For this reason, Saipem is involved in an extensive innovation program that brings the first results on real projects, as a non-exhaustive list of examples: automation of proprietary Smart Field Joint Coating systems that can be controlled (and operated) by remote, and their digital replicas ("Digital Twins"); the "SWS Training Simulator" for welders; the setting up of a control room in the centre in Ploiesti. Execution efficiency also passes through a rigorous control of operational risks. The "IAU" (Integrated Acoustic Unit) system, which controls the risk of flooding a sealine, is completing the qualification path with DNV-GL, and today Saipem is offering it on real projects. The same qualification is ongoing for the "AFT" (Anti-Flooding Tool), to prevent the flooding of the already laid pipe section during installation.

In Decommissioning sector, Saipem successfully completed the dismantling of the "BP-Miller" platform, with an unprecedented "extended" lifting and transport technique, which is now undergoing further developments.

In the offshore renewables, after the successful installation of the first floating Wind Farm in the world (Hywind Scotland Project for Statoil), Saipem has been awarded by two new projects: the “Nearth na Gaoithe” (NnG, offshore Scotland) and “Formosa 2” (offshore Taiwan) wind farms. These projects require the production of a large amount of foundations, so much that new (digital) tools and methods have been implemented for the serial production of jackets. S7000 crane vessel is receiving equipment developed, specifically, for offshore assembly and installation of the gigantic 8MW NnG wind towers. Saipem is also developing an innovative floater called HexaFloat specifically designed for the future large-scale offshore wind turbines (10 MW and beyond). As a result, the European project AFLOWT, supported by Interreg North West Europe, has started early 2019 with the objective of installing a full-scale demonstrator of the HexaFloat solution offshore Ireland in 2022.

### ***Engineering & Construction Onshore and XSIGHT***

As regards the onshore business, the Onshore E&C and XSIGHT Divisions have focused part of their own innovation efforts in Gas monetization, leveraging the strong competences to maximize the efficiency of the complete value chain. In this respect, a continuous effort is devoted to keeping the proprietary technologies at the highest level of competitiveness.

Relevant to the fertiliser production technology ‘Snamprogetti™ Urea’, the ongoing activities include:

- improving resistance to corrosion and cost reduction through the development of novel construction materials (an innovative alloy material has been successfully defined), either by traditional or additive manufacturing;
- enlarging our portfolio of high-end solutions with the introduction of the Snamprogetti™ SuperCups trays, which drastically increase the mixing efficiency of the reactant phases, thus optimizing the product conversion rate; more than 17 plants, new and revamped, are adopting or will adopt the SuperCups trays;
- providing total solution to operating plants as represented by the acquisition of the Tuttle Prilling Bucket technology, a leading device adopted worldwide in Urea prilling towers for the production of high quality prills for a wide range of plant capacities;
- reducing gaseous emissions using an innovative proprietary technology. A pilot plant is under construction and operation will start in 2020;
- providing innovative solutions to Ammonia-Urea complexes (and also to refineries) for Waste Water Treatment by a cooperation agreement with Purammon Ltd for a highly effective removal of nitrogen and organic contaminants through a novel electrochemical technology, that allows to comply with the most stringent environmental regulations.

Continuous efforts in the LNG (Liquefied Natural Gas) field are ongoing to define a proprietary small-scale liquefaction and re-gasification of Natural Gas. This small-scale product shows good promise for becoming a flexible tool used to support sustainable mobility in the near future. Divisions and Saipem’s subsidiary Moss Maritime are working on alternative solutions designed to comply with the current market scenario, including LNG facilities based on the proprietary Liqueflex™ technology implementation; the following main activities for the mentioned applications are in progress:

- design consolidation, Equipment/Suppliers information integration and maintenance criticality assessment for Onshore Small-Scale LNG solutions;
- development of Floating LNG solutions based on conversion of Moss type LNG carrier, including studies for the production capacity enhancement;
- cooperation with shipyard partners for Floating LNG execution evaluation;
- cooperation with a Partner to develop a new and cost-effective containment system for small/mid-scale transport of LNG.

Relevant to High Octane technologies, the ongoing activities of XSIGHT Division include:

- the integration in a single simulation tool of the whole process scheme, thus enhancing the effectiveness and reliability of the design phase;
- further improvement of the knowledge of High Purity Isobutene Technology proprietary catalyst by involving an external qualified laboratory;
- identification of new possible applications.

In the medium-long term, targeting progressive decarbonisation of energy and overall CO2 reduction, Saipem is pursuing several and diversified actions:

- CO<sub>2</sub> Management: the Company is building a technology portfolio to deal either with purification of Natural Gas from reservoirs with high content of CO<sub>2</sub> or capture of CO<sub>2</sub> from combustion flue gas in power generation and industrial processes. Saipem can master the whole Carbon Capture & Storage (CCS) chain thanks to its solid background in process technology, pipeline fluid transportation over long distances and drilling for CO<sub>2</sub> injection. In this regard, Saipem has already carried out a feasibility study of the Northern Lights Norwegian CCS project for the subsea CO<sub>2</sub> transportation phase; in addition, Moss Maritime was involved in the liquefied CO<sub>2</sub> ship transport solution. CO<sub>2</sub> re-utilization options are also being intensely pursued as a first step of industrial exploitation of this kind of technologies.
- In the above contest, Saipem has recently acquired a proprietary technology for CO<sub>2</sub> capture from the Canadian company CO<sub>2</sub> Solutions Inc. (“CSI”). CSI’s technology lowers the cost barrier to post-combustion Carbon Capture enabling Sequestration and Utilization (CCUS) and making the industry able to derive profitable new products from these emissions. The technology developed over the past twenty years by Canadian scientists and engineers, and supported by the governments of Canada, the United States and the European Union, is based on a unique enzymatic CO<sub>2</sub> capture process that can claim no usage or emission of toxic products and demonstration at scale (30 tons CO<sub>2</sub> per day). Saipem has acquired also CSI’s extensive portfolio of intellectual property, including over 90 patents granted or pending as well as trademarks. In addition, it has obtained the CO<sub>2</sub> capture plant located at the pulp mill of Resolute Forest Products in Saint-Félicien, Québec. Saipem has also taken on the CSI employees who will ensure continuity of R&D activities and operations.
- Reduction of Gas Flaring (mostly natural gas, emissions): a few specific activities have been carried out with relation to real cases; innovative solutions are being developed.
- Hybrid solutions: application of novel approaches to optimize integration of renewables/energy storage concepts with fossils exploitation in Oil&Gas operations, both onshore and offshore (as previously reported for “WINDSTREAM”).
- Hydrogen: the potential for future widespread use of “blue” or “green” hydrogen as a fuel in industrial, automotive and residential heating fields is under evaluation. In this respect, Saipem is focusing on hydrogen production technologies and potential applications, both onshore and offshore. In addition, Moss Maritime is developing future ship transport solutions for liquefied H<sub>2</sub>, both large and smaller scale. Finally, Sofresid Engineering has been the winner of an Open Innovation Challenge launched by RTE (French Electric Network) with the “HyBSea” system (in cooperation with PERSEE and McPhy), a concept of module for Offshore platform, producing hydrogen from electric power.
- Circular Economy: the exploitation of innovative technological solutions to sustainably treat waste or residual/opportunity feedstocks from the Oil&Gas industry or other industries (including municipal solid waste and mixed plastics), with their valorisation to energy and/or valuable products, is becoming an important asset. In this contest, it is worth outlining the License Agreement signed with ITEA (a company of Sofinter Group) to produce, through ITEA’s proprietary ISOTHERM Pwr® “Flameless” Oxy-Combustion Technology, steam, electricity and pure CO<sub>2</sub> from any kind of feedstock. The technology is also being investigated with the aim of designing novel processes for the disposal of “difficult-to recycle” plastic wastes, such as plastic scraps (named as Plasmix in the Italian market), and the integration of this step in a broader process with CO<sub>2</sub> capture and reutilization.

In the onshore renewables field, technology efforts are dedicated to bio-refineries, concentrated solar and geothermal. In addition, XSIGHT Division has recently signed an agreement with KiteGen Research for the development of an innovative device that generates electricity from high altitude winds, by using kites; the concept can be extended also for offshore applications. Saipem is pursuing several other solutions: a novel concept for an “Offshore Floating Solar Park”, developed by Moss Maritime.

Regarding the promising Marine/Ocean energy sector a few achievements have been recently obtained:

- an agreement has been signed with the Finnish company Wello Oy, developer of the innovative Penguin Wave Energy Converter. The agreement aims at finding initiatives globally for the deployment of Wello’s technology as well at improving the efficiency of the device energy production through Saipem experience and competence;
- XSIGHT Division is also supporting the survey campaign that has identified the best site for the deployment of the GEMStar hydro-turbine, a device developed by SeaPower, a spin-off of Naples University. Saipem activities will cover the Transportation & Installation of the device as well as mooring optimization.

Furthermore, XSIGHT is committed to defining the environmental performance of its products and licensed utilities through the standard methodology of Life Cycle Assessment (LCA), providing quantitative, reliable and transparent assessment for potential environmental impacts, to Clients.

As regards environment protection, and particularly Oil Spill Response, Saipem has realized in Trieste the most technologically advanced structure to tap an underwater oil well in uncontrolled blow-out. The Offset Installation Equipment (OIE) allows to lay short-term remediation of environmental disasters like that of Deep water Horizon platform in the Gulf of Mexico in 2010. The system, a quite sophisticated machinery remotely controlled, is capable to operate also under extreme conditions, such as those of a subsea blowout in intermediate water depths. In the frame of the 2019 Offshore Technology Conference held in Houston, the system received the Spotlight on New Technology award which recognizes the latest and most advanced solutions leading the industry into the future. Moreover, Google Arts & Culture, selected OIE as one of the world's innovations to be included within its global "Once upon a try".

Within the framework of 'disruptive' innovation, Saipem is consolidating its efforts within the 'Innovation Factory'. This ideas incubator was born in 2016 to address the challenges of the sector through the adoption of novel technologies and new methodologies, aimed at changing the way Saipem works, not only to increase efficiency and productivity but also to discover and pursue new value propositions. Carefully defined strategic issues and opportunities, agile approach, rapid prototyping, digitalisation, cross-industry open innovation and promotion of innovative thinking are the key factors for going after success. About 25 Proof of Concepts have been delivered so far, and 5 of them have successfully moved to piloting phase in Divisions with first impactful results. In the second half 2019 a new wave of Proof of Concepts has been launched: it regards key themes as Distributed Ledger, Floating Renewable Hubs, Immersive Virtual Reality, Connected Worker Operations, Novel techs for MMO and CO2 footprint estimation and reduction. In terms of open innovation, it has been started a systematic scouting of the rich ecosystem of startups and innovative SMEs, both on "deep tech" (mid-large scale energy storage and water management) and on digital (blockchain) applications, identifying a few really promising solutions that will be exploited during 2020.

The XSIGHT Division is also developing Artificial Intelligence (AI) and internal data science tools for project definition.

### ***Drilling***

The Technology Innovation activities related to drilling focus mainly on the offshore sector.

In particular, the Offshore Drilling Division has been involved in the development of new subsea drilling technologies to improve efficiency and safety of offshore drilling operations: the project is referred as Neptune riser shape monitoring systems. The division is also in the forefront of wearable technologies to improve efficiency of its own Personal Protection Equipment: the concept is to leverage sensors, widely available on the market, and use them to achieve greater safety where we operate. A smart boot prototype has been finalized and it is now in the industrialization phase, whilst a project on a smart shirt has started in collaboration with Politecnico di Milano with the aim of determining the feasibility and potential of such devices. Applications for ex-proof smart watches are being developed in order to fulfil HSE and operations use cases.

In the field of digitalisation of drilling operations, in collaboration with Eni, a new portable virtual system was developed for immersion and operation training simulations in order to improve rig and equipment knowledge and operation know-how, support and safety awareness. Saipem's main contribution was in the full virtualisation of Scarabeo 8. Complementing the fleet virtualization efforts, also Saipem 12000 is being finalized and four more rigs will be virtualized during 2020, and the complexity of the Scarabeo 8 digital twin will be progressively increased by adding more information sources and capabilities. A pilot project has been launched in order to augment the capabilities of such digital twin as well as to extend the program to other flagship rigs. Furthermore, after extensive Proofs of Concept, a pilot project started on predictive maintenance to be deployed on Scarabeo 8's most critical equipment: the objective is to detect anomalies and propose "what if" analyses.

The division is actively scouting technologies to reduce risks related to offshore lifting operations through remote controlling and augmenting the visibility of crane operators through digital tools. The development of technologies which represent possible breakthroughs for the drilling industry are actively monitored. For example, electric BlowOut Preventer (BOP) and robotic drilling systems. The former would achieve greater safety and data from BOP behaviour and the latter is considered to be a main building block for autonomous drilling.

The Onshore Drilling Division is focusing its efforts on exploiting multisource real-time data from sensors installed on land rigs to enable informed decision making and to achieve operational excellence through the adoption of innovative digital tools. Specifically, a novel Drilling Performance Dashboard, aimed at enhancing operative performance, has been adopted and an innovative Predictive Maintenance System, based on machine learning technologies, has been developed with the aim at optimizing the productivity and the lifetime of assets. Such solutions are currently deployed in Kuwait with the vision to extend their applicability also in other Middle East Countries.

### ***Intellectual Property***

The Group has developed a solid and consistent portfolio of patents which, as of 31 December 2019, includes 358 original inventions and 2720 patents filed internationally. As regards the original inventions, the patent portfolio can be broken down into 68% for the offshore segment and 30% for the onshore segment, while the remainder is related to the drilling segment. As of 31 December 2019, the Group filed 18 new patent applications (in addition to the 90 patent titles acquired by CO2 Solutions).

### ***Licenses***

The Group out-licenses the use of selected technologies (and connected engineering services) in the onshore segment.

The Group's out-licensed process technologies relate primarily to C4-C5 hydrocarbon fractions (production of MTBE/ETBE, high-octane hydrocarbons, monomers such as high-purity isobutylene and 1-butene) and the production of fertilizer urea with the proprietary "Snamprogetti Urea" technology, in connection with which the Group has purchased 137 licenses.

### ***Environmental Matters***

The Group carries out its operative activities in accordance with the international standards, laws, regulations and national policies concerning the protection of workers' health and safety and the environment.

Specifically, Saipem has developed a health, safety and environment ("**HSE**") management system, which is in line with the requirements of ISO 14001 and ISO 45001 (replacing OHSAS 18001) international standards. Saipem has obtained the certification for its own HSE management systems and for those of its main subsidiaries.

Focusing on the environmental management system, it has the main purpose of achieving a high level of environmental protection and ensuring compliance with local laws and regulations and other subscribed requirements.

The HSE risk management is the core of the HSE management system and it is based on the principles of prevention, protection, awareness, promotion and participation; its aim is to guarantee workers' health and safety and to protect the environment and the general well-being of the community.

Going into details, the Group's environmental strategies are based on reducing, to a minimum, the environmental impact generated by its activities. In particular, each site/project evaluates the environmental aspects arisen by its operations, in order to mitigate and keep them under control.

Saipem also pursues continuous improvement in environmental performances, adopting strategies to reduce and monitoring of environmental impact and to conserve and make the most of natural resources.

Achieving these objectives requires the dissemination of environmental awareness at all Saipem projects, sites and offices.

During the 2019 Saipem has confirmed its objective of strengthening its commitment to specific aspects, including the energy efficiency, the environmental communication and awareness, the spill prevention.

### ***Legal Proceedings***

The Group is a party in some judicial proceedings. A brief summary of the most material disputes is provided below as of the date of this Base Prospectus.

## *Algeria*

### *Investigations in Italy*

On February 4, 2011, the Milan Public Prosecutor's office, through Eni, requested the transmission of documentation pursuant to Article 248 of the Code of Criminal Procedure. This related to the activities of Saipem Group companies in Algeria in connection with an allegation of international corruption. The crime of 'international corruption' specified in the request is one of the offences punishable under Legislative Decree No. 231 of June 8, 2001 in connection with the direct responsibility of collective entities for certain crimes committed by their own employees.

The collection of documentation was commenced in prompt compliance with the request, and on February 16, 2011, Saipem filed the material requested.

On November 22, 2012, Saipem received a notification of inquiry from the Milan Public Prosecutor's office related to alleged unlawful administrative acts arising from the crime of international corruption pursuant to Article 25, paragraphs 2 and 3 of Legislative Decree No. 231/2001, together with a request to provide documentation regarding a number of contracts connected with activities in Algeria. This request was followed by notification of a seizure order on November 30, 2012, two further requests for documentation on December 18, 2012 and February 25, 2013 and the issue of a search warrant on January 16, 2013.

On February 7, 2013, a search was conducted, including at offices belonging to Eni S.p.A., to obtain additional documentation relating to intermediary agreements and subcontracts entered into by Saipem in connection with its Algerian projects. The subject of the investigations are allegations of corruption which, according to the Milan Public Prosecutor, occurred up until and after March 2010 in relation to a number of contracts the Company was awarded in Algeria.

Several former employees of the Company were involved in the proceedings, including the former Deputy Chairman and CEO, the former Chief Operating Officer of the Engineering & Construction Business Unit and the former Chief Financial Officer. The Company collaborated fully with the Prosecutor's Office and rapidly implemented decisive managerial and administrative restructuring measures, irrespective of any liability that might result in the course of the proceedings. In agreement with the Board of Statutory Auditors and the Internal Control Bodies, and having duly informed the Prosecutor's Office, Saipem looked into the contracts that are subject to investigation, and to this end appointed an external legal firm. On July 17, 2013, the Board of Directors analysed the conclusions reached by the external consultants following an internal investigation carried out in relation to a number of brokerage contracts and subcontracts regarding projects in Algeria. The internal investigation was based on the examination of documents and interviews of personnel from the Company and other companies in the Group, excluding those, that to the best knowledge of the Company, would be directly involved in the criminal investigation so as not to interfere in the investigative activities of the Prosecutor. In July 2013, the Board of Directors, confirming its full cooperation with the investigative authorities, decided to convey the findings of the external consultants to the Public Prosecutor of Milan, for any appropriate assessment and initiatives under its responsibility in the wider context of the ongoing investigation. The consultants reported to the Board: (i) that they found no evidence of payments to Algerian public officials through the brokerage contracts or subcontracts examined; (ii) that they found violations, deemed detrimental to the interests of the Company, of internal rules and procedures – in force at the time – in relation to the approval and management of brokerage contracts and subcontracts examined and a number of activities in Algeria.

The Board decided to initiate legal action against certain former employees and suppliers in order to protect the interests of the Company, reserving the right to take any further action necessary should additional information emerge.

On June 14, 2013, January 8, 2013 and July 23, 2014 the Milan Public Prosecutor's office submitted requests for extensions to the preliminary investigations. On October 24, 2014, notice was received of a request from the Milan Public Prosecutor to gather evidence before trial by way of questioning the former Chief Operating Officer of the Saipem Engineering & Construction Business Unit and another former manager of Saipem, who are both under investigation in the criminal proceedings. After the request was granted, the Judge for the Preliminary Hearing in Milan set hearings for December 1 and 2, 2014. On January 15, 2015, Saipem defence counsel received notice from the Milan Public Prosecutor's office of the conclusion of preliminary investigations, pursuant to Article 415-bis of the Italian code of criminal procedure. Notice was also received by eight physical persons and the legal person of Eni S.p.A. In addition to the crime of 'international corruption' specified in the request from the Milan Public Prosecutor's office, the notice also contained an allegation against seven physical persons of a violation of Article 3 of Legislative Decree No. 74 of March 10, 2000 concerning the filing of fraudulent tax returns, in connection

with the recording in the books of Saipem of *'brokerage costs deriving from the agency agreement with Pearl Partners signed on October 17, 2007, as well as Addendum No. 1 to the agency agreement entered into August 12, 2009'*, which is alleged to have led subsequently *'to the inclusion in the consolidated tax return of Saipem S.p.A. of profits that were lower than the real total by the following amounts: 2008: -€85,935,000; 2009: -€54,385,926'*.

### ***Criminal proceedings in Italy***

On February 26, 2015, Saipem defence counsel received notice from the Judge for the Preliminary Hearing of the scheduling of a preliminary hearing, together with a request for committal for trial filed by the Milan Public Prosecutor's office on February 11, 2015. Notice was also received by eight physical persons and the legal person of Eni S.p.A. The hearing was scheduled by the Judge for the Preliminary Hearing for May 13, 2015. During the hearing, the Revenue Office appeared as plaintiff in the proceedings whereas other requests to be admitted as plaintiff were rejected.

On October 2, 2015, the Judge for the Preliminary Hearing rejected the questions of unconstitutionality and those relating to the statute of limitations presented by the defence attorneys and determined as follows:

- (i) ruling not to proceed for lack of jurisdiction in regard to one of the accused;
- (ii) ruling of dismissal in regard to all of the accused in relation to the allegation that the payment of the commissions for the MLE project by Saipem (approximately €41 million) may have served to enable Eni to acquire the Algerian ministerial approvals for the acquisition of First Calgary and for the expansion of a field in Algeria (CAFC). This measure also contains the decision to acquit Eni, the former CEO of Eni and an Eni executive in regard to any other charge;
- (iii) a decree that orders trial, among others, for Saipem and three former Saipem employees (the former Deputy Chairman and CEO, the former Chief Operating Officer of the Engineering & Construction Business Unit and the former Chief Financial Officer) with reference to the charge of international corruption formulated by the Public Prosecutor's office according to which the accused were complicit in enabling Saipem to win seven contracts in Algeria on the basis of criteria of mere favouritism. For the physical persons only (not for Saipem) the committal for trial was pronounced also with reference to the allegation of fraudulent statements (tax offences) brought by the Public Prosecutor's office.

On the same date, at the end of the hearing relating to a section of the main proceedings, the Judge for the Preliminary Hearing of Milan issued a plea bargaining sentence in accordance with Article 444 of the code of criminal procedure for a former executive of Saipem.

On November 17, 2015, the Public Prosecutor of Milan and the Prosecutor General at the Milan Court of Appeal filed an appeal with the Court of Cassation against the first two measures. On February 24, 2016 the Court of Cassation upheld the appeal lodged by the Public Prosecutor of Milan and ordered the transmission of the trial documents to a new Judge for the Preliminary Hearing at the Court of Milan.

With reference to this branch of the proceedings (the so-called 'Eni branch'), on July 27, 2016, the new Judge for the Preliminary Hearing ordered the committal for trial of all the accused parties.

On November 11, 2015, on the occasion of publication of the 2015 corporate liability report of the office of the Public Prosecutor in Milan, it was affirmed that: *'a ruling was recently issued by the Judge for the Preliminary Investigation for the preventive seizure of assets belonging to the accused parties for the sum of €250 million. The ruling confirms the freezing previously decided upon by the foreign authorities of monies deposited in bank accounts in Singapore, Hong Kong, Switzerland and Luxembourg, totalling in excess of €100 million'*. While Saipem is not the target of any such measures, it has come to its attention that the seizure in question involves the personal assets of the Company's former Chief Operating Officer and two other persons accused.

At the same time, following the decree ordering the trial pronounced on October 2, 2015 by the Judge for the Preliminary Hearing, the first hearing before the Court of Milan in the proceedings of the so-called 'Saipem branch' was held on December 2, 2015. During said hearing, Sonatrach asked to be admitted as plaintiff only against the physical persons charged. The Movimento cittadini algerini d'Italia e d'Europa likewise put forward a request to be admitted as plaintiff. The Revenue Office confirmed the request for admission as plaintiffs only against the physical persons accused of having made fraudulent tax returns. At the hearing of January 25, 2016, the Court of Milan rejected the request put forward by Sonatrach and the Movimento cittadini algerini d'Italia e di Europa to be admitted as plaintiff. The Court adjourned to

February 29, 2016, reserving the right to pass judgement on the claims put forward by the accused of invalidity of the committals to trial.

At the hearing of February 29, 2016, the Court combined the proceedings with another pending case against a sole defendant (a physical person against whom Sonatrach had appeared as a plaintiff) and rejected the claims of invalidity of the committal to trial, calling on the Public Prosecutor to reformulate the charges against a sole defendant and adjourning the hearing to March 21, 2016. The Court then adjourned the proceedings to the hearing of December 5, 2016 in order to assess whether to combine it with the proceedings described earlier (the so-called Eni branch) for which the Judge for the Preliminary Hearing ordered the committal for trial of all the accused parties on July 27, 2016.

With the order of December 28, 2016, the President of the Court of Milan authorised the abstention request of the Chairman of the Panel of judges.

At the hearing on January 16, 2017, the two proceedings (the so-called Saipem branch and the so-called Eni branch) were combined before a new panel appointed on December 30, 2016.

Once the hearings on evidence finished with the hearing of February 12, 2018, in the subsequent hearings of February 19, 2018 and February 26, 2018, the Public Prosecutor proceeded with the indictment.

Generic extenuating circumstances were not considered to be initially attributable to the defendants and, conversely, that the aggravating circumstance of the transnational crime allegedly subsisted, the Public Prosecutor formulated sentencing requests for the accused individuals.

With regard to Saipem and Eni S.p.A. the Public Prosecutor requested a fine of €900,000 as the sentence for each company. Furthermore, the Public Prosecutor requested a 'seizure of assets', equal to currently seized assets, relating to some seizures previously carried out against certain natural persons accused. Therefore, the request for seizure of assets did not concern Saipem.

At the hearing of March 5, 2018:

- (i) the Italian Revenue Agency has requested the conviction of only the physical persons indicted as was requested by the Public Prosecutor with the conviction of only the physical persons charged for compensation of the pecuniary and non-pecuniary damage in favour of the Italian Revenue Agency to be liquidated on an equitable basis and with a provisional amount of €10 million;
- (ii) Sonatrach has requested the conviction of the accused Samyr Ourayed and sentencing of the latter to the compensation of the damage to be liquidated in equitable way.

On September 19, 2018, the hearings dedicated to arguments by the defence and to the replies by the Public Prosecutor and the defence ended.

### ***The first instance ruling of the Court of Milan***

On September 19, 2018, the Court of Milan pronounced the first instance ruling.

The Court of Milan convicted, among others, some former managers of Saipem for international corruption offences and also sentenced Saipem to pay the pecuniary fine of €400,000, considering it to be allegedly responsible for offences pursuant to Legislative Decree No. 231/2001 with reference to the crime of international corruption.

The former managers of Saipem who were convicted by the Court of Milan had all left the Company between 2008 and 2012.

The Court also ordered the confiscation of, as alleged profit from the crime, the total sum of approximately €197 million from all the individuals who were convicted (and among them some of the former managers of the Company).

The Court also ordered the confiscation of, as alleged price from the crime, the total sum of approximately €197 million from Saipem pursuant to Article 19 of Legislative Decree No. 231/2001.

From what emerged during the proceedings and the requests of the Public Prosecutor, at the date of the preparation of this report, a preventive seizure has already been in place in order to confiscate an amount totalling approximately €160 million from certain individuals – other than the Company – all convicted in the first instance ruling.

The first instance ruling of the Court is not enforceable. The reasons for the first instance ruling were filed by the Court of Milan on December 18, 2018.

### ***The judgement before the Court of Appeal of Milan and before the Court of Cassation.***

On February 1, 2019, Saipem challenged the first instance ruling before the Court of Appeal of Milan. Even the individuals convicted in the first instance have appealed the first instance ruling. The Public Prosecutor's Office of Milan also appealed the first instance ruling requesting, in a reversal of that ruling, that the conviction of Eni S.p.A., of the former Chief Executive Officer of Eni and of one of its managers *'be imposed by the Court of Appeal, as well as financial penalties and interdictory sanctions deemed lawful'*. The Public Prosecutor's Office of Milan has also requested a reversal of the contested ruling to *'condemn the company Saipem to financial penalties and interdictory sanctions deemed lawful'*. On February 14, 2019, Saipem's lawyers lodged a defence brief in which they pleaded: (i) the inadmissibility of the appeal by the Public Prosecutor of the Court's decision not to consider interdictory sanctions applicable to Saipem; and/or (ii) the inapplicability of the interdictory sanctions requested by the Public Prosecutor's Office against Saipem.

The beginning of the second instance proceedings was notified to Saipem's lawyers on June 18, 2019, through a writ of summons before the Court of Appeal of Milan. The hearings before the Court of Appeal were held on October 30, November 13 and 27, 2019, December 18 and 23, 2019 and January 15, 2020.

On January 15, 2020, the Court of Appeal of Milan fully upheld the appeal of Saipem and of the individuals charged (including some former managers of Saipem who all left the Company between 2008 and 2012), stating, among other things, the absence of the administrative offence of Saipem because of the inexistence of the alleged facts, revoking the confiscation of the price of the offence that was pronounced in the First Instance by the Court of Milan, pursuant to article 19 of Legislative Decree 231/2001.

The reasons of the second instance ruling have been filed by the Court on 15 April 2020. On 18 June 2020 the Public Prosecutor appealed the second instance ruling before the Court of Cassation – the Court of Cassation is expected to reach a verdict by the end of 2020 or the beginning of 2021.

### ***Request for documents from the US Department of Justice***

At the request of the US Department of Justice ('DoJ'), in 2013 Saipem entered into a 'tolling agreement' which extended by 6 months the limitation period applicable to any possible violations of federal laws of the United States in relation to previous activities of Saipem and its subsidiaries. The tolling agreement, which has been renewed until November 29, 2015, does not constitute an admission by Saipem of having committed any unlawful act, nor does it imply any recognition on the Company's part of United States jurisdiction in relation to any investigation or proceedings. Saipem therefore offered its complete cooperation in relation to investigations by the Department of Justice, which on April 10, 2014 made a request for documentation relating to past activities of the Saipem Group in Algeria, with which Saipem has complied. On November 29, 2015, the tolling agreement expired and, as of the date of this Base Prospectus, more than four years have passed since the deadline expired, no request for an extension has been received from the Department of Justice.

### ***Proceedings in Algeria***

In 2010, proceedings were initiated in Algeria regarding various matters and involving 19 parties investigated for various reasons (so-called 'Sonatrach 1 investigation'). The Société nationale pour la recherche, la production, le transport, la transformation et la commercialisation des hydrocarbures S.p.A. ('Sonatrach') appeared as plaintiff in these proceedings and the Algerian Trésor Public also applied to appear as a plaintiff.

The Algerian company Saipem Contracting Algérie S.p.A. ('Saipem Contracting Algérie') is also part of these proceedings regarding the manner in which the GK3 contract was awarded by Sonatrach. In the course of these proceedings, some bank accounts denominated in local currency of Saipem Contracting Algérie were frozen.

In particular, in 2012 Saipem Contracting Algérie received formal notice of the referral to the Chambre d'accusation at the Court of Algiers of an investigation underway into the company regarding allegations that it took advantage of the authority or influence of representatives of a government-owned industrial and trading company in order to inflate prices in relation to contracts awarded by that company. The GK3 contract was awarded in June 2009 and had an equivalent value of €433.5 million (at the exchange rate in effect when the contract was awarded).

At the beginning of 2013, the ‘Chambre d’accusation’ ordered Saipem Contracting Algérie to stand trial and further ordered that the aforementioned bank accounts remain frozen. According to the prosecution, the price offered was 60% over the market price. The prosecution also claimed that, following a discount negotiated between the parties subsequent to the offer, this alleged increase was reduced by up to 45% of the price of the contract awarded. In April 2013 and in October 2014, the Algerian Supreme Court rejected a request to unfreeze the bank accounts that had been made by Saipem Contracting Algérie in 2010. The documentation was then transmitted to the Court of Algiers which, in the hearing of March 15, 2015, adjourned the proceedings to the hearing of June 7, 2015, during which, in the absence of certain witnesses, the Court officially handed over the case to a criminal court. The trial commenced with the hearing fixed for December 27, 2015. In the hearing of January 20, 2016, the Algiers Public Prosecutor requested the conviction of all 19 defendants accused in the ‘Sonatrach 1’ trial.

The Algiers Public Prosecutor requested that Saipem Contracting Algérie be fined 5 million Algerian dinars (approximately €40,000 at the current rate of exchange).

The Algiers Public Prosecutor also requested the confiscation of the alleged profit, that will be ascertained by the Court, of all 19 parties whose conviction has been requested (including Saipem Contracting Algérie).

For the offence with which Saipem Contracting Algérie is charged, local regulations prescribe a fine as the main punishment (up to a maximum of about €40,000) and allow, in the case of the alleged offence, additional sanctions such as the confiscation of the profit arising from the alleged offence (which would be the equivalent of the amount allegedly over the market price of the GK3 contract as far as the profit is ascertained by the judicial authority) and/or disqualification sanctions.

On February 2, 2016, the Court of Algiers issued the first instance ruling. Amongst other things, this ruling ordered Saipem Contracting Algérie to pay a fine of about 4 million Algerian Dinars (corresponding to about €30,000). In particular Saipem Contracting Algérie was held to be responsible, in relation to the call for bids for the construction of the GK3 gas pipeline, of ‘*an increase in price during the awarding of contracts signed with a public company of an industrial and commercial character in a way that causes benefit to be derived from the authority or influence of representatives of said company*’, an act punishable under Algerian law. The ruling also returned two bank accounts denominated in local currency to Saipem Contracting Algérie. These held a total of about €72 million (amount calculated at the exchange rate as at December 31, 2019), which were frozen in 2010.

The client Sonatrach, which appeared as plaintiff in the proceedings, reserved the right to pursue its claims in the civil courts. The request by the Algerian Trésor Civil to appear as plaintiff was rejected.

Pending the filing of the reasons thereof, the ruling of February 2, 2016 of the Court of Algiers was challenged in the Court of Cassation: by Saipem Contracting Algérie (which requested acquittal and had announced that it would challenge the decision); by the Prosecutor General (who had requested the imposition of a fine of 5 million Algerian dinars and the confiscation, requests that were rejected by the Court, which, as said, fined Saipem Contracting Algérie the lesser amount of about 4 million Algerian dinars); by the Trésor Civil (whose request to be admitted as plaintiff against Saipem Contracting Algérie had been – as already stated – rejected by the Court); by all the other parties sentenced, in relation to the cases concerning them.

Owing to these challenges, the decision of the Court of Algiers was fully suspended and pending the ruling of the Court of Cassation:

- the payment is suspended of the fine of approximately €30,000; and
- the unfreezing of the two banks accounts is suspended containing a total of about €72 million (amount calculated at the exchange rate as at December 31, 2019). Sonatrach has not challenged the decision of the Court, consistently with its request, accepted by the Court, to be allowed to claim compensation subsequently in civil proceedings. This civil action was not initiated by Sonatrach.

With the judgement handed down on July 17, 2019, the Algerian Court of Cassation has fully overruled the decision of the Tribunal of Algiers of February 2, 2016, meaning that the Tribunal of Appeal of Algiers will have to rule on the matter following a new trial. The future Tribunal of Appeal’s decision can be challenged before the Algerian Court of Cassation.

The reasons for the judgement of the Algerian Court of Cassation were made available on October 7, 2019. The sentence of the Algerian Court of Cassation decrees the total annulment of the decision of the Court of Algiers of 2016, following the acceptance of the appeals filed by all applicants (including the appeal by

Saipem Contracting Algérie). The beginning of the new proceedings before the Tribunal of Appeal is neither known nor predictable as of the date of this Base Prospectus.

In March 2013, the legal representative of Saipem Contracting Algérie was summoned to appear at the Court of Algiers, where he received verbal notification from the local investigating judge of the commencement of an investigation ('Sonatrach 2') underway 'into Saipem for charges pursuant to Articles 25a, 32 and 53 of Anti-Corruption Law No. 01/2006'. The investigating judge also requested documentation (Articles of Association) and other information concerning Saipem Contracting Algérie, Saipem and Saipem SA. After this summons, no further activities or requests followed.

On October 16 and 21, 2019, Saipem Contracting Algérie and the Algiers Branch of Snamprogetti S.p.A. (now Saipem as engineering and procurement services contractor) have been summoned by the investigating judge at the Supreme Court.

This investigation is in its initial phase, despite concerning events dating back to 2008 (award of the GNL3 Arzew contract). Saipem Contracting Algérie and the Algiers Branch of Snamprogetti S.p.A. were further summoned on November 18, 2019 by the General Public Prosecutor at the Supreme Court of Algiers to provide information and documents relating to the GNL3 Arzew contract awarded by Sonatrach in 2008.

A further hearing of the representative of Saipem Contracting Algérie and the Algiers Branch of Snamprogetti S.p.A. took place on November 18, 2019, at which the General Public Prosecutor of Algiers was provided with the information and documentation he had requested and asked to provide further documentation by December 4, 2019. Saipem Contracting Algérie and the Algiers Branch of Snamprogetti S.p.A. promptly filed the documentation requested by the deadline of December 4, 2019.

The Algiers General Public Prosecutor also summoned a representative of Saipem. On November 20, 2019, the General Public Prosecutor of Algiers informed Saipem Contracting Algérie and the Algiers Branch of Snamprogetti S.p.A. that the Algerian Trésor Public has been admitted as plaintiff in the case under initial investigations.

#### ***Amicable Settlement of Mutual Differences - Saipem Sonatrach agreement***

On February 14, 2018, Sonatrach and Saipem announced the Amicable Settlement of Mutual Differences.

Sonatrach and Saipem have decided to settle their mutual differences amicably and have signed an agreement to put an end to litigations in course concerning the contract for the construction of a gas liquefaction plant in Arzew (Arzew); the contract for the realisation of three trains of LPG, of an oil separation unit (LDPH) and of installations for the production of condensates in Hassi Messaoud (LPG); the contract for the realisation of the LZ2 24" LPG pipeline (line and station) in Hassi R'Mel (LZ2); and the contract for the construction of a gas and production unit in the Menzel Ledjmet field on behalf of the association Sonatrach/FCP (MLE). The agreement is the result of constructive dialogue and represents an important step forward in relations between the two companies. Sonatrach and Saipem have expressed their satisfaction at having reached a definitive agreement that puts an end to litigations that were detrimental to both parties.

#### ***Ongoing investigations - Public Prosecutor's Office of Milan - Brazil***

On August 12, 2015, the Public Prosecutor's office of Milan served Saipem with a notice of investigation and a request for documentation in the framework of new criminal proceedings, for the alleged crime of international corruption, initiated by the Court of Milan in relation to a contract awarded in 2011 by the Brazilian company Petrobras to Saipem SA (France) and Saipem do Brasil (Brazil). Investigations are still underway.

According to what was learned only through the press, this contract is being looked into by the Brazilian judicial authorities in relation to a number of Brazilian citizens, including a former associate of Saipem do Brasil.

In particular, on June 19, 2015, Saipem do Brasil learned through the media of the arrest (in regard to allegations of money laundering, corruption and fraud) of a former associate, as a result of a measure taken by the Brazilian Public Prosecutor's office of Curitiba, in the framework of a judicial investigation in progress in Brazil since March 2014 ('Lava Jato' investigation). On July 29, 2015, Saipem do Brasil then learned through the press that, in the framework of the conduct alleged against the former associate of Saipem do Brasil, the Brazilian Public Prosecutor's office also alleges that Petrobras was unduly influenced in 2011 to award Saipem do Brasil a contract called 'Cernambi' (for a value, at the current exchange rate,

of approximately €56 million). This has been purportedly deduced from the circumstance that in 2011, in the vicinity of the Petrobras headquarters, said former associate of Saipem do Brasil claims to have been the target of a robbery in which approximately 100,000 reais (approximately €26,000) just withdrawn from a credit institution were stolen from him. According to the Brazilian prosecutor, the robbery allegedly took place in a time period prior to the award of the aforesaid ‘Cernambi’ contract.

Saipem has cooperated fully with the investigations and has started an audit with the assistance of a third-party consultant. The audit examined the names of numerous companies and persons reported by the media as being under investigation by the Brazilian judicial authorities. The audit report, issued on July 14, 2016, recognised the absence of communications or documents relating to transactions and/or financial movements between companies of the Saipem Group and the personnel of Petrobras under investigation.

The witnesses heard in the criminal proceedings underway in Brazil against this former associate, as well as in the framework of the works of the parliamentary investigative committee set up in Brazil on the ‘Lava Jato’ case, have stated that they were unaware of any irregularities regarding Saipem’s activities.

Petrobras appeared as a plaintiff (‘Assistente do Ministerio Publico’) in the proceedings against the three physical persons charged. The proceedings were then resumed on June 9, 2017 as the Brazilian Attorney General considered that the conditions for keeping confidential an agreement signed in October 2015 by the former associate of Saipem do Brasil – who, with such agreement, committed himself to substantiating with evidence some of the statements made – had ceased. The Attorney General noted in particular that attempts to substantiate such statements had not been successful, the reason why the content of the statements contained in the additional agreement had not been maintained confidential. At the hearing on June 9, 2017, the depositions of the three defendants were obtained, among them the former associate of Saipem do Brasil and a former Petrobras official.

Saipem do Brasil’s former associate, with regard to the theft of 100,000 Brazilian reais (approximately €26,000) in October 2011, said that money was needed to pay the costs of real estate for a company he was managing on behalf of a third party vis-à-vis Saipem (that is, the former Petrobras official charged in the same proceeding who confirmed that statement).

The former Saipem do Brasil associate also stated that the Saipem Group did not pay any bribes because Saipem’s compliance system prevented this from happening. That statement was confirmed by the former Petrobras official charged in the same proceeding. The former associate of Saipem do Brasil and the former Petrobras official charged in the same proceeding, while offering a reconstruction of the facts which was partially different, reported that the possibility of some inappropriate payments was discussed with reference to certain contracts of Saipem do Brasil but in any case no payment was made by the Saipem Group. The former Saipem do Brasil associate and the former Petrobras official charged in the same proceeding stated that the contracts awarded by the client to the Saipem Group were won through regular bidding procedures. The proceedings in Brazil against the former associate of Saipem do Brasil and another two defendants has not yet ended with a final ruling. During the proceedings against the former associate of Saipem do Brasil, no evidence of irregularities emerged in the management of tenders assigned by Petrobras to Saipem Group and/or evidence of illegal payments by Saipem Group in relation to tenders assigned by Petrobras to Saipem Group and/or evidence of damages suffered by Petrobras in relation to tenders assigned to Saipem Group. Saipem Group has not been involved in this proceeding.

The audit that was concluded in 2016 was relaunched with the support of the same third-party consultant used earlier and with the same methodology in order to analyse some of the information mentioned during the depositions of June 9, 2017.

The audit report, issued on July 18, 2018, confirmed the absence of communications or documents relating to transactions and/or financial movements between companies of the Saipem Group and the personnel of Petrobras under investigation.

On May 30, 2019, the French subsidiary Saipem SA and the Brazilian subsidiary Saipem do Brasil were notified by the competent Brazilian administrative authority (Controladoria-Geral da União through the Corregedoria-Geral da União) about the opening of administrative proceedings with respect to alleged irregularities in relation to the award by the Brazilian oil company Petrobras, as leader of the ‘Consortium BMS 11’, in December 2011, of the contract (whose value was equal to about Brazilian Real 249 million, equivalent as of the date of the filing to about €56 million) for the installation of the underwater gas pipeline connecting the Lula and Cernambi fields in Santos Basin.

Saipem SA and Saipem do Brasil cooperated in the administrative proceedings by providing all the clarifications requested by the competent administrative authority.

As part of the aforementioned administrative proceedings, on June 21, 2019, Saipem do Brasil and Saipem S.A. presented their initial defence statements before the competent administrative authority (Controladoria-Geral da União through Corregedoria-Geral da União).

With a communication dated August 21, 2019, the competent administrative authority (Controladoria-Geral da União through Corregedoria-Geral da União) informed Saipem do Brasil and Saipem S.A. that, following the preliminary investigation carried out up to that moment, the administrative procedure has not been closed and invited Saipem do Brasil and Saipem S.A. to present further defence statements by September 20, 2019.

Saipem do Brasil and Saipem S.A. submitted their defence statements by the set deadline.

This administrative proceeding is ongoing as of the date of this Base Prospectus. On 8 June, 2020 the Brazilian *Ministerio Publico Federal* issued a press release informing about a new criminal proceeding involving, *inter alia*, a former chairman of Saipem do Brasil, who left the Saipem Group on 31 December, 2009. In particular the Brazilian *Ministerio Publico Federal* started such criminal proceedings for alleged corruption and money laundering with respect to two contracts (Mexilhao and Uruguà-Mexilhao) signed by the Saipem Group with Petrobras in 2006 and in 2008. The accusations by the Brazilian *Ministerio Publico Federal* are allegedly based on the declarations of: i) a former agent used in the past by the Saipem Group in Brazil, ii) a former consultant of Saipem do Brasil, and iii) a former officer of Petrobras. Saipem and its subsidiaries have not been indicated as prosecuted entities in such criminal proceedings.

#### ***Preliminary investigations in progress - Public Prosecutor's Office at the Court of Milan - Iraq***

On August 2, 2018, the Public Prosecutor of the Court of Milan notified Saipem of a request for documents relating to previous activities (2010-2014) of Saipem Group in Iraq and in particular to relations with the Unaoil group. The request also contains information that – with regard to these past activities – Saipem is subject to investigations for international corruption. In January 2019, the US Department of Justice, which claimed to have an ongoing investigation into the activities and relations of Unaoil for some time and to be aware of a pending investigation in Italy against Saipem by the Public Prosecutor's Office of Milan, asked Saipem if it would be willing to provide 'voluntary production' of documents relating to previous activities of Saipem Group in Iraq with the involvement of Unaoil and, more in general, the previous between Saipem and the Unaoil Group. Saipem has confirmed that it is willing to provide such 'voluntary production'. The 'voluntary production' is without prejudice to any question concerning possible US jurisdiction, an aspect for which the US Department of Justice has not indicated at the moment any supporting evidence, asking only for Saipem to cooperate in the assessments that the US Department of Justice has under way. Within the context of the aforementioned 'voluntary production', Saipem in March 2019, through its US lawyers, delivered to the US Department of Justice the files delivered in 2018 to the Milan Public Prosecutor's Office in order to fulfil the above-mentioned request for documents received on August 2, 2018.

#### ***EniPower***

As part of the inquiries commenced by the Milan Public Prosecutor into contracts awarded by EniPower to various companies, Snamprogetti S.p.A. (now Saipem as engineering and procurement services contractor), together with other parties, were served a notice informing them that they were under investigation, pursuant to Article 25 of Legislative Decree No. 231/2001. Preliminary investigations ended in August 2007, with a favourable outcome for Snamprogetti S.p.A., which was not included among the parties still under investigation for whom committals for trial were requested. Snamprogetti subsequently brought proceedings against the physical and legal persons implicated in transactions relating to the Company and reached settlements with a number of parties that requested the application of settlement procedures. Following the conclusion of the preliminary hearing, criminal proceedings continued against former employees of the above companies, as well as against employees and managers of a number of their suppliers, pursuant to Legislative Decree No. 231/2001. Eni S.p.A., EniPower S.p.A. and Snamprogetti S.p.A. presented themselves as plaintiffs in the preliminary hearing. In the preliminary hearing related to the main proceeding of April 27, 2009, the judge for the preliminary hearing requested that all parties that did not request the application of plea agreements stand trial, with the exception of several parties for whom the statute of limitations applied. In the hearing of March 2, 2010, the Court confirmed the admission as plaintiffs of Eni S.p.A., EniPower S.p.A. and Saipem against the defendants under the provisions of Legislative Decree No. 231/2001. The defendants of the other companies involved were also sued. Subsequently, at the hearing of September 20, 2011, sentence was passed which included several convictions and acquittals for numerous physical and legal defendants, the latter being deemed responsible for unlawful administrative acts, with fines being imposed and value confiscation for significant sums ordered. The Court likewise rejected the admission as plaintiffs of the parties accused of unlawful administrative acts pursuant to Legislative Decree No. 231/2001. The convicted parties challenged the

above ruling within the set deadline. On October 24, 2013, the Milan Court of Appeal essentially confirmed the first instance ruling, which it modified only partially in relation to a number of physical persons, against whom it dismissed the charges, ruling that they had expired under the statute of limitations. The accused parties have filed an appeal with the Court of Cassation. On November 10, 2015, Criminal Section VI of the Supreme Court, in its ruling on the appeals lodged by the parties against the ruling of the Milan Court of Appeal, set aside the challenged ruling regarding legal persons, and the civil law rulings regarding physical persons and deferred a new ruling to another section of the Milan Court of Appeal which set the court date for November 28, 2017.

At the hearing of November 28, 2017, the Court of Appeal, ruling at the time of postponement by the Court of Cassation, upheld the first instance judgement, partially modifying it, excluding the liability of two legal persons and declaring that it would not proceed against a defendant who had, the meantime, died, confirming the rest of the sentence by the Court of Appeal which was not subject to annulment by the Court of Cassation.

On July 17, 2018, the Court of Appeal of Milan filed the second degree ruling essentially leaving the decision-making apparatus of the contested sentence unchanged, thus confirming the decisions of the Milan Court of Appeal of October 24, 2013, also in relation to the plaintiffs. The Court of Appeal of Milan has reversed the decision of the sentence under appeal limited to only two legal persons for whom liability has been excluded and to one natural person for whom the offence was extinguished.

Some parts of the trial were appealed to the Court of Cassation.

On November 6, 2019, the Court of Cassation ruled on the appeal lodged by some parties in the trial, partially upholding the appeal in relation to only one legal person, and simultaneously transferring the relevant decision to the Court of Appeal of Milan.

The Court of Cassation rejected the appeal filed by the other applicants, leaving the sentence of the Milan Court of Appeal of July 17, 2018 unchanged. The ruling of the Court of Cassation was filed on December 16, 2019.

### ***Fos Cavaou***

With regard to the Fos Cavaou ('FOS') project for the construction of a regasification terminal, the client Société du Terminal Méthanier de Fos Cavaou ('STMFC', now Fosmax LNG) in January 2012 commenced arbitration proceedings before the International Chamber of Commerce in Paris ('Paris ICC') against the contractor STS a French 'société en participation' made up of Saipem SA (50%), Tecnimont S.p.A. (49%) and Sofregaz SA (1%). On July 11, 2011, the parties signed a mediation memorandum pursuant to the rules of Conciliation and Arbitration of the Paris ICC. The mediation procedure ended on December 31, 2011 without agreement having been reached, because Fosmax LNG refused to extend the deadline.

The brief filed by Fosmax LNG in support of its request for arbitration included a demand for payment of approximately €264 million for damages allegedly suffered, penalties for delays and costs for the completion of works ('mise en régie'). Of the total sum demanded, approximately €142 million was for loss of profit, an item excluded from the contract except for cases of wilful misconduct or gross negligence. STS filed its defence brief, including a counterclaim for compensation for damage due to excessive interference by Fosmax LNG in the execution of the works and for the payment of extra work not approved by the client (and reserving the right to quantify the amount as the arbitration proceeds). On October 19, 2012, Fosmax LNG lodged a 'Mémoire en demande'. Against this, STS lodged its own Statement of Defence on January 28, 2013, in which it filed a counterclaim for €338 million. The final hearing was held on April 1, 2014. On the basis of the award issued by the Arbitration Panel on February 13, 2015, Fosmax LNG paid STS the sum of €84,349,554.92, including interest on April 30, 2015. 50% of this amount is due to Saipem SA. On June 26, 2015, Fosmax LNG challenged the award before the French Conseil d'Etat, requesting its annulment on the alleged basis that the Arbitration Panel had erroneously applied private law to the matter instead of public law. On November 18, 2015 a hearing was held before the Conseil d'Etat. Subsequently to the submission of the Rapporteur Public, the judges concluded the discussion phase. The Rapporteur requested a referral to the Tribunal des Conflits. With its judgement of April 11, 2016, the Tribunal des Conflits held that the Conseil d'Etat had jurisdiction for deciding on the dispute regarding the appeal to overrule the arbitration award of February 12, 2015. On October 21, 2016, a hearing was held before the Conseil d'Etat and on November 9, the latter issued its own ruling, with which it partially nullified the award of February 13, 2015 for only the mise en régie costs (quantified by Fosmax in

€36,359,758), stating that Fosmax should have relinquished such costs back to an arbitration tribunal, unless otherwise agreed by the parties.

Parallel with the aforementioned appeal before the Conseil d'Etat, on August 18, 2015, Fosmax LNG also filed an appeal with the Court of Appeal of Paris to obtain the annulment of the award and/or the declaration of nullity of the relevant exequatur, the enforceability of which had been recognised and of which Fosmax had been notified on July 24, 2015. On February 21, 2017, the Court of Appeal declared itself incompetent to decide on the annulment of the award and stated that it would postpone the subsequent decision on the alleged nullity of the exequatur. On July 4, 2017, the Court annulled the exequatur issued by the President of the *Tribunal de grande instance* and sentenced STS to pay the costs (€10,000) of the proceeding in favour of Fosmax.

On June 21, 2017, Fosmax notified Sofregaz, Tecnimont S.p.A. and Saipem SA of a request for arbitration, requesting that the aforementioned companies (as members of the société en participation STS) be jointly and severally condemned to pay the mise en régie costs as quantified above beyond delays and legal fees. The Arbitration Tribunal was officially constituted on January 19, 2018 when the Chairman was confirmed and, in accordance with the calendar agreed between the Parties, on April 13, 2018 Fosmax filed its Mémoire en demande in which it detailed its demands at €35,926,872 in addition to interest for late payments of approximately €4.2 million. STS filed its brief and response on July 13, 2018, with which it has made the counterclaim that Fosmax be ordered to pay €2,155,239 in addition to interest for loss of profit and €5,000,000 for non-material damage.

Hearings were held from February 25 to 27, 2019 and the award is expected in the first half of 2020.

#### ***Court of Cassation - Consob Resolution No. 18949 of June 18, 2014 - Actions for damages***

**Preliminary hearings in Milan:** with the measure adopted with Resolution No. 18949 of June 18, 2014, Consob decided to apply a monetary fine of €80,000 to Saipem for an alleged delay in the issuing of the profit warning issued by the company on January 29, 2013 and, '*with a view to completing the preliminary investigation*', to transmit a copy of the adopted disciplinary measure to the Public Prosecutor's office at the Court of Milan. On March 12, 2018, the Public Prosecutor's Office at the Court of Milan – at the end of its investigations – notified Saipem of the 'Notice to the person under investigation of the conclusion of the preliminary investigations' with reference to the hypothesis of an administrative offence referred to in Articles 5, 6, 7, 8, 25-ter, lett. b) and 25-sexies of Legislative Decree No. 231/2001, allegedly committed until April 30, 2013 '*for not having prepared an organisational model suitable to prevent the completion*' of the following alleged offences:

- (i) offence pursuant to Article 185 of Legislative Decree No. 58/1998 (in conjunction with Article 114 of Legislative Decree No. 58/1998 and Article 68, paragraph 2, of the Issuers Regulation), allegedly committed on October 24, 2012, with reference to the press release published for the approval of the quarterly report as at September 30, 2012 by Saipem and the related conference call of October 24, 2012 with external analysts;
- (ii) offence pursuant to Article 2622 of the civil code (continuing illegal offence with Article 2622, paragraphs 1, 3 and 4, old civil code formulation was in force at the time of the facts), allegedly committed on April 30, 2013, with reference to the 2012 consolidated and statutory financial statements of Saipem approved by the Board of Directors on March 13, 2013 and by the Shareholders' Meeting on April 30, 2014;
- (iii) offence pursuant to Article 185 of Legislative Decree No. 58/1998, allegedly committed from March 13, 2013 to April 30, 2013, with reference to press releases issued to the public regarding the approval of the 2012 consolidated and statutory financial statements of Saipem.

In addition to the Company, the following physical persons were also investigated in relation to the same allegations as those above:

- for the alleged crime under (i): the two Chief Executive Officers and the Chief Operating Officer of the Engineering & Construction Business Unit of Saipem in office at the date of the press release of October 24, 2012, as they '*through the press release dated October 24, 2012 issued on the occasion of the approval by the Board of Directors of the quarterly report as at September 30, 2012 and during the related conference call ..., they spread false news – which was incomplete and reticent – concerning the economic and financial situation of Saipem S.p.A., [...], capable of causing a significant alteration of the price of its ordinary shares*'; and

- for the alleged crimes under (ii) and (iii): the Chief Executive Officer and the Officer responsible for Financial Reporting, who was in office at the date of approval of the 2012 consolidated and statutory financial statements of Saipem as they:
  - a) in relation to the alleged offence (ii), they would have *'disclosed in the consolidated and statutory financial statements of Saipem S.p.A., approved by the Board of Directors and by the Shareholders' Meeting on March 13, 2013 and April 30, 2013, material facts that do not correspond to the truth, although subject to evaluation, as well as the omission of information on the economic, asset and financial situation of Saipem S.p.A., the reporting of which is required by law, [...], and, in particular:*
    - *in contrast to the provisions of paragraphs 14, 16, 17, 21, 23, 25, 26 and 28 of IAS 11, no extra costs related to delays in the execution of activities and late penalties were recorded in the costs for the entire lifespan of the project, [...] for a total of €245 million: and the effect was:*
      - 1) *they recorded higher revenue of €245 million in the income statement compared to the amount accrued, on the basis of a state of economic progress that did not consider the extra costs described above in the costs for the lifespan of the project, in contrast with paragraphs 25, 26 and 30 of IAS 11;*
      - 2) *they omitted to record the expected loss of the same amount ... as the cost of the year, in contrast with paragraph 36 of IAS 11, thus recording an operating result higher than the pre-tax profit of €1,349 million in the income statement, in place of the actual operating result of €1,106 million, and a higher than realistic shareholders' equity of €17,195 million, instead of the actual shareholders' equity of €16,959 million...'*
  - b) in relation to the alleged offence (iii), *'with the aforementioned press releases, they spread the news of the approval of the 2012 consolidated and statutory financial statements of Saipem S.p.A., in which material facts that did not correspond to the truth were disclosed, and more specifically revenue higher than actual revenue for €245 million and an EBIT higher than reality for the corresponding amount, [...]'.*

On April 11, 2018, Saipem received the notice of hearing set for October 16, 2018, together with the request for indictment against Saipem formulated on April 6, 2018 by the Public Prosecutor.

On October 16, 2018, the trial began before the Judge for the Preliminary Hearing in Milan during which two individuals were presented as plaintiffs.

At the hearing of January 8, 2019, the Judge for the Preliminary Hearing granted the establishment of a civil suit against the accused individuals and rejected the second request for the constitution of a civil suit against all the defendants. No civil suit has been granted against Saipem.

Following the discussions of the parties and the Public Prosecutor, the Judge for the Preliminary Hearing postponed the case to March 1, 2019.

At the hearing of March 1, 2019, the Judge for the Preliminary Hearing ordered the committal for trial of Saipem with reference to the charge of an administrative offence pursuant to Articles 5, 6, 7, 8, 25-ter, letter b) and 25-sexies of Legislative Decree No. 231/2001, allegedly committed until April 30, 2013 *'for failing to provide a suitable organisational model to prevent criminal acts'* with regard to the following alleged crimes: (i) offence pursuant to Article 2622 of the Italian Civil Code ('false accounting'), allegedly committed on April 30, 2013, with reference to the 2012 consolidated and statutory financial statements of Saipem; and (ii) offence pursuant to Article 185 of Legislative Decree No. 58/1998 ('manipulation of the market'), allegedly committed from March 13, 2013 to April 30, 2013, with reference to press releases issued to the public regarding the approval of the 2012 consolidated and statutory financial statements of Saipem.

The Judge for the Preliminary Hearing ruled in favour of Saipem, because the statute of limitations had passed regarding the charge of an administrative offence pursuant to Articles 5, 6, 7, 8, 25-ter, letter b) and 25-sexies of Legislative Decree No. 231/2001, *'for failing to provide a suitable organisational model to prevent criminal acts'* with regard to the following alleged crime: offence pursuant to Article 185 of Legislative Decree No. 58/1998 ('manipulation of the market'), allegedly committed on October 24, 2012, with reference to the press release published for the approval of the quarterly report as at September 30, 2012 by Saipem and the related conference call of October 24, 2012.

The Judge for the Preliminary Hearing ordered the committal for trial of the following individuals: (a) for the alleged crimes under (i) and (ii): the Chief Executive Officer and the Officer responsible for financial reporting who was in office at the date of approval of the 2012 consolidated and statutory financial statements of Saipem; (b) for the alleged crime under (iii): the Chief Executive Officer and the Chief Operating Officer of the Engineering & Construction Business Unit of Saipem in office at the date of the press release of October 24, 2012.

All individuals committed for trial by the Judge of the Preliminary Hearing of Milan have long since left the Company.

On May 23, 2019, the first instance proceedings began before the Criminal Court of Milan . The hearing was postponed on June 4, 2019 as the first instance proceedings were assigned to a new section of the Criminal Court of Milan. On June 4, 2019, after the formalities of the first hearing including the filing of the requests for the admission as plaintiffs by some parties, the Court adjourned the proceedings to the September 26, 2019 hearing, in order to allow the parties to better understand the terms and the conditions of the requests for the admission as plaintiffs and the requests to summon Saipem as the civilly liable party (*responsabile civile*). At the hearing scheduled on September 26, 2019, the Court has merely postponed the ruling on the requests for the admission as plaintiffs and on the requests to summon Saipem as the civilly liable party (*responsabile civile*) to a hearing on October 17, 2019. The requests for the admission as plaintiffs have been proposed by more than 700 private investors. The overall amount referred to in the requests has not been determined.

At the hearing of October 17, 2019, the Court of Milan issued an order rejecting almost all the requests for the admission as plaintiffs submitted by individuals and by 4 entities representing the interest of the community (so called “enti esponenziali”, i.e. Confconsumatori, SITI, Codacons and Onlus Codes).

Therefore, only 49 plaintiffs (individuals, not the aforementioned entities) were admitted against the individuals under investigation (not against Saipem ).

At the hearing of October 17, 2019, at the request of the plaintiffs, the Court ordered the summons of Saipem as the civilly liable party at the hearing of December 12, 2019.

At the hearing of December 12, 2019, Saipem was admitted as the civilly liable party in the proceedings. The Court also invited the parties to formulate their preliminary statements.

The Public Prosecutor and the lawyers of the other parties and of Saipem have requested the admission of the texts indicated in their lists.

The next hearings are scheduled for July 9, 2020 and September 8 2020.

On July 28, 2014, Saipem lodged an appeal at the Court of Appeal of Milan against the above mentioned Consob Resolution No. 18949 dated June 18, 2014 to impose a monetary fine. By decree filed on December 11, 2014, the Court of Appeal of Milan rejected the opposition made by Saipem which then appealed to the Court of Cassation against the Decree issued by the Court of Appeal of Milan. The appeal was discussed on November 7, 2017. On February 14, 2018, the Court of Cassation filed its decision rejecting Saipem’s petition on the grounds of the ‘*absolute uniqueness of the situation*’ concerning the interpretation of the phrase ‘*without delay*’ in the text of the paragraph 1 of Article 114 TUF’ and condemning each party to bear its legal costs for the proceedings.

### ***Current legal proceedings***

On April 28, 2015, a number of foreign institutional investors initiated legal action against Saipem before the Court of Milan, seeking judgement against the Company for the compensation of alleged loss and damage (quantified in about €174 million), in relation to investments in Saipem shares which the claimants alleged that they had made on the secondary market. In particular, the claimants sought judgement against Saipem requiring the latter to pay compensation for alleged loss and damage which purportedly derived from the following: (i) with regard to the main claim, from the communication of information alleged to be ‘imprecise’ over the period from February 13, 2012 and June 14, 2013; or (ii) alternatively, from the allegedly ‘delayed’ notice, only made on January 29, 2013, with the first ‘profit warning’ (the so-called ‘First Notice’) of privileged information which would have been in the Company’s possession from July 31, 2012 (or such other date to be established during the proceedings, identified by the claimants, as a further alternative, on October 24, 2012, December 5, 2012, December 19, 2012 or January 14, 2013), together with information which was allegedly ‘incomplete and imprecise’ disclosed to the public over the period from January 30, 2013 to June 14, 2013, the date of the second ‘profit warning’ (the so-called

‘Second Notice’). Saipem appeared in court, case number R.G. 28789/2015, fully disputing the adverse party’s requests, challenging their admissibility and, in any case, their lack of grounds.

As per the order made by the Judge at the hearing of May 31, 2017, the parties proceeded to deposit the briefs referred to in Article 183, paragraph 6, c.p.c. (Civil Procedure Code). With the same order, the Court set a hearing for February 1, 2018 for the possible admission of the evidence.

With the same order of May 31, 2017, the Court ordered the separation of the judgement for five of the parties involved in the proceedings and this separate proceeding was discontinued pursuant to Article 181 of the Italian Civil Procedure Code on November 7, 2017.

At the hearing on February 1, 2018, the Judge, by order dated February 2, 2018, postponed the proceeding to the hearing of July 19, 2018. pursuant to Article 187, paragraph 2, of the Italian Civil Procedure Code. During the hearing, after the parties clarified the conclusions, the judge assigned said parties the deadline for filing the final briefs and the replies.

On October 2, 2018, Saipem filed the final brief and on October 22, 2018 Saipem filed the reply.

On November 9, 2018, the Court filed the first instance ruling No. 11357, rejecting the merit of the request by the parties. The Court has indeed ruled that there is lack of evidence of ownership of Saipem shares by said actors in the period indicated above and has condemned them to pay €100,000 in favour of Saipem, by way of reimbursement of legal expenses.

On December 31, 2018, the institutional investors challenged the aforementioned sentence before the Court of Appeal of Milan, requesting that Saipem be ordered to pay approximately €169 million. The first hearing before the Court of Appeal of Milan was held on May 22, 2019. The Appeal’s Judge adjourned the hearing to July 15, 2020, when the parties will file their final conclusions.

With a writ of summons dated December 4, 2017, twenty-seven corporate investors took legal action before the Court of Milan – section specialised in the field of corporate law, against Saipem and two former Chief Executive Officers of said company, requesting that they are jointly condemned to pay compensation (with respect to the two former members of the company, limited to their periods of stay in office) for compensation for damages, material and non-material, allegedly suffered due to an alleged manipulation of information released to the market during the period between January 2007 and June 2013.

Saipem’s liability was calculated pursuant to Article 1218 of the Italian Civil Code (contractual liability) or pursuant to Article 2043 of the Italian Civil Code (non-contractual liability) or, pursuant to Article 2049 of the Italian Civil Code (owner and client liability) for the illegal conduct committed by the two former company representatives.

Damages were not initially quantified by the investors, who reserved the right to quantify damages during the trial.

The Company appeared in court to contest the claims in full, pleading inadmissibility and in any case the groundlessness in fact and in law.

On June 5, 2018, the first hearing was held. In this hearing the judge assigned terms for evidence pleadings, reserving judgement until said pleadings could be examined.

The parties proceeded to deposit the pleadings referred to in Article 183, paragraph 6, c.p.c. (the Italian Civil Procedure Code). In the evidence pleading pursuant to Article 183, paragraph 6, No. 1, c.p.c., the plaintiffs provided for the quantification of damages allegedly suffered in the amount of approximately €139 million. In its evidence pleading, Saipem and the other defendants remarked, in particular, on the lack of evidence regarding the acquisition of Saipem shares on the secondary markets by the plaintiffs. Therefore, due to this lack of evidence from the plaintiffs, all the defendants asked the Court to set a hearing to clarify the conclusions pursuant to Article 187 c.p.c.

On November 9, 2018, the Company filed sentence No. 11357 issued by the Court of Milan on November 9, 2018 at the outcome of case R.G. No. 28789/2015, as this provision decided the same preliminary issues of merit raised by Saipem and the other defendants in the case under consideration, in particular with reference to the failed proof of purchase of Saipem shares.

On November 9, 2019 Saipem produced in the proceedings the order of the Criminal Court of Milan dated October 17, 2019, with reference to the pending criminal judgment R.G.N.R. 5951/2019, which declared inadmissible in this case the civil suit brought by approximately 700 civil parties.

In a note dated October 23, 2019, the plaintiffs filed an application with the judge to authorize the filing of a pro veritate opinion in relation to Saipem's filing of November 9, 2018.

With note dated October 25, 2019, Saipem has challenged the inadmissibility of the filing of the aforementioned opinion brought by the plaintiffs.

The Court issued its decision, by order of November 6, 2019, setting the hearing for the parties clarification of their conclusions on November 3, 2020, having deemed it necessary to remit the decision on the all questions and exceptions made by the parties to the Court.

### ***Demands for out-of-court settlement and mediation proceedings***

Over 2015, 2016, 2017, 2018 and 2019, Saipem received a number of out-of-court demands and mediation applications.

As far as the out-of-court claims are concerned, the following have been made:

- (i) in April 2015 by 48 institutional investors acting on their own behalf and/or on behalf of the funds managed by them respectively amounting to about €291.9 million, without specifying the value of the claims made by each investor/fund (subsequently, 21 of these institutional investors, together with a further 8 presented applications for mediation for a total amount of about €159 million; 5 of these institutional investors together with another 5, presented applications for mediation in relation to the total amount of about €21.9 million);
- (ii) in September 2015 by 9 institutional investors acting on their own behalf and/or for the funds managed by them respectively for a total amount of about €21.5 million, without specifying the value of the claims for compensation made by each investor/fund (subsequently 5 of these institutional investors together with another 5, made an application for mediation for a total amount of about €21.9 million);
- (iii) over 2015 by two private investors amounting respectively to about €37,000 and €87,500;
- (iv) during the month of July 2017 from some institutional investors for approximately €30 million;
- (v) on December 4, 2017, from 141 institutional investors for an unspecified amount (136 of these investors on June 12, 2018 renewed their out-of-court request, again for an unspecified amount);
- (vi) on April 12, 2018 for about €150-200 thousand from a private investor;
- (vii) on July 3, 2018 from a private investor for about €330 thousand;
- (viii) on October 25, 2018 for about €8,800 from a private investor;
- (ix) on November 2 for about €48,000 from a private investor;
- (x) on May 22, 2019 for about €53,000 from a private investor;
- (xi) on June 3, 2019 for an unspecified amount from a private investor;
- (xii) on June 5, 2019, for an unspecified amount from two private investors.

Those applications where mediation has been attempted, but with no positive outcome, involve six main demands: (a) in April 2015 by 7 institutional investors acting on their own behalf and/or for the funds managed by them, in relation to about €34 million;

(b) in September 2015 by 29 institutional investors on their own behalf and/or for the funds managed by them respectively, for a total amount of about €159 million (21 of these investors, together with another 27, submitted out-of-court demands in April 2015, complaining that they had suffered loss and damage for a total amount of about €291 million without specifying the value of the claims for compensation for each investor/fund);

(c) in December 2015 by a private investor in the amount of about €200,000;

(d) in March 2016 by 10 institutional investors on their own behalf and/or for the funds managed by each respectively, for a total amount of about €21.9 million (5 of these investors together with another 4 had presented out-of-court applications in September 2015, complaining they had suffered loss and damage for a total amount of about €21.5 million without specifying the value of the compensation sought by each investor/fund. Another 5 of these investors, together with a further 43, had presented out-of-court

applications in April 2015 alleging they had suffered loss and damage for an amount of about €159 million without specifying the value of the compensation sought by each investor/fund);

(e) from a private investor in April 2017 for approximately €40,000;

(f) in 2018-2019 by a private investor for approximately €48,000.

Saipem verified the aforementioned requests for out-of-court claims and mediation and found them to be groundless and denying all liability. As of the date of this Base Prospectus, the aforementioned demands for out-of-court settlements and/or mediation were not subject to legal action, except for the matters specified above in relation to the two cases pending before the Court of Milan and the Court of Appeal of Milan, for another case with a value of €3 million in which Saipem was summoned in the course of 2018 by the defendant in court (for which the claim against Saipem has been rejected by the Court in the first instance and is currently awaiting judgment before the Court of Appeal), and for another case that has started at the beginning of 2020 with a claim value of approximately €40,000.

### ***Dispute with Husky - Sunrise Energy Project in Canada***

On November 15, 2010, Saipem Canada Inc ('Saipem') and Husky Oil Operations Ltd ('Husky') (the latter on behalf of the Sunrise Oil Sands Partnership formed by BP Canada Energy Group ULC and Husky Oil Sands Partnership, in turn formed by Husky Oil Operations Ltd and HOI Resources Ltd), signed an Engineering, Procurement and Construction contract No. SR-071 (the 'Contract'), prevalently on a reimbursable basis, relating to the project called Sunrise Energy (the 'Project').

During the execution of the works, the parties agreed several times to modify the contractual payment formula. Specifically: (i) in October 2012, the parties established that the works were to be paid for on a lump-sum basis, agreeing the amount of CAD 1,300,000,000 as contract price; (ii) subsequently, in early 2013, an incentive system was agreed that provided for Saipem's right to receive additional payments upon achieving certain objectives; (iii) starting from April 2014, the parties entered into numerous written agreements whereby Husky accepted to reimburse Saipem for the costs incurred in excess of the lump sum amount previously agreed, thus determining, according to Saipem, a contract change from lump sum to reimbursable. As the end of the works approached, however, Husky stopped paying what it owed as reimbursement and, in March 2015, finally terminated the Contract, claiming that Saipem had not complied with the contractual deadline for conclusion of the works.

In light of the above, on March 16, 2015 Saipem took legal action citing Husky, the aforesaid partnerships and the related members, before the Court of Queen's Bench of Alberta, requesting, among other things, that the court declare the illegitimacy of the termination of the Contract by Husky and sentence it to the payment of: (i) more than CAD 800 million for damages that include the payments not made on a reimbursable basis, damages resulting from the termination of the contract, lost profits and the unjustified enrichment of Husky at the expense of Saipem; or, alternatively, (ii) the market value of the services, materials and financing rendered.

In September 2015, Husky notified Saipem of a Request for Arbitration (Alberta Arbitration Act), affirming that, as a result of the reduction of the scope of work requested by Husky, the contractual lump sum price agreed with Saipem should be reduced proportionally on the basis of a specific contractual provision in this sense. On the basis of this, Husky asked that Saipem be ordered to pay the related value, quantifying this claim as CAD 45,684,000.

On October 6, 2015, Husky sued Saipem in the Court of Queen's Bench of Alberta, claiming, among other things: (i) that the payments it had made to Saipem, which were in excess of the lump sum amount agreed between the parties, were justified by Saipem's alleged threats to abandon the works if such additional payments were not made (economic duress); and (ii) that even after the execution of such payments, the performances of Saipem did not improve, forcing Husky to terminate the contract and complete the works on its own. As a result, Husky asked the Canadian court to order Saipem to pay CAD 1.325 billion for alleged damages, an amount that includes, among other things: (i) payments in excess with respect to the agreed lump sum price; (ii) costs to complete the works following termination of the contract; (iii) damages for lost profits and the penalty for alleged delay in completion of the Project.

In the hearing of January 14, 2016, Saipem requested that the pending proceedings be heard jointly before the Queen's Bench Court of Alberta and that arbitration be suspended in order to include the relative claims in the proceedings to be heard jointly. On May 27, 2016 Saipem filed a short reply requesting that the Court declare invalid the arbitration proceedings commenced by Husky. At the hearing for the discussion of this

petition, held on July 4, 2016, the judge rejected the request to declare the arbitration procedure invalid initiated by Husky. The arbitration proceeding is still ongoing.

In March 2018, the parties entered into an arbitration agreement by which they agreed to unite all the disputes pending between them, as described above, in a single 'ad hoc' arbitration proceeding based in Canada.

In the Statement of Claim filed by Saipem on April 30, 2018 in the new arbitration procedure, Saipem requested: (i) damages for over CAD 508 million; (ii) damages to be calculated by the court following adjustments to the contract price due to additional work resulting from the contractual breaches by Husky, or on a quantum meruit basis; (iii) punitive damages to be determined; (iv) interest in the amount of CAD 90 million (or to be calculated by the court); (v) legal expenses; (vi) any other damages awarded by the court. In the Statement of Claim filed on April 30, 2018, Husky asked: (i) compensation for approximately CAD 1.37 billion as compensation for alleged damages (this amount includes, inter alia, payments allegedly in excess of the agreed lump-sum price; the costs for completing the work after the termination of the contract; the loss of profit and the liquidated damages for delay for the alleged delayed completion of the Project); (ii) interest to be calculated by the court; (iii) legal expenses; (iv) any other damages awarded by the court. On June 8, 2018, the parties filed their respective Statements of Defence.

On September 13, 2019, the parties exchanged their respective witness statements, expert reports and memorials. In particular, in their respective memorials: (i) Saipem reduced its claims to CAD 166 million, these claims relate to the costs incurred up to the termination of the contract and associated damages; while (ii) Husky introduced an application for the repayment of alleged overstated payments, initially quantifying them in a range from CAD 75 million to CAD 125 million. Upon the exchange of supplemental memorials, which took place on January 31, 2020, Husky specified its latest request in approximately CAD 122.5 million.

As of the date of this Base Prospectus, the parties are involved in the collection of the documentary evidences. The award is expected to be issued in late 2021.

#### ***Settlement with South Stream Transport BV - South Stream Project***

On November 10, 2015, Saipem filed a request for arbitration against South Stream Transport BV ("SSTBV") with the International Chamber of Commerce (ICC) of Paris. Saipem's initial claim amounted to about €759.9 million by way of consideration due both for the suspension of work (requested by the client for the period from December 2014 to May 2015) and for the subsequent termination for convenience of the contract notified on July 8, 2015 by SSTBV. The request may be supplemented by Saipem by claims for costs incurred directly by the termination for convenience and relating to works that are still in progress or which have not yet been completely calculated. ICC notified SSTBV of Saipem's request for arbitration on December 15, 2015. SSTBV filed its reply on February 16, 2016. In its reply, SSTBV challenged all of Saipem's claims and reserved the right to make a counterclaim at a subsequent stage of the arbitration process.

On September 30, 2016, Saipem filed its own Memorial (Statement of Claim), in which, on the basis of the report drawn up by its own quantum expert, the amount of the claims against SSTBV has been reduced to approximately €678 million (with the right to integrate this in the course of arbitration).

On March 10, 2017, SSTBV deposited its Counter-Memorial, in which, in addition to rejecting Saipem's requests, compensation was claimed:

- mainly for damages of around €541.6 million for alleged misrepresentations that would have led the defendant to enter into a contract with Saipem;
- additionally or alternatively, for damages for: (i) approximately €75.9 million, for payments made by SSTBV to a significantly higher level than contractually due; and (ii) approximately €48.6 million, for liquidated damages motivated by alleged delays; and
- mainly and alternatively, damages for approximately €5.2 million for alleged damage to the pipes owned by the defendant.

On November 3, 2017, Saipem filed its Reply Memorial in which it clarified its claims for €644,588,545.

On December 21, 2018, SSTBV deposited its own Rejoinder. The discussion hearings before the arbitration panel had been set for June 2019.

At the end of February 2019, Saipem and South Stream Transport BV have expressed the common intention to negotiate – on a without prejudice basis – an amicable settlement of the arbitration in progress since November 2015. The 2018 result included the effect of the hypothetical settlement being negotiated at the time between the parties regarding the South Stream project.

On April 18, 2019, Saipem announced the amicable settlement of mutual differences with South Stream Transport BV. The parties have positively ended their negotiations signing an agreement to amicably settle the arbitration concerning the South Stream Offshore Pipeline Installation contract entered into on March 14, 2014’.

The above-described arbitration has therefore ended. The 2018 result had already included the economic effects of this settlement.

#### ***Arbitration with GLNG - Gladstone Project (Australia)***

On January 4, 2011, Saipem Australia Pty Ltd (‘Saipem’) entered into the Engineering, Procurement and Construction Contract (the ‘Contract’) relating to the Gladstone LNG project (the ‘Project’) with GLNG Operations Pty Ltd (‘GLNG’) in the capacity of agent of the joint venture between Santos GLNG Pty Ltd, PAPL (Downstream) Pty Ltd and Total E&P Australia.

During the execution of the Project, Saipem accrued and presented to GLNG contractual claims that were entirely rejected by GLNG. A phase of negotiations began between the parties but did not lead to any positive results.

Therefore, on October 9, 2015, Saipem submitted a request for arbitration against GLNG requesting:

- a quantum meruit claim based on the alleged invalidity of the Contract (a claim that was rejected during the arbitration procedure on the basis of a partial award);
- claims based on the contract.

On November 6, 2015, GLNG filed its counterclaim requesting the rejection of the claims made by Saipem and requesting in turn compensation for damages for alleged defective works with particular reference to the coating of the entire line and to the cathodic protection system.

At present, Saipem claims in the arbitration amount to approximately AUD 254 million, while the GLNG counterclaim amounts to approximately AUD 1.1 billion, corresponding to the GLNG assessment of the pipeline replacement costs; and AUD 24 million corresponding to the GLNG assessment of the costs for the adoption of temporary adjustment measures.

The last hearings were held in August 2018.

On June 27, 2019, the Arbitral Tribunal pronounced its decision on all controversial issues except for the costs (including legal and experts’ costs) of the arbitration procedure, the applicable interest on the claims recognised to Saipem, a Saipem fiscal claim and other minor claims submitted by Saipem.

On June 27, 2019, the Arbitral Tribunal completely rejected the GLNG counterclaims: (i) for an amount of approximately AUD 1.1 billion, corresponding to the assessment made by GLNG of the pipeline replacement costs; and (ii) for an amount of approximately AUD 24 million, corresponding to the GLNG assessment of the costs for the adoption of temporary adjustment measures.

The Arbitral Tribunal therefore acknowledged claims: (a) submitted by Saipem for approximately AUD 102 million; and (b) submitted by GLNG for approximately AUD 1 million.

The Arbitral Tribunal therefore set Saipem’s credit at approximately AUD 101 million (net of interest) on the items covered by the decision of June 27, 2019.

On October 25, 2019, the Arbitral Tribunal set the amount of interest on items recognized to Saipem in the award of June 27, 2019 at around €22 million; this amount was paid by GLNG to Saipem on November 17, 2019. The award of October 25, 2019 had also recognized that Saipem was due the reimbursement of legal fees.

The parties have found a settlement also in relation to the reimbursement of legal fees; under this agreement GLNG paid Saipem AUD 39 million. The above described arbitration has therefore ended.

#### ***Arbitration with Kharafi National Closed Ksc (‘Kharafi’) - Jurassic Project***

With reference to the Jurassic project and the relating EPC contract between Saipem and Kharafi, on July 1, 2016 Saipem filed a request for arbitration with the London Court of International Arbitration ('LCIA') with which it requested that Kharafi be sentenced:

- (1) to return KWD 25,018,228, cashed by Kharafi through the enforcement of a performance bond following the termination of the contract with Saipem;
- (2) to refund KWD 20,135,373 for costs deriving from the suspension of the procurement activities, particularly those connected with the purchase by Saipem of 4 turbines;
- (3) to refund KWD 10,271,409 for engineering costs borne by Saipem prior to the termination of the contract by Kharafi;

for a total of KWD 55,425,010 (equal to approximately €153,065,479 on the basis of the exchange rate at December 31, 2017).

Kharafi responded to Saipem's request for arbitration rejecting the claims therein and demanding, by way of counterclaim, that Saipem be sentenced to pay an amount not yet quantified but including, among other things:

- (1) the costs allegedly sustained by Kharafi due to Saipem's alleged non-fulfilment of the contract (more than KWD 32,824,842); and
- (2) the damage allegedly suffered by Kharafi following the enforcement of a guarantee in a sum equivalent to KWD 25,136,973 issued by Kharafi to the final client of the Jurassic project.

On April 28, 2017, Saipem filed its Statement of Claim and on October 16, 2017 Kharafi filed its Statement of Defence and Counterclaim. The Kharafi counterclaim was set out in KWD 102,737,202 (approximately €283 million). Saipem filed its response on February 6, 2018 and Kharafi the related Reply and Defence to Counterclaim on April 6, 2018.

On November 14, 2018, the parties filed their expert reports. At that time, Kharafi produced a report prepared by an external consulting company in which, for the first time, it claimed that the company would have suffered damages for equal to approximately €1.3 billion, allegedly attributable to Saipem related to the failure of the Jurassic and BS171 projects (in which Kharafi was a subcontractor of Saipem). Subsequently, Saipem filed an appeal with the Arbitral Tribunal requesting that the expert report in question, as well as the related request, be thrown out as late and without foundation.

On February 5, 2019, the Arbitral Tribunal pronounced that the report in question was inadmissible and, with it, the new claim for compensation brought by Kharafi for the equivalent of €1.3 billion.

On March 1, 2019, Kharafi appealed against the decision of the Arbitral Tribunal which stated that the aforementioned report was inadmissible before the High Court of Justice in London. At the hearing on July 6, 2019 the High Court of Justice in London ruled in favour of Saipem, fully rejecting the request of Kharafi and ordering Kharafi to pay, within 14 days from the ruling, GBP 79,000 as legal expenses.

With their last filing the parties specified their demands, based on the final quantifications performed by the experts, indicating as follows: (i) Saipem, KWD 46,069,056.89; and (ii) Kharafi, KWD 162,101,263.

Hearings were held in London from February 18 to March 1, 2019. The award was issued on November 8, 2019 and notified to the parties in the following days.

In the award, the Arbitral Tribunal sentenced Kharafi to pay Saipem the amount of the guarantee deemed unfairly enforced by Kharafi, namely KWD 25,018,228, in addition to interest at 7%, rejecting all Kharafi's claims and sharing among the parties the legal costs. At present, Kharafi has not paid Saipem the amount referred to in the award.

### ***Arbitration with CPB Contractors Pty Ltd (formerly Leighton Contractors Pty Ltd) ('CPB')***

#### ***Gorgon LNG Jetty Project***

In August 2017, CPB notified Saipem SA and Saipem (Portugal) Comércio Marítimo, Sociedade Unipessoal Lda ('Saipem') of a request for arbitration.

The dispute stems from the construction of the dock of an LNG plant for the Gorgon LNG project in Western Australia. The main contract for engineering and construction of the pier ('Jetty Contract') was

signed on November 10, 2009 by CPB, Saipem SA, Saipem (Portugal) Comércio Marítimo, Sociedade Unipessoal Lda and Chevron Australia Pty Ltd ('Chevron').

CPB based on alleged contractual breaches by Saipem SA and Saipem (Portugal) Comércio Marítimo, Sociedade Unipessoal Lda has requested that Saipem be ordered to pay approximately AUD 1.39 billion. Saipem believes that the CPB claims are totally unfounded and has filed its statement in which it has requested the rejection of all the claims made by CPB and filed a counterclaim for AUD 37,820,023 for payments related to the consortium agreement, extra costs related to non-compliance and delays by CPB in the execution of the works and back-charges.

Subsequently, the parties specified their claims. In particular: (i) CPB clarified its demands by making a claim of approximately AUD 1 billion for alleged violations of the consortium agreement between the parties and another alternative claim of approximately AUD 1.46 billion based on the assumption that CPB would not have entered into the Jetty Contract (and would not have suffered the related damages), if Saipem had not violated the consortium contract; (ii) Saipem quantified its claims in a total amount of approximately AUD 140 million. The arbitration should end in 2021.

It is noted that, with reference to the same project, in 2016 Chevron initiated a separate arbitration proceeding against the consortium between CPB and Saipem, requesting payment of liquidated damages and back-charges for an amount currently equal to about AUD 54 million. In this arbitration, both CPB and Saipem filed separate counterclaims against Chevron, currently quantified, respectively, at AUD 1.9 billion (it is noted that the items of damages proposed by CPB against Chevron appear, in large part, superimposable to those proposed by CPB against Saipem in the arbitration between the latter two, referred to in the first part of this paragraph) and AUD 23 million. The hearings of these proceedings were held in November 2019 and the parties are now awaiting the award, which is expected during the first half of 2020.

#### ***Arbitration with National Company for Infrastructure Projects Development Construction and Services KSC (Closed), formerly Kharafi National KSC (Closed) - Booster Station 171 (Kuwait) Project ('BS171')***

On March 18, 2019, the International Chamber of Commerce of Paris, at the request of the National Company for Infrastructure Projects Development Construction and Services KSC (Closed) (formerly Kharafi National KSC, for convenience, hereinafter 'Kharafi') notified Saipem of a request for arbitration, in which Kharafi requested that Saipem be ordered to pay sums of at least KWD 38,470,431 as extra-costs deriving from alleged breaches of contract, in addition to KWD 8,400,000 by way of refund of the amount collected by Saipem in 2016 following the enforcement (illegitimate according to Kharafi) of the bond issued by Kharafi to guarantee project performance.

The dispute pertains to subcontract No. 526786 signed by Saipem and Kharafi on August 27, 2010, relating to the BS171 project (final client KOC) terminated by Saipem on July 30, 2016 for serious breaches and delays by Kharafi in the execution of the works, with consequent enforcement of the aforementioned performance guarantee.

Appearing in court, on May 17, 2019 Saipem filed its response to the request for arbitration, contesting the requests by Kharafi and making a counterclaim, which involves: (i) a payment of KWD 14,964,522; and (ii) the recognition of Saipem's enforcement of the performance bond and the consequent rejection of the reimbursement claim for the same amount (KWD 8,400,000) made by Kharafi.

On January 24, 2020, Kharafi filed its Statement of Case and Schedule of Loss in which it clarified its demands, reducing them to KWD 31,852,377 (this amount includes KWD 8.4 million by way of return of the performance bond). Saipem shall file its Statement of Defence and Counterclaim on April 9, 2020.

As of the date of this Base Prospectus, the hearings are expected to begin on July 5, 2021, lasting three weeks.

#### ***Consob Resolution of March 2, 2018***

With reference to Consob Resolution No. 20324 of March 2, 2018 ('the Resolution') the contents of which are described in the following paragraph 'Information regarding censure by Consob pursuant to Article 154-ter, subsection 7, of Legislative Decree No. 58/1998 and the notice from the Consob Offices dated April 6, 2018', the Board of Directors of Saipem resolved on March 5, 2018 to appeal the Resolution in the competent courts.

The appeal to the TAR - Lazio was filed on April 27, 2018. Following access to the administrative proceedings, on May 24, 2018 Saipem filed with the TAR-Lazio additional grounds for appeal against the aforementioned Resolution. The date for the hearing before TAR-Lazio has not yet been scheduled.

### ***Consob Resolution of February 21, 2019***

With reference to Consob Resolution No. 20828 of February 21, 2019, communicated to Saipem on March 12, 2019 ('the Resolution') the contents of which are described in the following paragraph 'Information regarding censure by Consob pursuant to Article 154-ter, subsection 7, of Legislative Decree No. 58/1998 and the notice from the Consob Offices dated April 6, 2018', the Board of Directors of Saipem resolved on April 2, 2019 to appeal the Resolution before the Court of Appeals of Milan.

On April 12, 2019, Saipem appealed, pursuant to Article 195 TUF, against the Resolution before the Milan Court of Appeal, requesting its cancellation. A similar appeal was filed by the two individuals sanctioned under the Resolution, i.e. the Chief Executive Officer of Saipem and the Chief Financial Officer and Manager responsible for Financial Reporting in office at the time of the events. The first hearing before the Milan Court of Appeal was held on November 13, 2019. On that day, the Milan Court of Appeal postponed the discussion until November 4, 2020.

### **Ongoing investigations. Public Prosecutor's Office of Milan - 2015 and 2016 Financial Statements.**

#### ***Prospectus of the January 2016 capital increase***

On January 22, 2019, the Public Prosecutor's Office of Milan notified Saipem of a '*local search warrant and seize notice of investigation*', in relation to the alleged administrative offence pursuant to Articles 5, 6, 7, 8 and 25-ter - lett. B), Legislative Decree No. 231/2001, based on the alleged crime of false accounting allegedly committed from April 2016 to April 2017, as well as in relation to the alleged unlawful administrative act pursuant to Articles 5, 6, 7, 8 and 25-sexies of Legislative Decree No. 231/2001, based on the alleged crime of manipulation of the market, allegedly committed from October 27, 2015 to April 2017.

At the same time, the Public Prosecutor's Office of Milan notified the Chief Executive Officer of the Company, as well as, for various reasons, two of its managers (including the former Manager responsible for the preparation of financial reports appointed on June 7, 2016 and in charge up to the May 16, 2019, who left the Company on March 31, 2020) and a former manager of an investigation concerning the following offences: (i) false accounting relating to the 2015 and 2016 financial statements; (ii) manipulation of the market allegedly committed from October 27, 2015 to April 2017; and (iii) false statements in the Prospectus issued with reference to the documentation for the offer of the capital increase in January 2016.

Preliminary investigations are currently under way.

### **INFORMATION REGARDING CENSURE BY CONSOB PURSUANT TO ARTICLE 154-TER, SUBSECTION 7, OF LEGISLATIVE DECREE NO. 58/1998 AND THE NOTICE FROM THE CONSOB OFFICES DATED APRIL 6, 2018**

On January 30, 2018, Consob, having concluded its inspection commenced on November 7, 2016 (which ended on October 23, 2017) and about which Saipem gave information in the Annual Report 2016, has informed Saipem that it has detected non compliances in 'the Annual Report 2016, as well as in the Interim Consolidated Report as of June, 30 2017' with the applicable international accounting standards (IAS 1 'Presentation of Financial Statements'; IAS 34 'Interim Financial Reporting'; IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors', par. 5, 41 and 42; IAS 36 'Impairment of Assets', par. 31, 55-57) and, consequently, has informed Saipem about the commencement '*of proceedings for the adoption of measures pursuant to Article 154-ter, subsection 7, of Legislative Decree No. 58/1998*'.

With notes of February 13 and 15, 2018, the Company transmitted to Consob its own considerations in relation to the remarks formulated by the offices of Consob, highlighting the reasons for which it does not share such remarks.

On March 2, 2018, the Commission of Consob, partially accepting the remarks of the offices of Consob, informed Saipem of its own Resolution No. 20324 (the 'Resolution'), with which it ascertained the '*non-compliance of Saipem's Annual Report 2016 with the regulations governing their preparation*', without censuring the correctness of the Interim Consolidated Report as of June 30, 2017.

According to the Resolution, the non-compliance of Saipem's Annual Report 2016 with the regulations which govern its preparation, concerns in particular: (i) the incorrect application of the accrual basis of accounting affirmed by IAS 1; (ii) the non-application of IAS 8 in relation to the correction of errors with reference to the financial statements of 2015; and (iii) the estimation process of the discount rate pursuant to IAS 36.

Consob has therefore asked the Company, pursuant to Article 154-ter, subsection 7, of Legislative Decree No. 58 of 1998, to disclose the following elements of information to the markets:

- (A) the weaknesses and non-compliance identified by Consob in relation to the accounting correctness of the financial statements mentioned above;
- (B) the applicable international accounting standards and the violations detected in relation thereto;
- (C) the illustration, in an appropriate pro forma consolidated income statements and balance sheet – with comparative data – of the effects that accounting in compliance with the regulations would have produced on 2016 balance sheet, income statement and shareholders' equity, for which incorrect information was supplied.

- A. Weaknesses and non-compliance identified by Consob regarding the correctness of accounting in the consolidated and statutory financial statements of 2016.

The weaknesses and non-compliance identified by Consob with regard to the 2016 consolidated and statutory financial statements can be substantially attributed to the following two items:

- (a) non-compliance of the *'2016 consolidated and statutory Saipem S.p.A. financial statements with reference to the comparative data for 2015'*;
- (b) non-compliance of the process of estimation of the discount rate underpinning the 2016 impairment test with IAS 36 which requires that the Company must *'apply the appropriate discount rate to [...] future cash-flows'*.

With regard to point (a), the contestation concerns the non-compliance of the 2016 consolidated and statutory financial statements with:

- (i) IAS 1, par. 27, according to which *'an entity shall prepare its financial statements, except for cash flow information, using the accrual basis of accounting'* and par. 28, according to which *'when the accrual basis of accounting is used, an entity recognises items as assets, liabilities, equity, income and expenses (the elements of financial statements) when they satisfy the definitions and recognition criteria for those elements in the Framework'*; and
- (ii) IAS 8, par. 41, according to which *'[...], material errors are sometimes not discovered until a subsequent period, and these prior period errors are corrected in the comparative information presented in the financial statements for that subsequent period'* and par. 42 according to which *'the entity shall correct the material prior period errors retrospectively in the first financial statements authorised for issue after their discovery by (a) restating the comparative amounts for the year/years prior to the one in which the error occurred [...]'*.

In substance, in Consob's opinion, the circumstances at the basis of some of the impairment losses recognised in the 2016 financial statements already existed, wholly or in part, when preparing 2015 financial statements. Indeed, Consob alleges that the Company approved 2016 consolidated and statutory financial statements without having corrected the 'material errors' contained in the consolidated and statutory financial statements of the previous administrative period, in relation to the following items:

- 'property, plant and equipment';
- 'inventories';
- 'tax assets'.

With regard to point sub (b), Consob alleges that the Company, for the purposes of the impairment test: (i) used a single rate to discount business unit cash flows, characterised by a different risk profile; (ii) did not consider the country risk in relation to some assets operating in specific geographical areas over a long period of time; (iii) did not take into account the changes in the Company risk profile subsequent to the transaction that determined the deconsolidation of Saipem from the Eni Group.

B. The applicable accounting standards and the violations encountered in relation thereto.

Consob holds that the 2016 consolidated and statutory financial statements of Saipem at December 31, 2016, were not compliant with the following standards: IAS 1, IAS 8 and IAS 36.

Specifically, Consob has observed that the Company approved the 2016 consolidated and statutory financial statements without having corrected the 'material errors' contained in the consolidated and statutory financial statements of the previous period, in relation to the following items:

- 'property, plant and equipment';
- 'inventories';
- 'tax assets'.

With reference to the item 'property, plant and equipment' at December 31, 2015, Consob alleges the incorrect application of IAS 16 'Property, plant and equipment' and of IAS 36.

Specifically, Consob alleges that some impairment losses carried out by the Company on 'property, plant and equipment' in the 2016 consolidated financial statements 2016 should have been accounted for, at least in part, in the previous year.

In particular Consob alleges:

- (i) the incorrect application of IAS 36 with reference to the impairment test of some assets recognised as 'property, plant and equipment' of the Offshore Drilling business unit and with respect to the assets recognised in the Offshore and Onshore Engineering & Construction business units. Consob's remarks refers to the methods used to estimate cash flows expected from the use of said assets for the purposes of the application of the impairment test with respect to 2015 and specifically to the incorrect application of IAS 36: (a) par. 33, lett. a), according to which '*in measuring value in use an entity shall: a) base cash flow projections on reasonable and supportable assumptions that represent management's best estimate of the range of economic conditions that will exist over the remaining useful life of the asset. Greater weight shall be given to external evidence*'; (b) par. 34 in the part that requires that management assesses the reasonableness of the assumptions on which its current cash flow projections are based by examining the causes of differences between past cash flow projections and actual cash flows. Management shall ensure that the assumptions on which its current cash flow projections are based are consistent with past actual outcomes, provided the effects of subsequent events or circumstances that did not exist when those actual cash flows were generated make this appropriate; (c) par. 35 in the part that refers to the approach to be followed when use is made of cash flow projections over a period longer than five years, highlighting that said approach is allowed '*if [the entity] is confident that these projections are reliable and it can demonstrate its ability, based on past experience, to forecast cash flows accurately over that longer period*';
- (ii) the incorrect application of IAS 16, paragraphs 51, 56 and 57 with reference to the residual useful life of some assets registered as 'property, plant and equipment' of the Onshore Drilling business unit, of the Offshore Engineering & Construction business unit and of the Onshore Engineering & Construction business unit. Consob's remarks concern the circumstances that the review of the estimation of the residual useful life of assets cited (reported in the 2016 financial statements) should have already been done in the financial year 2015. Specifically, Consob alleges that IAS 16: (a) par. 51 was not correctly applied in the part that requests that '*the residual value and the useful life of an asset shall be reviewed at least at each financial year-end and, if expectations differ from previous estimates, the change(s) shall be accounted for as a change in an accounting estimate in accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors*'; (b) par. 56 in the part that requires that '*the future economic benefits embodied in an asset are consumed by an entity principally through its use. However, other factors, such as technical or commercial obsolescence and wear and tear while an asset remains idle, often result in the diminution of the economic benefits that might have been obtained from the asset*' [...]; par. 57 in the part that requires that '*the useful life of an asset is defined in terms of the asset's expected utility to the entity. The asset management policy of the entity may involve the disposal of assets after a specified time or after consumption of a specified proportion of the future economic benefits embodied in the asset. Therefore, the useful life of an asset may be shorter than its economic life. The estimation of the useful life of the asset is a matter of judgement based on the experience of the entity with similar assets*'.

As a consequence of the above mentioned remarks, Consob likewise does not agree with the recognition of the impairment losses included in the 2016 consolidated and statutory financial statements with reference to some inventories and to a deferred tax asset related to the items criticised by Consob for which the items of the impairment loss according to Consob should have been accounted for in 2015.

Consob notes in this regard:

- (i) IAS 2, par. 9, that *'inventories shall be measured at the lower of cost and net realisable value' and at par. 30 that 'estimates of net realisable value are based on the most reliable evidence available at the time the estimates are made, of the amount the inventories are expected to realise'*;
- (ii) IAS 12 in the part that requires at par. 34 that *'a deferred tax asset shall be recognised for the carryforward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised' and that 'to the extent that it is not probable that taxable profit will be available against which unused tax losses or unused tax credits can be utilised, the deferred tax asset is not recognised'*.

Furthermore, Consob criticises the process of estimating the discount rate at the base of the impairment test for 2016 in so far as it is characterised by an approach that is not compliant with IAS 36 which requires that the Company *'shall apply the appropriate discount rate to the future cash flows'* More precisely, with respect to 2016 Consob does not agree with the approach taken by the Company, i.e., with reference to the execution of the impairment test it: (i) has used a single rate to discount cash flows of different business units which are characterised by different risk profiles; (ii) has not considered the country risk in relation to some assets operating in specific geographical areas over a long period of time.

In relation to the above, Consob also alleges the violation of the principle of correct representation of the company's situation which would not guarantee the observance of fundamental assumptions and qualitative characteristics of information.

Consob believes, in fact, that the importance of the errors and the significance of the shortcomings can likewise determine the non-compliance of the aforementioned financial statements with the requirements of reliability, prudence and completeness, pursuant to IAS 1.

- C. Illustration, in appropriate pro-forma consolidated statement of financial position and income statement – supported by comparative data – of the effects that accounting in compliance with the regulations would have produced on the Company's financial position and on equity at December 31, 2016 and the income statement for the year then ended, for which incorrect information was supplied.

While not sharing the judgement of non-compliance of the 2016 consolidated and statutory financial statements put forward by Consob in its Resolution, Saipem points out that the 2016 consolidated and statutory financial statements of the Company were approved by the Board of Directors on March 16, 2017 and by the Shareholders' Meeting on April 28, 2017 and were subject to audit pursuant to Legislative Decree No. 39 of January 27, 2010 and the report was issued on April 3, 2017.

In addition, with the press release of March 6, 2018, Saipem reported that *'the Board of Directors of Saipem, in disagreement with the Resolution of Consob, resolved on March 5, 2018 to appeal the Resolution in the competent courts'*.

On March 21, 2018 for the purposes of ensuring a correct interpretation, and in order to implement the findings of the Resolution, the Company filed a petition with Consob in order to obtain interpretative clarifications suitable for overcoming the technical and evaluation complexities related to the findings of the Authority and to be able, in this way, to inform the market correctly, reaffirming that it does not share – and has no intention of accepting – the judgement of non-compliance of the consolidated and statutory financial statements as at December 31, 2016.

On April 27, 2018, Saipem lodged an appeal with the Regional Administrative Court ("TAR") of Lazio requesting the annulment of the Resolution and of any other presumed or related act and/or provision.

On May 24, 2018, Saipem filed with the TAR-Lazio additional grounds for appeal against the aforementioned Resolution.

The date for the hearing before the TAR-Lazio has not yet been scheduled.

On April 16, 2018, Saipem issued a press release regarding the pro forma consolidated income statements and statement of financial position as at December 31, 2016 for the sole purpose of complying with the Resolution.

On April 6, 2018, after the closure of the market, the Offices of the Italian securities market regulator Consob (*Divisione Informazione Emittenti* – Issuer Information Division) announced with their communication No. 0100385/18 (the ‘Communication’), that they started an administrative sanctioning procedure, claiming some violations pursuant to Articles 191 and 195 of Italian Legislative Decree No. 58/1998 (the ‘Consolidated Financial Act’), relating to the offer documentation (Prospectus and Supplement to the Prospectus) made available to the public by Saipem on the occasion of its capital increase operation, which took place in January and February 2016. The alleged violations were exclusively addressed to the members of the Board of Directors and the Chief Financial Officer/Officer Responsible for Financial Reporting in office at that time.

The Offices of Consob, in communicating their allegations to the interested parties also pointed out that, if the alleged violations were ascertained by the Commission of Consob at the outcome of the procedure, said violations ‘*would be punishable by an administrative fine between €5,000 and €500,000*’.

Saipem received notice of the communication solely as guarantor *ex lege* for the payment ‘*of any economic fines that may eventually be charged to the company executives at the outcome of the administrative procedure*’.

The allegations follow Consob Resolution No. 20324 of March 2, 2018 (the ‘Resolution’), the content of which was communicated to the market by the Company with its press release of March 5, 2018. The Resolution – with which, as also communicated to the market, the Company disagreed and that it will appeal before the Regional Administrative Tribunal (TAR) of Lazio – alleged, among other things, ‘*the inconsistency of the assumptions and elements underlying the Strategic Plan for 2016-2019 with respect to the evidence at the disposal of the administrative bodies*’, as the indicators of possible impairment of value of the assets, later impaired by Saipem in its nine-month interim report as of September 30, 2016 would already have existed, in the opinion of Consob, at the time of approval of the consolidated financial statements of 2015.

With its Communication, the Offices of Consob have charged the company executives who, at the time of the capital increase, performed management functions, with the violations that are the subject of the Resolution and have already been communicated to the market, as stated above. The Offices of Consob further claim certain ‘*elements relative to the incorrect drafting of the declaration on the net working capital*’ required by the standards in force applicable to the prospectus.

The foregoing would imply, according to the Offices of Consob, ‘*the inability of the offer documentation to ensure that the investors would be able to formulate a well-grounded opinion about the equity and financial position of the issuer, its economic results and prospects, pursuant to Article 94, sections 2 and 7, of the Consolidated Financial Act, with regard to the information concerning: a) estimates of the Group’s results for 2015 (Guidance 2015 and underlying assumptions); b) forecast of the Group results drawn from the Strategic Plan for 2016-2019 and underlying assumptions; c) the declaration on the Net Working Capital*’.

Also according to the Offices of Consob, Saipem would have additionally omitted, in violation of Article 97, section 1 and Article 115, section 1, letter a), of the Consolidated Financial Act, to report to Consob ‘*information pertaining to: (i) the assumptions underlying the declaration on its Net Working Capital; (ii) the availability of an updated ‘Eni Scenario’ on the price of oil; and (iii) the existence of significant amendments to the assumptions underlying the Strategic Plan for 2016-2019*’. On July 4, 2018 Saipem, as guarantor *ex lege* for the payment ‘*of any fines that may eventually be charged to the company executives at the outcome of the administrative procedure*’, submitted its defence to Consob.

Saipem and all the company executives who have received the Communication have proceeded to file their defences with the Consob Offices.

Consob, with its Resolution No. 20828 of February 21, 2019, communicated to Saipem on March 12, 2019 and adopted at the outcome of the procedure for application of a fine initiated on April 6, 2018, applied the following fines: a) €200,000 on the company CEO; b) €150,000 on the Officer responsible for financial reporting in office at the time of the capital increase in 2016.

Consob also sentenced Saipem to a payment of €350,000, as the party jointly liable for payment of the aforementioned administrative fines with the two persons fined pursuant to Article 195, section 9, of the

Consolidated Financial Act (in force at the time of the alleged violations), with obligation to recourse against the authors of the alleged breaches.

Consob ordered the filing of the procedure launched on April 6, 2018, against the non-executive Directors in office at the time of the facts alleged.

The Board of Directors of Saipem resolved on April 2, 2019 to appeal Resolution No. 20828 before the Court of Appeal.

A similar appeal was filed by the two individuals sanctioned under the Resolution, i.e. the Chief Executive Officer of Saipem and the Chief Financial Officer and Officer responsible for Financial Reporting in office at the time of the events. The first hearing before the Milan Court of Appeal was held on November 13, 2019. On that day, the Milan Court of Appeal postponed the discussion until November 4, 2020.

### **Ongoing investigations.**

#### ***Public Prosecutor's Office of Milan - 2015 and 2016 Financial Statements. Prospectus of the January 2016 capital increase***

On January 22, 2019, the Public Prosecutor's Office of Milan notified Saipem of a '*local search warrant and seizure notice of investigation*', in relation to the alleged administrative offence pursuant to Articles 5, 6, 7, 8 and 25-ter - lett. B), Legislative Decree No. 231/2001, based on the alleged crime of false accounting allegedly committed from April 2016 to April 2017, as well as in relation to the alleged unlawful administrative act pursuant to Articles 5, 6, 7, 8 and 25-sexies of Legislative Decree No. 231/2001, based on the alleged crime of manipulation of the market, allegedly committed from October 27, 2015 to April 2017.

At the same time, the Public Prosecutor's Office of Milan notified the Chief Executive Officer of the Company, as well as, for various reasons, two of its managers (including the former Manager responsible for the preparation of financial reporting appointed on June 7, 2016 and in charge up to the May 16, 2019, who left the Company on March 31, 2020) and a former manager of an investigation concerning the following offences: (i) accounting relating to the 2015 and 2016 financial statements; (ii) manipulation of the market allegedly committed from October 27, 2015 to April 2017; and (iii) false statements in the Prospectus issued with reference to the documentation for the offer of the capital increase in January 2016.

Preliminary investigations are currently still under way.

### **Employees**

As of 31 December 2019 the Group has 32,528 employees.

### **Material Agreements**

#### ***The Financing***

On 27 October 2015, Saipem, and Banca IMI, Citigroup, Deutsche Bank, Luxembourg S.A., Mediobanca and UniCredit S.p.A., in their capacity as mandated lead arrangers and bookrunners ("**Mandated Lead Arrangers**" and "**Bookrunners**"), Goldman Sachs and J.P. Morgan in their capacity as joint lead arrangers ("**Joint Lead Arrangers**"), Intesa Sanpaolo S.p.A., Citibank N.A., Milan Branch, Deutsche Bank, Luxembourg S.A., Mediobanca and UniCredit S.p.A. in their capacity as underwriters ("**Underwriters**"), as well as Goldman Sachs Lending Partners LLC and JPMorgan Chase Bank N.A., Milan Branch in their capacity as take and hold underwriters (the "**Take and Hold Underwriters**" together with the Mandated Lead Arrangers and the Underwriters, the "**Banks**"), signed a mandate letter ("**Mandate Letter**"). The purpose of the Mandate Letter is the description of an unsecured loan for a maximum amount of Euro 4.7 billion (the "**Loan**") being provided to Saipem and to SFI (together the "**Beneficiaries**") according to the terms and conditions summarized in the Term Sheet. On 27 October 2015, Saipem signed a mandate letter (the "**Mandate Letter**") with Banca IMI S.p.A., Deutsche Bank AG, London Branch, Citigroup Global Markets Limited, Mediobanca – Banca di Credito Finanziario S.p.A., UniCredit S.p.A., with Goldman Sachs International and J.P. Morgan Limited, Intesa Sanpaolo S.p.A., Citibank, N.A., Milan Branch, Deutsche Bank AG, Luxembourg branch, Goldman Sachs Lending Partners LLC and J.P. Morgan Chase Bank, N.A., Milan Branch related to the establishment of an unsecured loan for a maximum amount of Euro 4,700,000,000 (the "**Loan**") pursuant to the terms and conditions summarized in the Term Sheet attached thereto for the benefit of Saipem and to Saipem Finance International B.V. ("**SFI**", and together with Saipem, the "**Beneficiaries**").

On 10 December 2015 (the "**Signing Date**") the Beneficiaries and Citigroup Global Markets Limited and Mediobanca—Banca di Credito Finanziario S.p.A., in the capacity of Documentation Agents, Banca IMI S.p.A. in the capacity of agent as well as Citigroup Global Market Limited, Deutsche Bank AG, London Branch, Banca IMI S.p.A., Mediobanca – Banca di Credito Finanziario S.p.A., UniCredit S.p.A., J.P. Morgan Limited, and Goldman Sachs, International Bank in the capacity of Initial Arrangers, Bank of China Limited, Luxembourg Branch, BNP Paribas, Italian Branch, DNB Bank ASA, London Branch, ABN AMRO Bank N.V., HSBC Bank plc, Milan branch, ING Bank N.V.—Milan Branch, ING Bank N.V.—Milan Branch, and Standard Chartered Bank, in the capacity of Additional Mandated Lead Arrangers, Intesa Sanpaolo S.p.A., Citibank N.A., Milan Branch, Deutsche Bank Luxembourg S.A., Mediobanca – Banca di Credito Finanziario S.p.A., UniCredit S.p.A., Goldman Sachs International Bank, JP Morgan Chase Bank N.A., Milan Branch, Bank of China Limited, Luxembourg Branch, BNP Paribas, Italian Branch, DNB Bank ASA, London Branch, HSBC Bank plc Milan Branch, ING Bank N.V. – Milan Branch, Standard Chartered Bank, Banca Popolare di Sondrio S.c.p.A., Banca Popolare di Milano Soc. Coop.a r.l., Banco Santander S.A., Milan Branch, ICBC (Europe) S.A., Milan Branch, Mizuho Bank, LTD, Milan Branch and Banca Monte dei Paschi di Siena S.p.A., Unione di Banche Italiane S.p.A. and ABN AMRO Bank N.V. in the capacity of Original Lenders (these last ones the "**Original Lending Banks**" and, jointly with any of their successors or assignees, the "**Lending Banks**") signed the Loan, governed by English law and drafted on the basis of the model prepared by the Loan Market Association for loan agreements of similar nature.

The overall amount of the Loan is divided into three distinct lines of credit ("**Lines of Credit**"):

- a "term facility" in the form of an amortizing type loan of Euro 1.6 billion to be used for the partial financing of the debt owed by Saipem and SFI to the Eni Group and to be repaid within five years from the Signing Date according to an amortization plan consisting of six half-yearly installments of equal amount beginning from the 30th month after the Signing Date;
- a "revolving facility" of Euro 1.5 billion to be used for financing the general expenses of the Group and to be paid back within five years from the Signing Date; and
- a "bridge to bond facility" a bullet-type loan of Euro 1.6 billion to be used for the partial repayment of Saipem's and SFI's debt to the Eni Group and to be paid back by 1 July 2017. This date can be extended by a further six months, subject to the payment of an appropriate extension fee.

The "term facility" and the "bridge to bond facility" were fully disbursed on 26 February 2016. The proceeds from the drawdown of such facilities were mainly utilized, together with the proceeds of the Euro 3.5 billion capital increase of Saipem closed on 23 February 2016, for the repayment in full of the indebtedness previously owned by Saipem and SFI to the ENI Group.

As at the date of this Base Prospectus the "term facility" and the "bridge to bond facility" have been fully repaid.

On 27 July 2018 the maturity of the "revolving facility" was extended from December 2020 to July 2023 and the total amount was reduced from Euro 1,500 million to Euro 1,000 million.

As at the date of this Base Prospectus the "revolving facility" is fully undrawn and it may be utilized by Saipem or SFI at any time up to the date that falls one month prior to 27 July 2023.

The Loan benefits from some intragroup guarantees (upstream guarantees) issued (without prejudice to their possible replacement in accordance with the terms and conditions of the Loan) by the following companies:

- Saipem (Portugal) - Comercio Maritimo, Sociedade Unipessoal Lda;
- Saipem SA.;
- Sofresid SA.;
- Saipem Ltd.;
- Saipem Offshore Norway AS.;
- Saipem Drilling Norway AS.;
- Saipem Contracting NL BV.;
- Global Petroprojects Serv. AG;

- Saipem Luxembourg S.A.; and
- Saipem Contracting Nigeria Limited.

By signing the Loan, Saipem has also issued an independent first demand guarantee in favor of the Lending Banks to guarantee the timely and full compliance of the payment obligations undertaken by SFI pursuant to the Loan.

The Loan documentation contain the obligation for Saipem and SFI to repay in advance the Loan upon the occurrence of certain events, as well as a series of obligations, which are customary for similar transactions.

In addition to the above, the Beneficiaries have made certain representations and warranties, which are customary for similar transactions, regarding themselves or, where applicable, the Group companies.

#### ***UniCredit S.p.A.***

On 17 December 2014, Saipem and UniCredit S.p.A. signed a debt financing agreement pursuant to which UniCredit S.p.A. granted Saipem a loan of Euro 250 million maturing on 17 December 2017 (the "**UniCredit Loan**").

On 21 July 2016 Saipem and UniCredit S.p.A. signed an agreement pursuant to which the terms and conditions of the Unicredit Loan were renegotiated as well as the maturity of the loan, which was extended until July 2019. In the context of the Unicredit Loan, Saipem has made certain representations and warranties and has undertaken certain obligations which are customary for similar transactions.

#### ***BPER Banca S.p.A.***

On 12 December 2016, Saipem and BPER Banca S.p.A. signed a debt financing agreement pursuant to which BPER Banca S.p.A. granted to Saipem a loan of Euro 100 million maturing on 12 December 2019 (the "**BPER Loan**"). The BPER Loan was fully disbursed on 14 December 2016 and the proceeds were used to repay the Bridge to Bond facility. In the context of the BPER Loan, Saipem has made certain representations and warranties and has undertaken certain obligations which are customary for similar transactions.

#### ***Garantiinstituttet for Eksportkreditt ("GIEK") guaranteed export credit facility***

On 1 July 2016 Saipem subscribed for a new credit facility of up to Euro 554 million to be used for the financing or refinancing of Saipem's purchases of equipment and services from Norwegian exporters (the "**GIEK Facility**"). The GIEK Facility is supported by Garantiinstituttet for Eksportkreditt (GIEK), the Norwegian Export Credit Guarantee Agency, and provided mainly by Citibank N.A. and Eksportkreditt Norge AS (EK), acting as Original Lenders. The GIEK Facility will be available for utilization by Saipem until 30 June 2018 through several tranches, each with a tenor of 8.5 years. A first tranche in the amount of Euro 195 million was drawn in August 2016, and a second tranche in the amount of Euro 93 million was drawn in December 2016. Both tranches were utilized by Saipem for the repayment of the Bridge to Bond facility. In the context of the GIEK Facility, Saipem has made certain representations and warranties and has undertaken certain obligations which are customary for similar transactions.

On 29 June 2018, Saipem subscribed an amendment letter in order to extend the availability period of the undrawn amount of the GIEK facility until 20 December 2019.

#### ***"Atradius" guaranteed export credit facility***

On 30 March 2017 Saipem subscribed for a new credit facility of 260 million to be used for the refinancing of Saipem's purchases of equipment from Dutch exporters (the "**Atradius Facility**") in the context of the Kaombo project. The Atradius Facility is supported by Atradius, the Dutch Export Credit Guarantee Agency, and provided by DeakaBank Deutsche Girozentrale, Citibank N.A. and ABN AMRO Bank N.V., acting as Lenders. The Atradius Facility will be available for utilization by Saipem until 30 March 2019 through several tranches, each with a tenor of 8.5 years. A first tranche in the amount of Euro 15 million was drawn in May 2017. In the context of the Atradius Facility, Saipem has made certain representations and warranties and has undertaken certain obligations which are customary for similar transactions.

### **Recent Developments**

On June 2, 2020, Saipem, in consortium with Bouygues Travaux Publics and Boskalis, has been awarded the design work, construction and installation scope for 71 concrete Gravity-Based Structures (GBS) as

foundation for the Fécamp offshore wind farm in Normandy, France. The award was made by EDF Renewables, Enbridge Inc and wpd Offshore. The contract carries a total value of Euro 552 million.

On May 13, 2020, Saipem, in joint venture with Daewoo E&C Co. Ltd and Chiyoda Corporation (SCD JV), has been awarded by Nigeria LNG Limited the contracts for the engineering, procurement & construction of the Nigeria LNG Train 7 Project to be executed at Bonny Island LNG complex in Nigeria. The overall value of the contracts is above 4 billion USD and Saipem's share amounts to around 2.7 billion USD. This award follows the signature of the Letter of Intent communicated by press release on 12th September 2019.

On April 15, 2020, following an analysis of the evolution of the effects of the COVID-19 pandemic on the global economic scenario and on the business activities, the Company resolved to withdraw the 2020 guidance, communicated on February 26, 2020, reserving the right to issue a new guidance should the market conditions become more stable.

On 27 March 2020 Moody's Deutschland GmbH published a research update affirming its "Ba1" rating for the "corporate family rating" and "Ba1" rating for the notes issued by Saipem Finance International B.V. The outlook has been revised from stable to negative.

On 3 March 2020 Saipem Finance International BV redeemed the notes named "*€500,000,000 3.000% notes due 8 March 2021*" issued by Saipem Finance International BV as part of the Euro Medium Term Note programme, by exercising the option for the early redemption of 100% of the nominal amount of the outstanding notes, in accordance with the terms and conditions set out in the notes regulations.

On 6 February 2020 Saipem has been awarded new E&C Offshore contracts in several countries around the world: for Saudi Aramco, a Long Term Agreement contract in force until 2021 in Saudi Arabia; for Eni Angola, a development contract for the Cabaça field and the Agogo preliminary phase 1 in Western Africa; on behalf of Noble Energy, a contract for the installation of an offshore gas pipeline connecting the Alen platform to Punta Europa on the coast of Equatorial Guinea; other smaller contracts relating to the decommissioning of existing infrastructures on the Thistle field in the North Sea, to be performed by the Saipem 7000 and two offshore transport and installation contracts in the Middle East and the Gulf of Mexico.

On 15 January 2020 the Court of Appeal of Milan (Criminal Court Section II) pronounced judgement in the Second Instance proceedings concerning offences allegedly committed in Algeria up to March 2010 relating to certain contracts, which were completed many years ago. Specifically, the Court of Appeal of Milan today pronounced its appeal judgement fully upholding the appeal of Saipem and of the individuals charged (including some former managers of Saipem who all left the Company between 2008 and 2012), stating, among other things, the absence of the administrative offence of Saipem because of the inexistence of the alleged facts, revoking the confiscation of the price of the offence that was pronounced in the First Instance by the Court of Milan, pursuant to article 19 of Legislative Decree 231/2001.

**OVERVIEW OF THE FINANCIAL INFORMATION OF SAIPEM GROUP**

**CONSOLIDATED ANNUAL BALANCE SHEET AS AT 31 DECEMBER 2018 AND 31  
DECEMBER 2019**

<i>(€ million)</i>	<b>Dec. 31, 2018</b>	<b>Dec. 31, 2019</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	1,674	2,272
Financial assets measured at fair value through OCI	86	87
Other financial assets	34	180
Lease assets	-	8
Trade receivables and other assets	2,610	2,601
Inventories	303	303
Contract assets	1,086	1,028
Tax assets	201	251
Other tax assets	117	167
Other assets	100	115
<b>Total current assets</b>	<b>6,211</b>	<b>7,012</b>
<b>Non-current assets</b>		
Property, plant and equipment	4,326	4,129
Intangible assets	702	698
Right-of-Use assets	-	584
Equity-accounted investments	119	133
Other equity investments	-	-
Other financial assets	-	69
Lease assets	-	8
Deferred tax assets	250	297
Tax assets	-	24
Other assets	67	55
<b>Total non-current assets</b>	<b>5,464</b>	<b>5,997</b>
Assets held for sale	2	-
<b>TOTAL ASSETS</b>	<b>11,677</b>	<b>13,009</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities</b>		
Current financial liabilities	80	164
Current portion of non-current financial liabilities	225	244
Current portion of non-current lease liabilities	-	149
Trade payables and other liabilities	2,674	2,528
Contract liabilities	1,205	1,848
Tax liabilities	46	87
Other tax liabilities	108	139
Other liabilities	92	45
<b>Total current liabilities</b>	<b>4,430</b>	<b>5,204</b>
<b>Non-current liabilities</b>		
Non-current financial liabilities	2,646	2,670
Non-current lease liabilities	-	477
Provisions for risks and charges	330	253
Employee benefits	208	246
Deferred tax liabilities	18	6
Tax liabilities	-	27
Other liabilities	9	1
<b>Total non-current liabilities</b>	<b>3,211</b>	<b>3,680</b>
<b>TOTAL LIABILITIES</b>	<b>7,641</b>	<b>8,884</b>
<b>EQUITY</b>		
Non-controlling interests	74	93
Equity attributable to the owners of the parent:		
- share capital	2,191	2,191

- share premium	553	553
- other reserves	(122)	(24)
- retained earnings	1,907	1,395
- profit (loss) for the year	(472)	12
- negative reserve for treasury shares in portfolio	(95)	(95)
<b>Total equity</b>	<b>4,036</b>	<b>4,125</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>11,677</b>	<b>13,009</b>

**CONSOLIDATED ANNUAL STATEMENTS OF INCOME AS AT 31 DECEMBER 2018 AND 31 DECEMBER 2019**

<i>(€ million)</i>	<b>31.12.2018</b>	<b>31.12.2019</b>
<b>REVENUE</b>		
Core business revenue	8,526	9,099
Other revenue and income	12	19
<b>Total revenue</b>	<b>8,538</b>	<b>9,118</b>
<b>Operating expenses</b>		
Purchases, services and other costs	(6,110)	(6,240)
Net reversals of impairment losses (impairment losses) on trade receivables and other assets	(57)	(62)
Personnel expenses	(1,522)	(1,670)
Depreciation, amortisation and impairment losses	(811)	(690)
Other operating income (expense)	(1)	-
<b>OPERATING PROFIT (LOSS)</b>	<b>37</b>	<b>456</b>
<b>Financial income (expense)</b>		
Financial income	209	515
Financial expense	(268)	(643)
Derivative financial instruments	(106)	(82)
<b>Net financial income (expense)</b>	<b>(165)</b>	<b>(210)</b>
<b>Gains (losses) on equity investments</b>		
Share of profit (loss) of equity-accounted investees	(87)	(18)
Other gains (losses) from equity investments	(1)	-
<b>Net gains (losses) on equity investments</b>	<b>(88)</b>	<b>(18)</b>
<b>PRE-TAX PROFIT (LOSS)</b>	<b>(216)</b>	<b>228</b>
Income taxes	(194)	(130)
<b>PROFIT (LOSS) FOR THE YEAR</b>	<b>(410)</b>	<b>98</b>
Attributable to:		
- owners of the parent	(472)	12
- non-controlling interests	62	86
<b>Earnings (loss) per share</b>		
<b>attributable to owners of the parent</b> (€ per share)		
Basic earnings (loss) per share	(0.47)	0.01
Diluted earnings (loss) per share	(0.46)	0.01

**CONSOLIDATED ANNUAL CASH FLOW STATEMENTS AS AT 31 DECEMBER 2018 AND 31 DECEMBER 2019**

<i>(€ million)</i>	<b>31.12.2018</b>	<b>31.12.2019</b>
Profit (loss) for the year	(472)	12
Non-controlling interests	62	86
Adjustments to reconcile profit (loss) to cash flows from operating activities		
- depreciation and amortisation	464	615
- net impairment losses (reversals of impairment losses) on property, plant and equipment	347	75
- share of profit (loss) of equity-accounted investees	87	18
- net (gains) losses on disposal of assets	4	(2)
- interest income	(6)	(6)
- interest expense	91	119
- income taxes	194	130
- other changes	(66)	153
Changes in working capital:		
- inventories	21	2
- trade receivables	(272)	92
- trade payables	140	(139)
- provisions for risk and charges	(43)	(7)
- contract assets and contract liabilities	230	700
- other assets and liabilities	183	(337)
<i>Cash flows from working capital</i>	<i>259</i>	<i>311</i>
Change in the provision for employee benefits	8	21
Dividends received	4	6
Interest received	6	5
Interest paid	(75)	(92)
Income taxes paid net of refunds of tax credits	(196)	(194)
<b>Net cash flows generated by operating activities</b>	<b>711</b>	<b>1,257</b>
<i>of which with related parties</i>	<i>1,425</i>	<i>2,441</i>
Investments:		
- property, plant and equipment	(467)	(327)
- intangible assets	(18)	(9)
- equity investments	(27)	(45)
- securities for operating purposes	-	-
- loan assets for operating purposes	-	-
<i>Cash flows from investments</i>	<i>(512)</i>	<i>(381)</i>
Disposals:		
- property, plant and equipment	1	9
- out-of-scope entities and business units	-	-
- equity investments	-	2
- securities for operating purposes	-	-
- loan assets for operating purposes	-	-
<i>Cash flows from disposals</i>	<i>1</i>	<i>11</i>
<i>Net variation of securities and loan assets not related to operations</i>	<i>(40)</i>	<i>(146)</i>
<b>Net cash flows used in investing activities</b>	<b>(551)</b>	<b>(516)</b>
<i>of which with related parties</i>	<i>-</i>	<i>146</i>
Increase in non-current loans and borrowings	222	432
Decrease in non-current loans and borrowings	(349)	(389)
Decrease in lease liabilities	-	(127)
Increase (decrease) in current loans and borrowings	(45)	83
	<b>(172)</b>	<b>(1)</b>
Net capital contributions by non-controlling interests	-	-
Sale (repurchase) of additional interests in consolidated subsidiaries	(64)	(15)
Dividend distribution	(15)	(62)
Sale (repurchase) of treasury shares	-	-
<b>Net cash flows used in financing activities</b>	<b>(251)</b>	<b>(78)</b>

<i>of which with related parties</i>	-	1
Effect of changes in consolidation scope	-	-
Effect of exchange differences and other changes on cash and cash equivalents	14	(65)
<b>Net variation in cash and cash equivalents</b>	<b>(77)</b>	<b>598</b>
<b>Cash and cash equivalents - opening balance</b>	<b>1,751</b>	<b>1,674</b>
<b>Cash and cash equivalents - closing balance</b>	<b>1,674</b>	<b>2,272</b>

## TAXATION

*Potential investors and sellers of Notes should be aware that they may be required to pay stamp taxes or other documentary taxes or fiscal duties or charges in accordance with the laws and practices of the country where the Notes are transferred or other jurisdictions. In addition, payments of interest on the Notes, or income derived from the Notes, may be or may become, subject to taxation, including withholding taxes, in the jurisdictions of the Issuers, in the jurisdiction of the holder of Notes, or in other jurisdictions in which the holder of Notes is required to pay taxes. Any such tax consequences may have an impact on the net income received from the Notes.*

*The statements herein regarding taxation are based on the laws in force as at the date of this Base Prospectus and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis. Neither the Issuer nor the Guarantor will update this summary to reflect changes in laws and if such a change occurs the information in this summary could become invalid.*

*This summary assumes that Saipem Finance International BV and Saipem are resident for tax purposes in The Netherlands and in Republic of Italy, respectively, are structured and conduct their business in the manner outlined in this Base Prospectus. Changes in the Issuer's and/or the Guarantor's organisational structure, tax residence or the manner in which each of them conducts its business may invalidate this summary. This summary also assumes that each transaction with respect to the Notes is at arm's length.*

*The following summary does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or commodities) may be subject to special rules. Prospective purchasers of the Notes are advised to consult their own tax advisers concerning the overall tax consequences of their ownership of the Notes.*

### ITALIAN TAXATION

#### Taxation of Notes issued by Saipem Finance International BV

##### *Italian resident Noteholders*

Italian Legislative Decree No. 239 of 1 April 1996 ("**Decree 239**") sets out the applicable tax treatment of interest, premium and other income (including the difference between the redemption amount and the issue price) (hereinafter collectively referred to as "**Interest**") from notes falling within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*) within the meaning of Article 44 of Italian Presidential Decree 22 December 1986, No. 917 ("**Decree 917**") issued, *inter alia*, by non-Italian resident companies. For these purposes, securities similar to bonds (*titoli similari alle obbligazioni*) are securities that incorporate an unconditional obligation of the issuer to pay at maturity an amount not lower than their nominal value, with or without the payment of periodic interest, and do not give any right to directly or indirectly participate in the management of the issuer or to the business in connection to which the securities were issued, nor to control the same.

Where the Italian resident holder of Notes issued by Saipem Finance International BV that qualify as *obbligazioni* or *titoli similari alle obbligazioni*, who is the beneficial owner of such Notes, is:

- (a) an individual not engaged in an entrepreneurial activity to which the Notes are connected (unless he has entrusted the management of his financial assets, including the Notes, to an authorized intermediary and has opted for the so called "*regime del risparmio gestito*" (the Asset Management Regime) according to Article 7 of Italian Legislative Decree No. 461 of 21 November 1997, as amended ("**Decree 461**"); or
- (b) a partnership (other than a *società in nome collettivo* or *società in accomandita semplice* or similar partnership) or a de facto partnership not carrying out commercial activities or professional association; or
- (c) private or public institutions, other than companies, trusts not carrying out mainly or exclusively commercial activities, the Italian State and public and territorial entities; or
- (d) an investor exempt from Italian corporate income taxation,

Interest payments relating to the Notes are subject to a tax, referred to as *imposta sostitutiva*, levied at the rate of 26 per cent. (either when Interest is paid or when payment thereof is obtained by the holder on a sale of the Notes). All the above categories are qualified as "net recipients".

Where the resident holders of the Notes described above under (a) and (c) are engaged in an entrepreneurial activity to which the Notes are connected, *imposta sostitutiva* applies as a provisional income tax. Interest will be included in the relevant beneficial owner's Italian income tax return and will be subject to Italian ordinary income taxation and the *imposta sostitutiva* may be recovered as a deduction from Italian income tax due.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not engaged in an entrepreneurial activity or social security entities pursuant to Legislative Decree No. 509 of 30 June 1994 and Legislative Decree No. 103 of 10 February 1996 may be exempt from any income taxation, including the *imposta sostitutiva*, on Interest if the Notes are included in a long-term savings account (*piano di risparmio a lungo termine*) that meets the requirements set forth in Article 1, paragraph 100 – 114, of Law No. 232 of 11 December 2016 (**Law 232**), Article 1, paragraph 211-215, of Law No. 145 of 30 December 2018 (**Law 145**), as implemented by the Ministerial Decree of 30 April 2019 or, for long-term savings accounts (*piani di risparmio a lungo termine*) established as of 1 January 2020, the requirements set forth in Article 13-bis of Decree No. 124 as converted with amendments into law by Law No. 157 of 19 December 2019, all as lastly amended and supplemented by Article 136 of Law Decree No. 34 of 19 May 2020 (**Decree 34/2020**).

Pursuant to Decree 239, the 26 per cent. *imposta sostitutiva* is applied by banks, *società di intermediazione mobiliare* (so called "**SIMs**"), fiduciary companies, *società di gestione del risparmio* ("**SGRs**"), stock brokers and other qualified entities identified by a decree of the Ministry of Finance ("**Intermediaries**" and each an "**Intermediary**") resident in Italy, or by permanent establishments in Italy of a non-Italian resident Intermediary, that intervene, in any way, in the collection of Interest or, also as transferees, in transfers or disposals of the Notes. For the purpose of the application of the *imposta sostitutiva*, a transfer of notes includes any assignment or other act, either with or without consideration, which results in a change of the ownership of the relevant notes or in a change of the Intermediary with which the notes are deposited.

Where the Notes and the relevant coupons are not deposited with an authorised Intermediary (or with a permanent establishment in Italy of a foreign Intermediary), the *imposta sostitutiva* is applied and withheld by any Italian Intermediary paying Interest to the Noteholders.

Where Interest on Notes is beneficially owned by Noteholders qualifying as net recipients, as defined above, and is not collected through the intervention of an Italian Intermediary and, as such, no *imposta sostitutiva* is applied, the Italian resident beneficial owners qualifying as net recipients will be required to declare Interest in their yearly income tax return and this will be subject to a final substitute tax at a rate of 26 per cent., unless the option for a different regime is allowed and made. Italian resident net recipients that are individuals not engaged in entrepreneurial activity may elect instead to pay ordinary personal income taxes at the progressive rates applicable to them in respect of Interest on such Notes: if so, the beneficial owners should be generally entitled to a tax credit for withholding taxes applied outside Italy, if any.

Payments of Interest in respect of Notes that qualify as *obbligazioni* or *titoli similari alle obbligazioni* are not subject to the 26 per cent. *imposta sostitutiva* if made to beneficial owners who are: (i) Italian resident corporations or permanent establishments in Italy of foreign corporations to which the Notes are effectively connected; (ii) Italian resident partnerships carrying out commercial activities (*società in nome collettivo* or *società in accomandita semplice*); (iii) Funds, SICAVs, SICAFs, Italian resident pension funds referred to in Legislative Decree No. 252 of 5 December 2005 ("**Decree 252**"), Italian resident real estate investment funds; and (iv) Italian resident individuals holding Notes not in connection with entrepreneurial activity who have entrusted the management of their financial assets, including the Notes, to an authorized financial intermediary and have opted for the Asset Management Regime. Such categories are qualified as "gross recipients".

To ensure payment of Interest in respect of the Notes without the application of 26 per cent. *imposta sostitutiva*, gross recipients indicated above under (i) to (iv) must (a) be the beneficial owners of payments of Interest on the Notes and (b) deposit the Notes in due time together with the coupons relating to such Notes directly or indirectly with an Italian authorised Intermediary (or permanent establishment in Italy of foreign Intermediary).

Where the Notes and the relevant coupons are not deposited with an Italian authorised Intermediary (or permanent establishment in Italy of foreign Intermediary), the *imposta sostitutiva* is applied and withheld by any Italian Intermediary paying Interest to the Noteholder and gross recipients that are Italian resident corporations or permanent establishments in Italy of foreign corporations to which the Notes are effectively connected are entitled to deduct *imposta sostitutiva* suffered from income taxes due.

Interest accrued on the Notes would be included in the corporate taxable income (and in certain circumstances, depending on the "status" of the Noteholder, also in the net value of production for purposes of regional tax on productive activities – IRAP) of beneficial owners who are Italian resident corporations or permanent establishments in Italy of foreign corporations to which the Notes are effectively connected, subject to tax in Italy in accordance with ordinary tax rules, and such beneficial owners should be generally entitled to a tax credit for any withholding taxes applied outside Italy on Interest on Notes.

Italian resident individuals holding Notes not in connection with entrepreneurial activity who have opted for the Asset Management Regime are subject to a 26 per cent. annual substitute tax (the "**Asset Management Tax**") on the increase in value of the managed assets accrued at the end of each tax year (which increase would include Interest accrued on the Notes). The Asset Management Tax is applied on behalf of the taxpayer by the managing authorised Intermediary.

If the investor is resident in Italy and is a Fund, a SICAV or a SICAF and the relevant Notes are held by an authorised intermediary, Interest accrued during the holding period on such Notes will not be subject to *imposta sostitutiva*, but must be included in the financial results of the Fund, the SICAV or the SICAF. The Fund, SICAV or SICAF will not be subject to taxation on such result, but a withholding tax of 26 per cent. will apply, in certain circumstances, to distributions made in favour of certain categories of unitholders or shareholders.

Where a Noteholder is an Italian resident real estate investment fund or an Italian real estate SICAF, to which the provisions of Law Decree No. 351 of 25 September 2001, Law Decree No. 78 of 31 May 2010, converted into Law No. 122 of 30 July 2010, and Legislative Decree No. 44 of 4 March 2014, all as amended, apply, Interest accrued on the Notes will be subject neither to *imposta sostitutiva* nor to any other income tax in the hands of the real estate investment fund or the real estate SICAF. Unitholders are generally subject to a 26 per cent. withholding tax on distributions from the real estate investment fund or the real estate SICAF. Furthermore, a direct imputation system ("tax transparency") is provided for certain non-qualifying unitholders (e.g. Italian resident individuals) holding more than 5 per cent. of the units of real estate investment fund or the real estate SICAF.

Italian resident pension funds subject to the regime provided by Article 17 of Decree 252 are subject to a 20 per cent. annual substitute tax (the "**Pension Fund Tax**") on the increase in value of the managed assets accrued at the end of each tax year (which increase would include Interest accrued on the Notes). Subject to certain conditions (including a minimum holding period requirement) and limitations, Interest relating to the Notes may be excluded from the taxable base of the Pension Fund Tax, if the Notes are included in a long-term savings account (*piano di risparmio a lungo termine*) that meets the requirements set forth in Article 1 paragraph 100-114 of Law 232, Article 1, paragraph 211-215 of Law 145, as implemented by the Ministerial Decree of 30 April 2019 or, for long-term savings accounts (*piani di risparmio a lungo termine*) established as of 1 January 2020, the requirements set forth in Article 13-bis of Decree No. 124 as converted with amendments into law by Law No. 157 of 19 December 2019, all as lastly amended and supplemented by Article 136 of Law Decree No. 34 of 19 May 2020 (**Decree 34/2020**).

#### ***Non-Italian resident Noteholders***

Interest payments relating to Notes received by non-Italian resident beneficial owners are not subject to taxation in Italy.

If Notes beneficially owned by non-Italian residents are deposited with an Italian bank or other resident intermediary (or permanent establishment in Italy of foreign Intermediary) or are sold through an Italian Intermediary (or permanent establishment in Italy of foreign Intermediary) or in any case an Italian resident Intermediary (or permanent establishment in Italy of foreign Intermediary) intervenes in the payment of Interest on such Notes, to ensure payment of Interest without application of Italian taxation a non-Italian resident Noteholder may be required to produce to the Italian bank or other intermediary a statement (*autocertificazione*) stating that he or she is not resident in Italy for tax purposes.

## **Atypical securities**

Interest payments relating to Notes that are not deemed to fall within the category of bonds (*obbligazioni*) or securities similar to bonds (*titoli similari alle obbligazioni*) may be subject to a withholding tax, levied at the rate of 26 per cent.

In case of Notes issued by a non-Italian resident Issuer, a 26 per cent. withholding tax may apply in Italy if the Notes are placed ("collocate") in Italy and interest payments on the Notes are collected through an Italian bank or other qualified financial intermediary. However, such 26 per cent. withholding tax does not apply to interest payments made:

- (e) to a non-Italian resident Noteholder. If Notes issued by a non-Italian resident Issuer and beneficially owned by non-Italian residents are deposited with an Italian bank or other resident intermediary (or permanent establishment in Italy of foreign intermediary) or are sold through an Italian bank or other resident intermediary (or permanent establishment in Italy of foreign Italy of foreign intermediary) or in any case an Italian resident intermediary (or permanent establishment in Italy of foreign intermediary) intervenes in the payment of interest and other income on such Notes, to ensure payment of interest and other income without application of Italian taxation a non-Italian resident Noteholder may be required to produce to the Italian bank or the relevant intermediary a self-declaration stating that he, she or it is not resident in Italy for tax purposes; and
- (f) to an Italian resident Noteholder which is (i) a company or similar commercial entity (including the Italian permanent establishment of foreign entities to which the Notes are effectively connected), (ii) a commercial partnership, or (iii) a commercial private or public institution.

## **Payments made by an Italian resident Guarantor**

There is no authority directly regarding the Italian tax regime of payments on Notes made by an Italian resident guarantor. Accordingly, there can be no assurance that the Italian tax authorities will not assert an alternative treatment of such payments than that set forth herein or that the Italian court would not support such an alternative treatment.

With respect to payments made by Saipem as Guarantor under the Trust Deed in respect of Notes issued by Saipem Finance International BV, in accordance with one interpretation of Italian tax law, any such payments may be subject to Italian withholding tax at the rate of 26 per cent. levied as a final tax or a provisional tax ("*a titolo d'imposta o a titolo di acconto*") depending on the residential "status" of the Noteholder, pursuant to Presidential Decree 29 September 1973, No. 600, as subsequently amended. In the case of payments to non-Italian residents, the withholding tax should be final and may be applied at the rate of 26 per cent. Double taxation treaties entered into by Italy may apply allowing for a lower (or in certain cases, nil) rate applicable of the withholding tax in case of payments to non-Italian residents.

In accordance with another interpretation, any such payment made by the Guarantor should be treated, in certain circumstances, as a payment by the relevant Issuer and made subject to the tax treatment described above under "*Taxation of Notes issued by Saipem Finance International BV*".

## **Capital Gains**

### ***Italian resident Noteholders***

Any gain obtained from the sale or redemption of the Notes would be treated as part of the taxable business income subject to ordinary taxation (and, in certain circumstances, depending on the "status" of the Noteholder, also as part of the net value of the production for IRAP purposes) if realised by an Italian company or a similar commercial entity (including the Italian permanent establishment of foreign entities to which the Notes are connected) or Italian resident individuals engaged in an entrepreneurial activity to which the Notes are connected.

Where an Italian resident Noteholder is, (a) an individual not engaged in entrepreneurial activities to which the Notes are connected; (b) a partnership not carrying out commercial activities; or (c) a private or public institution not carrying out mainly or exclusively commercial activities, any capital gain realised by such Noteholder from the sale or redemption of the Notes would be subject to a 26 per cent. capital gains tax (referred to as "*imposta sostitutiva*") pursuant to the provisions set forth by Decree 461.

In respect of the application of *imposta sostitutiva*, such Noteholder may opt for one of the three regimes described below.

Under the tax declaration regime, which is the standard regime for taxation of capital gains, the 26 per cent. *imposta sostitutiva* on capital gains will be chargeable, on a cumulative basis, on all capital gains (net of any relevant incurred capital losses) realised pursuant to all investment transactions carried out during any given fiscal year. The capital gains realised in a year net of any relevant incurred capital losses must be detailed in the relevant annual tax return to be filed with Italian tax authorities and *imposta sostitutiva* must be paid on such capital gains together with any balance income tax due for the relevant tax year. Capital losses in excess of capital gains may be carried forward against capital gains of the same kind for up to the fourth subsequent fiscal year.

Alternatively to the tax declaration regime, the abovementioned Noteholder may elect to pay *imposta sostitutiva* separately on capital gains realised on each sale or transfer or redemption of the Notes under the so called "*regime del risparmio amministrato*" (the "**Administrative Savings Regime**"). Such separate taxation of capital gains is allowed subject to (i) the Notes being deposited with banks, SIMs and any other Italian qualified intermediary (or permanent establishment in Italy of foreign intermediary) and (ii) an express election for the Administrative Savings Regime being made in writing in due time by the relevant holder of the Notes. The intermediary is responsible for accounting for *imposta sostitutiva* in respect of capital gains realised on each sale or transfer or redemption of the Notes, as well as on capital gains realised as at revocation of its mandate, net of any relevant incurred capital losses, and is required to pay the relevant amount to the Italian tax authorities on behalf of the holder of the Notes, deducting a corresponding amount from proceeds to be credited to the holder of the Notes. Where a sale or transfer or redemption of the Notes results in a capital loss, the intermediary is entitled to deduct such loss from gains of the same kind subsequently realised on assets held by the holder of the Notes within the same relationship of deposit in the same tax year or in the following tax years up to the fourth. Under the Administrative Savings Regime, the realised capital gain is not required to be included in the annual income tax return of the Noteholder and the Noteholder remains anonymous.

Special rules apply if the Notes are part of a portfolio managed under the Asset Management Regime by an Italian asset management company or an authorised intermediary. The capital gains realised upon sale, transfer or redemption of the Notes will not be subject to 26 per cent. *imposta sostitutiva* on capital gains but will contribute to determine the annual accrued appreciation of the managed portfolio, subject to the Asset Management Tax. Any depreciation of the managed portfolio accrued at year end may be carried forward against appreciation accrued in each of the following years up to the fourth. Also under the Asset Management Regime the realised capital gain is not required to be included in the annual income tax return of the Noteholder and the Noteholder remains anonymous.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not engaged in an entrepreneurial activity or social security entities pursuant to Legislative Decree No. 509 of 30 June 1994 and Legislative Decree No. 103 of 10 February 1996 may be exempt from Italian capital gain taxes, including the *imposta sostitutiva*, on capital gains realised upon sale or redemption of the Notes if the Notes are included in a long-term savings account (*piano di risparmio a lungo termine*) that meets the requirements set forth in Article 1 paragraph 100-114 of Law 232, Article 1, paragraph 211-215 of Law 145, as implemented by the Ministerial Decree of 30 April 2019 or, for long-term savings accounts (*piani di risparmio a lungo termine*) established as of 1 January 2020, the requirements set forth in Article 13-bis of Decree No. 124 as converted with amendments into law by Law No. 157 of 19 December 2019, all as lastly amended and supplemented by Article 136 of Law Decree No. 34 of 19 May 2020 (**Decree 34/2020**).

Any capital gains on Notes held by a Noteholder who is a Fund, a SICAV or a SICAF, is subject neither to *imposta sostitutiva* nor to any other income tax in the hands of the Fund, SICAV or SICAF, but a withholding tax of 26 per cent. will apply, in certain circumstances, to distributions made in favour of unitholders or shareholders.

Where a Noteholder is an Italian resident real estate investment fund or an Italian real estate SICAF, to which the provisions of Law Decree No. 351 of 25 September 2001, Law Decree No. 78 of 31 May 2010, converted into Law No. 122 of 30 July 2010, and Legislative Decree No. 44 of 4 March 2014, all as amended, apply, capital gains realised will be subject neither to *imposta sostitutiva* nor to any other income tax in the hands of the real estate investment fund or the real estate SICAF. Unitholders are generally subject to a 26 per cent. withholding tax on distributions from the real estate investment fund or the real estate

SICAF. Furthermore, a direct imputation system ("tax transparency") is provided for certain non-qualifying unitholders (e.g. Italian resident individuals) holding more than 5 per cent. of the units of real estate investment fund or the real estate SICAF.

Any capital gains realised by a Noteholder who is an Italian pension fund subject to the regime provided for by article 17 of Decree 252 will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to the Pension Fund Tax. Subject to certain conditions (including a minimum holding period requirement) and limitations, capital gains on the Notes may be excluded from the taxable base of the Pension Fund Tax, if the Notes are included in a long-term savings account (*piano di risparmio a lungo termine*) that meets the requirements set forth in Article 1 paragraph 100-114 of Law 232, Article 1, paragraph 211-215 of Law 145, as implemented by the Ministerial Decree of 30 April 2019 or, for long-term savings accounts (*piani di risparmio a lungo termine*) established as of 1 January 2020, the requirements set forth in Article 13-bis of Decree No. 124 as converted with amendments into law by Law No. 157 of 19 December 2019, all as lastly amended and supplemented by Article 136 of Law Decree No. 34 of 19 May 2020 (**Decree 34/2020**).

### ***Non-Italian resident Noteholders***

Capital gains realised by non-Italian-resident Noteholders (without a permanent establishment in Italy to which the Notes are effectively connected) from the sale or redemption of Notes traded on regulated markets in Italy or abroad are not subject to the *imposta sostitutiva*, regardless of whether the Notes are held in Italy. In such a case, in order to benefit from this exemption from Italian taxation on capital gains, non-Italian resident Noteholders who hold the Notes with an Italian authorised financial intermediary and elect to be subject to the Asset Management Regime or are subject to the so-called Administrative Savings Regime may be required to produce in due time to the Italian authorised financial intermediary an appropriate self-declaration that they are not resident in Italy for tax purposes.

Capital gains realised by non-Italian resident Noteholders from the sale or redemption of Notes not traded on regulated markets may in certain circumstances be taxable in Italy if the Notes are held in Italy. However, a non-Italian resident beneficial owner of Notes without a permanent establishment in Italy to which the Notes are effectively connected is not subject to the *imposta sostitutiva* on capital gains realised upon sale or redemption of the Notes, provided that (i) is resident in a country which allows for a satisfactory exchange of information with Italy as listed in the Italian Ministerial Decree of 4 September 1996, as amended by Ministerial Decree of 23 March 2017 and possibly further amended according to Article 11 par. 4., let. c) of Decree 239 (the "**White List**"); or (ii) is an international entity or body set up in accordance with international agreements which have entered into force in Italy; or (iii) is a Central Bank or an entity which manages, inter alia, the official reserves of a foreign State; or (iv) is an institutional investor established in a country included in a White List, even if it does not possess the status of taxpayer in its own country of residence. In such cases, in order to benefit from this exemption from Italian taxation on capital gains, non-Italian resident Noteholders who hold the Notes with an Italian authorised financial intermediary and elect to be subject to the Asset Management Regime or is subject to the Administrative Savings Regime may be required to produce in due time to the Italian authorised financial intermediary an appropriate self-declaration stating that they meet the subjective requirements indicated above. Additional statements may be required for non-Italian resident Noteholders who are institutional investors.

### **Inheritance and gift tax**

Transfers of any valuable assets (including the Notes) as a result of death or donation (or other transfers for no consideration) of Italian residents and of non-Italian residents, but in such latter case limited to assets held within the Italian territory, are generally taxed in Italy as follows :

- (a) 4 per cent. if the transfer is made to spouses and direct descendants or ancestors; in this case, the transfer is subject to tax on the value exceeding €1,000,000 (per beneficiary);
- (b) 6 per cent. if the transfer is made to brothers and sisters; in this case, the transfer is subject to the tax on the value exceeding €100,000 (per beneficiary);
- (c) 6 per cent. if the transfer is made to relatives up to the fourth degree, to persons related by direct affinity as well as to persons related by collateral affinity up to the third degree; and
- (d) 8 per cent. in all other cases.

If the transfer is made in favour of persons with severe disabilities, the tax applies on the value exceeding €1,500,000.

### **Transfer tax**

Contracts relating to the transfer of securities are subject to the registration tax as follows: (i) public deeds and notarised deeds are subject to fixed registration tax at rate of €200; (ii) private deeds are subject to registration tax only in case of use or voluntary registration.

### **Tax Monitoring Obligations**

Italian resident individuals, non-commercial entities, non-commercial partnerships and similar institutions are required to report the amount of Notes held during each tax year in their yearly income tax return for tax monitoring purposes, according to Law Decree No. 167 of 28 June 1990 converted into law by Law Decree No. 227 of 4 August 1990, as amended from time to time.

The requirement applies also where the persons above, being not the direct holder of the financial instruments, are the actual owner of the instrument.

Furthermore, the above reporting requirement is not required to comply with respect to: (i) Notes deposited for management with qualified Italian financial intermediaries; (ii) contracts entered into through their intervention, upon condition that the items of income derived from the Notes have been subject to tax by the same intermediaries; or (iii) if the foreign investments are only composed by deposits and/or bank accounts and their aggregate value does not exceed a €15,000 threshold throughout the year.

### **Stamp duty**

Pursuant to Article 13 par. 2/ter of the tariff Part I attached to Presidential Decree No. 642 of 26th October, 1972, a proportional stamp duty applies on an annual basis to any periodic reporting communications which may be sent by a financial intermediary to their clients in respect of any financial product and instrument (including the Notes), which may be deposited with such financial intermediary in Italy.

The stamp duty applies at a rate of 0.2 per cent. and it cannot exceed €14,000 for taxpayers which are not individuals.

This stamp duty is determined on the basis of the market value or, if no market value figure is available, on the face value or redemption value, or in the case the face or redemption values cannot be determined, on the purchase value of the financial assets held.

By operation of law, the reporting communication is deemed to be sent at least once a year and in case of reporting periods of less than 12 months, the stamp duty is payable based on the period accounted.

Based on the wording of the law and the implementing decree issued by the Italian Ministry of Economy on 24 May 2012, the stamp duty applies to any investor who is a client (as defined in the regulations issued by the Bank of Italy on 20 June 2012) of an entity that exercises in any form a banking, financial or insurance activity within the Italian territory.

### **Wealth tax on financial assets deposited abroad**

According to Article 19 of Decree No. 201 of 6 December 2011, Italian resident individuals, non-commercial entities, non-commercial partnerships and similar institutions holding financial products – Including the Notes – outside of the Italian territory are required to pay in its own annual tax declaration a wealth tax at the rate of 0.2 per cent. Pursuant to the provisions of Article 134 of Decree 34/2020, the wealth tax cannot exceed €14,000 for taxpayers different from individuals. This tax is calculated on the market value at the end of the relevant year or, if no market value figure is available, on the nominal value or redemption value, or in the case the face or redemption values cannot be determined, on the purchase value of any financial products (including the Notes) held abroad by Italian resident individuals.

A tax credit is granted for any foreign property tax levied abroad on such financial products. The financial products held abroad are excluded from the scope of the wealth tax if administered by Italian financial intermediaries pursuant to an administration agreement.

## THE NETHERLANDS

The following summary of certain Dutch taxation matters is based on the laws and practice in force as of the date of this Base Prospectus and is subject to any changes in law and the interpretation and application thereof, which changes could have retroactive effect. The following summary neither purports to be a comprehensive description of all the tax considerations that may be relevant to a decision to acquire, hold or dispose of Notes or Coupons, nor purports to deal with the tax consequences applicable to all categories of investors, some of which may be subject to special rules.

For the purpose of the paragraph "Taxes on Income and Capital Gains" below it is assumed that a holder of Notes, being an individual or a non-resident entity, does not have a substantial interest (*aanmerkelijk belang*) or – in the case of such holder being an entity – a deemed substantial interest in the Issuer and that a connected person (*verbonden persoon*) to the holder neither has nor will have a substantial interest in the Issuer.

Generally speaking, an individual has a substantial interest in a company if (a) such individual, either alone or together with his partner, directly or indirectly has or is deemed to have, or (b) certain relatives of such individual or his partner directly or indirectly have or are deemed to have, (i) the ownership of, a right to acquire the ownership of, or certain rights over, shares representing 5 per cent or more of either the total issued and outstanding capital of such company or the issued and outstanding capital of any class of shares of such company, or (ii) the ownership of, or certain rights over, profit participating certificates (*winstbewijzen*) that relate to 5 per cent or more of either the annual profit or the liquidation proceeds of such company.

Generally speaking, a non-resident entity has a substantial interest in a company if such entity directly or indirectly has (i) the ownership of, a right to acquire the ownership of, or certain rights over, shares representing 5 per cent or more of either the total issued and outstanding capital of such company or the issued and outstanding capital of any class of shares of such company, or (ii) the ownership of, or certain rights over, profit participating certificates (*winstbewijzen*) that relate to 5 per cent or more of either the annual profit or the liquidation proceeds of such company. Generally, an entity has a deemed substantial interest in a company if such entity has disposed of or is deemed to have disposed of all or part of a substantial interest on a non-recognition basis.

For the purpose of this summary, the term "entity" means a corporation as well as any other person that is taxable as a corporation for Dutch corporate tax purposes.

Where this summary refers to a holder of Notes, an individual holding Notes or an entity holding Notes, such reference is restricted to an individual or entity holding legal title to as well as an economic interest in such Notes or otherwise being regarded as owning Notes for Dutch tax purposes. It is noted that for purposes of Dutch income, corporate and gift and inheritance tax, assets legally owned by a third party such as a trustee, foundation or similar entity, may be treated as assets owned by the (deemed) settlor, grantor or similar originator or the beneficiaries in proportion to their interest in such arrangement.

Where the summary refers to "The Netherlands" or "Dutch" it refers only to the geographical part of the Kingdom of The Netherlands that is located in continental Europe.

***Investors should consult their professional advisers as to the tax consequences of acquiring, holding and disposing of Notes.***

### **Withholding Tax**

All payments of principal and interest by the Issuer under the Notes and all guarantee payments by the Guarantor under the Deed of Guarantee can be made without withholding or deduction of any taxes of whatever nature imposed, levied, withheld or assessed by The Netherlands or any political subdivision or taxing authority thereof or therein, **provided that** the Notes have a maturity that does not exceed 50 years. However, as of 1 January 2021, Dutch withholding tax may apply on certain (deemed) payments of interest made to an affiliated (*gelieerde*) entity of the Issuer and/or the Guarantor if such entity (i) is considered to be resident (*gevestigd*) in a jurisdiction that is listed in the yearly updated Dutch Regulation on low-taxing states and non-cooperative jurisdictions for tax purposes (*Regeling laagbelastende staten en niet-coöperatieve rechtsgebieden voor belastingdoeleinden*), or (ii) has a permanent establishment located in such jurisdiction to which the interest is attributable, or (iii) is entitled to the interest payable for the main

purpose or one of the main purposes to avoid taxation for another person, or (iv) is a hybrid entity, or (v) is not resident in any jurisdiction, all within the meaning of the Withholding Tax Act 2021 (*Wet bronbelasting 2021*).

## **Taxes on Income and Capital Gains**

### ***Residents***

#### *Resident entities*

An entity holding Notes which is or is deemed to be resident in The Netherlands for Dutch corporate tax purposes and which is not tax exempt, will generally be subject to Dutch corporate tax in respect of income or a capital gain derived from the Notes at the prevailing statutory rates (up to 25 per cent in 2020).

#### *Resident individuals*

An individual holding Notes who is or is deemed to be resident in The Netherlands for Dutch income tax purposes will be subject to Dutch income tax in respect of income or a capital gain derived from the Notes at the prevailing statutory rates (up to 49.50 per cent in 2020) if:

- (i) the income or capital gain is attributable to an enterprise from which the holder derives profits (other than as a shareholder); or
- (ii) the income or capital gain qualifies as income from miscellaneous activities (*belastbaar resultaat uit overige werkzaamheden*) as defined in the Income Tax Act 2001 (*Wet inkomstenbelasting 2001*), including, without limitation, activities that exceed normal, active asset management (*normaal, actief vermogensbeheer*).

If neither condition (i) nor (ii) applies, such individual will generally be subject to Dutch income tax on the basis of a deemed return, regardless of any actual income or capital gain derived from the Notes. For 2020, the deemed return ranges from 1.79 per cent to 5.28 per cent of the value of the individual's net assets as at the beginning of the relevant fiscal year (including the Notes). The applicable rates will be updated annually on the basis of historic market yields. Subject to application of certain allowances, the deemed return will be taxed at the prevailing statutory rate (30 per cent in 2020).

### ***Non-residents***

A holder of Notes which is not and is not deemed to be resident in The Netherlands for the relevant tax purposes will not be subject to Dutch taxation on income or a capital gain derived from the Notes unless:

- (i) the income or capital gain is attributable to an enterprise or part thereof which is either effectively managed in The Netherlands or carried on through a permanent establishment (*vaste inrichting*) or a permanent representative (*vaste vertegenwoordiger*) taxable in The Netherlands and the holder derives profits from such enterprise (other than by way of the holding of securities); or
- (ii) the holder is an individual and the income or capital gain qualifies as income from miscellaneous activities (*belastbaar resultaat uit overige werkzaamheden*) in The Netherlands as defined in the Income Tax Act 2001 (*Wet inkomstenbelasting 2001*), including, without limitation, activities that exceed normal, active asset management (*normaal, actief vermogensbeheer*).

## **Gift and Inheritance Taxes**

Dutch gift or inheritance taxes will not be levied on the occasion of the transfer of Notes by way of gift by, or on the death of, a holder of Notes, unless:

- (i) the holder is or is deemed to be resident in The Netherlands for the purpose of the relevant provisions; or
- (ii) the transfer is construed as an inheritance or gift made by, or on behalf of, a person who, at the time of the gift or death, is or is deemed to be resident in The Netherlands for the purpose of the relevant provisions.

## **Value Added Tax**

There is no Dutch value added tax payable by a holder of Notes in respect of payments in consideration for the issue or acquisition of Notes, payments of principal or interest under the Notes, or payments in consideration for a disposal of Notes.

## **Other Taxes and Duties**

There is no Dutch registration tax, stamp duty or any other similar tax or duty payable in The Netherlands by a holder of Notes in respect of or in connection with the execution, delivery and/or enforcement by legal proceedings (including any foreign judgment in the courts of The Netherlands) of the Notes or the performance of the Issuer's obligations under the Notes.

## **Residence**

A holder of Notes will not be and will not be deemed to be resident in The Netherlands for Dutch tax purposes and, subject to the exceptions set out above, will not otherwise become subject to Dutch taxation, by reason only of acquiring, holding or disposing of Notes or the execution, performance, delivery and/or enforcement of Notes.

## **FRANCE**

*The following is a general description of certain French tax withholding tax considerations relating to the Notes to the extent that the Notes would qualify as debt instruments for French tax purposes. It is not a description of general French tax considerations relating to the Notes.*

### *Taxation of Payments under the Guarantee made by a French Resident Guarantor*

There is no case law or official guidance from the French tax authorities in respect of payments made under a guarantee. There is therefore some uncertainty as to the precise tax qualification applicable in France to such payments, *inter alia* whether the payments made by a French resident Guarantor under the Guarantee may be subject to withholding tax in France pursuant to article 182 B of the French Code général des impôts, according to which payments made by a person who carries on a business in France to a non-resident person who has no permanent professional installation (installation professionnelle permanente) in France, in consideration of services (whatever their nature) rendered or used in France, are subject to withholding tax in France.

Investors should however note that: (i) in accordance with one interpretation of French tax law, payments made under a Guarantee are to be treated as a payment in lieu of payments of interest to be made on the Notes by the Issuer and accordingly, the payments to be made by a French resident Guarantor under a Guarantee should be exempt from withholding tax in France to the extent that payments are not made in a non-cooperative jurisdiction within the meaning of article 238-0 A of the French Code général des impôts other than a jurisdiction mentioned in Article 238-0 A 2 *bis* 2° of the same code, nor to a person domiciled or established in such a non-cooperative jurisdiction; (ii) in accordance with another interpretation of French tax law, payments made under a Guarantee are to be treated as payments independent from the payments to be made under the Notes and accordingly, and in the absence of any specific provision to the contrary in the French Code général des impôts, such payments should be out of the scope from withholding tax in France.

It cannot be ruled out, however, that the French tax authorities or French courts adopt a view other than these two interpretations and consider such payments to be subject to withholding tax in France. An exemption from this withholding tax could be available under double tax treaties entered into by France.

### *Certain French tax consequences*

Payments of interest and principal by the Issuer (acting out of its head office or one of its non-French branch) under the Notes will not be viewed as French-source income and therefore will not be subject to withholding tax in France, in accordance with the applicable French law.

However, pursuant to Articles 125 A and 125 D of the French Code général des impôts and subject to certain limited exceptions, interest and other similar revenues received by individuals who are fiscally domiciled in France are subject to a 12.8 per cent. mandatory withholding tax which is final unless the

French tax resident individual opts for the taxation at the progressive scale of personal income tax (in which case the 12.8 per cent. withholding tax is deductible from her or his personal income tax liability in respect of the year in which the payment has been made). Social contributions (CSG, CRDS and other related contributions) are also levied by way of withholding at an aggregate rate of 17.2 per cent. on interest and other similar revenues paid to individuals who are fiscally domiciled in France. Practical steps to be taken for the purposes of levying this withholding tax and social contributions will depend on the place where the paying agent is located.

Prospective purchasers of the Notes who are French tax resident or have their seat in France for tax purposes or who would hold the Notes through a permanent establishment or a fixed base in France, should be aware that transactions involving the Notes including any purchase or disposal of, or other dealings in the Notes and any transaction involved in the exercise and settlement of the Notes, may have French tax consequences. The tax consequences regarding interest, premium on redemption and capital gains in particular may depend, amongst other things, upon the status of the prospective purchaser (i.e. legal entities or individuals). Prospective purchasers of the Notes should consult their own tax advisers about the French tax implications of purchasing, holding, disposing the Notes and, more generally, of any transactions involving Notes.

## NORWAY

**The following is a general summary of Norwegian tax considerations relating to acquisitions, holding and disposal of Notes issued under the Programme. The information does not purport to be a complete summary of Norwegian tax law and practice currently applicable. This summary is based upon the law as in effect on the date of this Base Prospectus and is subject to any change in law that may take effect after such date. Such changes could be made on a retrospective basis.**

Norwegian tax legislation does not currently include statutory legislation relating specifically to Notes. Instead, taxation treatment must be derived from general tax rules and principles applicable to capital income and capital gains. Therefore, the answers to certain questions in respect of the legal basis and principles of recognition of income related to the Notes may be uncertain. The Final Terms may cause the taxation of the Notes to depart from the taxation treatment described in this summary.

Due to the general nature of this summary, potential investors are advised to consult with and rely upon their own tax advisers. Noteholders tax resident in jurisdictions other than Norway should consult with and rely upon local tax advisers as regards the tax position in their country of residence.

### *Non-Norwegian holders*

#### *Payment of interest*

Payments of principal and interest on the Notes to persons or legal entities having no connection with Norway other than the holding of Notes guaranteed by the Norwegian Guarantors, and therefore not considered resident in Norway for tax purposes, (nor considered to hold the Notes in connection with business activities conducted or managed in Norway), are not subject to any withholding or deduction for or on account of any Norwegian taxes, duties, assessments or Governmental charges.

Payments of interest from a Norwegian debtor to a non-Norwegian creditor are currently not subject to any withholding tax in Norway. However, the Norwegian Government has published a discussion paper with a proposal to introduce withholding tax on, *inter alia*, outbound interest payments.

Pursuant to the proposal, a Norwegian debtor will be liable to withhold 15 per cent tax on gross interest payments to any creditor who is both (i) a related party to the issuer and (ii) is tax resident in a low-tax jurisdiction.

A “related party” is a company or other legal entity which controls, is controlled by, or is under common control with the issuer. “Control” means the direct or indirect ownership of 50 per cent or more of the issued share capital or voting rights. Further, a “low-tax jurisdiction” is a jurisdiction in which the effective taxation of the overall profit of the company is less than two thirds of the effective taxation such company would have been subject to if it had been resident in Norway

If implemented, withholding tax will apply on payments from 1 January 2021. A recipient, being the beneficial owner to the payments, may however be protected by a tax treaty which will, typically, reduce the tax rate on interest payments.

#### *Sale, exchange and redemption of Notes*

Gains or profits realised on the sale, exchange or redemption of the Notes by persons or legal entities having no connection with Norway other than the holding of Notes guaranteed by the Norwegian Guarantors, and therefore not considered resident in Norway for tax purposes (nor considered to hold the Notes in connection with business activities conducted or managed in Norway), are not subject to Norwegian taxes, duties, assessments or Governmental charges.

#### *Stamp duties and net wealth taxation*

No Norwegian issue tax or stamp duties are payable in connection with the issue of the Notes.

Notes held by persons or legal entities having no connection with Norway other than the holding of Notes guaranteed by the Norwegian Guarantors, and therefore not considered resident in Norway for tax purposes (nor considered to hold the Notes in connection with business activities conducted or managed in Norway), will not be subject to net wealth taxation in Norway.

#### *Norwegian holders*

##### *Payment of interest*

Holders of Notes resident in Norway for tax purposes will be subject to Norwegian capital income taxation on interest which is currently 22 per cent. The same applies to persons and legal entities that hold the Notes in connection with any business activity conducted or managed in Norway. The applicable tax rate is 25 per cent for financial companies subject to the Norwegian Financial Tax.

Interest is as a general rule recognised for tax purposes at the time the interest is considered acquired on an accrual basis. This means that neither the actual payment nor the due date of possible payment of interest is as a starting point decisive when determining when interest deriving from the Notes is recognised for tax purposes.

##### *Sale, exchange and redemption of Notes*

Holders of Notes resident in Norway for tax purposes are taxed in Norway on realised gains (including sale, exchange and redemption) of Notes and have a right to deduct losses, which arise on such realisation, **provided that** one of the following conditions is met:

- the Notes are classified as debentures ("*mengdegjeldsbrev*") as opposed to non-negotiable debt, or
- the realisation of the Notes is connected to business activities.

Gains are taxable as ordinary income, currently at a rate of 22 per cent. Losses are deductible at the same rate. This will include gains or losses attributed to any change in the denominated currency (other than NOK). Such gains or losses are taxable event if the Notes are not classified as debentures or not connected to business activities. Such gains will further be subject to special timing rules for tax purposes. The applicable tax rate is 25 per cent for financial companies subject to the Norwegian Financial Tax.

The same applies to persons and legal entities that hold the Notes in connection with any business activity conducted or managed in Norway.

##### *Net wealth taxation*

For holders of Notes resident in Norway for tax purposes or that hold the Notes in connection with business activities conducted or managed in Norway, except limited liability companies and similar entities, the Notes will be taken into account for net wealth tax purposes in Norway. Listed Notes are valued at the market value on 1 January in the assessment year. The marginal rate of net wealth tax is 0.85 per cent.

## **PORTUGAL**

The following is a summary of the material Portuguese tax consequences with respect to the Notes. The summary does not purport to be a comprehensive description of all the tax consequences that may be relevant to any particular Noteholder, including tax considerations that arise from rules of general application or that are generally assumed to be known to Noteholders.

This description is based on Portuguese law as it stands at the date of the Base Prospectus and is subject to any change in law that may take effect after such date. Prospective investors in the Notes should consult their professional advisers with respect to particular circumstances and the effects of state, local or foreign laws to which they may also be subject. Noteholders who are in doubt as to their tax position should consult their professional advisers.

### ***Noteholder's Income***

Economic benefits derived from interest and other types of remuneration arising from the Notes are characterized as investment income for Portuguese tax purposes.

However the difference between the sales proceeds and the acquisition cost, net of interest accrued from the last interest payment date or from the date of issue, placement or endorsement if payment has not occurred, to the date of transfer, shall be classified for Portuguese tax purposes as a capital gain.

Economic benefits arising from the transfer, redemption or reimbursement of the Notes is characterized as capital gains.

### **General tax regime applicable on debt securities**

#### ***Personal Income Tax***

Interest and other types of investment income on the Notes received by a Portuguese resident individual are subject to individual income tax. If the payment of interest or other investment income is made available to Portuguese resident individuals through a Portuguese paying agent, a withholding tax at a rate of 28 per cent applies. The tax withheld is the final tax liability on that income unless the individual elects for aggregation to his gross taxable income as further described below.

Interest and other investment income paid or made available by the Portuguese paying agent to accounts opened in the name of one or more accountholders acting on behalf of one or more unidentified third parties is subject to a final withholding tax rate of 35 per cent, unless the relevant beneficial owner(s) of the income is/are identified and as a consequence the tax rates applicable to such beneficial owner(s) will apply.

Interest and other investment income received by a Portuguese individual that has not been paid by a Portuguese paying agent is taxable at the special rate of 28 per cent, unless the individual elects for the aggregation of the Note's income to the gross taxable income, as further explained below.

Capital gains obtained by Portuguese resident individuals as a result of the transfer, redemption or reimbursement of the Notes are taxed at a special rate of 28 per cent levied on the positive difference between such gains and gains on other securities and losses on securities. Accrued interest does not qualify as capital gains for tax purposes.

In all the above cases, the individual may elect to aggregate the investment income and the capital gains income to the gross taxable income, in which case this income will be subject to tax at the current progressive rates of up to 48 per cent. In the latter circumstance an additional income tax will be due on the part of the taxable income exceeding €80,000 as follows: (i) 2.5 per cent on the part of the taxable income exceeding €80,000 up to €250,000 and (ii) 5 per cent on the remaining part (if any) of the taxable income exceeding €250,000.

#### ***Corporate Income Tax***

Interest and other investment income derived from Notes and capital gains obtained with the transfer of Notes by legal entities resident for tax purposes in Portugal and by non-resident legal persons with a permanent establishment in Portugal are included in their taxable income and subject to corporate income tax rate at a rate of (i) 21 per cent or (ii) if the taxpayer is a small or medium enterprise as established in

Decree-Law no. 372/2007, of 6 November 2007, 17 per cent for taxable profits up to €15,000; and 21 per cent on profits in excess thereof to which may be added a municipal surcharge (*derrama municipal*) of up to 1.5 per cent of its taxable income. Corporate taxpayers with a taxable income of more than €1,500,000 are also subject to State surcharge (*derrama estadual*) of (i) 3 per cent on the part of its taxable profits exceeding €1,500,000 up to €7,500,000, (ii) 5 per cent on the part of the taxable profits that exceeds €7,500,000 up to €35,000,000, and (iii) 9 per cent on the part of the taxable profits that exceeds €35,000,000.

If interest and other investment income is paid through a Portuguese paying agent, a withholding tax at a rate of 25 per cent applies, which is deemed a payment on account of the final tax due. Financial institutions, pension funds, retirement and/or education savings funds, share savings funds, venture capital funds incorporated under the laws in Portugal and some exempt entities are not subject to Portuguese withholding tax.

Investment income paid or made available by a Portuguese paying agent to accounts opened in the name of one or more accountholders acting on behalf of one or more unidentified third parties is subject to a final withholding tax rate of 35 per cent, unless the relevant beneficial owner(s) of the income is/are identified and, as a consequence, the tax rates applicable to such beneficial owner(s) will apply.

## SWITZERLAND

*The following discussion is a summary of certain material Swiss tax considerations and describes certain taxes withheld by Switzerland for foreign countries based on the legislation, regulations, rulings and decisions as of the date of this Base Prospectus. It does not aim to be a comprehensive description of all the Swiss tax considerations that may be relevant for a decision to invest in Notes. The tax treatment for each investor depends on the particular situation. All investors are advised to consult with their professional tax advisors as to the respective Swiss tax consequences of the purchase, ownership, disposition, lapse, exercise or redemption of Notes in light of their particular circumstances.*

### **Swiss Federal Withholding Tax**

All payments by the Issuer, of interest on, and repayment of principal of, the Notes will be made without deduction of Swiss federal withholding tax, provided the proceeds of the Notes are not used in Switzerland at all times while any Notes are outstanding.

On 4 November 2015 the Swiss Federal Council announced a mandate to the Swiss Federal Finance Department to institute a group of experts tasked with the preparation of a new proposal for a reform of the Swiss withholding tax system. The new proposal is expected to include in respect of interest payments the replacement of the existing debtor-based regime by a paying agent-based regime for Swiss withholding tax similar to the one published on 17 December 2014 by the Swiss Federal Council and repealed on 24 June 2015 following the negative outcome of the legislative consultation with Swiss official and private bodies. At its meeting on June 26, 2019, the Swiss Federal Council decided to resume the suspended reform of the Swiss withholding tax. The Swiss Federal Council has decided on the objectives and key parameters. Among other things, it is planned to extend the purpose of the Swiss withholding tax for individuals resident in Switzerland. Accordingly, the Swiss Federal Council plans to include the Swiss withholding tax also on interest investments on foreign securities. From today's perspective, this requires a change from the existing debtor-based regime to a paying agent-based regime.

Under such a new paying agent-based regime, if enacted, a paying agent in Switzerland may be required to deduct Swiss withholding tax on any payments or any securing of payments of interest in respect of a Note for the benefit of the beneficial owner of the payment unless certain procedures are complied with to establish that the owner of the Note is not an individual resident in Switzerland.

### **Swiss Federal Stamp Taxes**

Under the current Swiss federal stamp duty legislation, there are no stamp, issue, registration, transfer or similar taxes imposed by Switzerland in connection with the issuance or redemption of the Notes.

Purchases or sales of Notes where a Swiss or a Liechtenstein domestic bank or a Swiss or a Liechtenstein domestic securities dealer (as defined in the Swiss federal stamp duty act) is a party, or acts as an intermediary, to the transaction may be subject to Swiss federal stamp duty on dealings in securities at a rate of up to 0.3 per cent of the purchase price of the Notes.

## ***Income Taxation on Principal or Interest***

### ***Notes Held by Non-Swiss Resident Holders***

Payments by the Issuer or the Guarantors of interest and repayment of principal to, and gain realized on the sale or redemption of Notes by, a holder of Notes who is not a resident of Switzerland and who during the relevant taxation year has not engaged in a trade or business through a permanent establishment or a fixed place of business in Switzerland to which the Notes are attributable and who is not subject to income taxation in Switzerland for any other reason will not be subject to any Swiss federal, cantonal or communal income tax.

### ***Notes Held by Swiss Resident Holders as Private Assets***

*Notes without a "predominant one-time interest payment"*: An individual who resides in Switzerland and privately holds a Note the yield-to-maturity of which predominantly derives from periodic interest payments and not from a one-time-interest-payment such as an original issue discount or a repayment premium, is required to include all payments of interest received on such Note in his or her personal income tax return for the relevant tax period and is taxable on the net taxable income (including the payment of interest on the Note) for such tax period at the then prevailing tax rates.

*Notes with a "predominant one-time interest payment"*: An individual who resides in Switzerland and privately holds a Note the yield-to-maturity of which predominantly derives from a one-time-interest payment such as an original issue discount or a repayment premium and not from periodic interest payments, is required to include in his or her personal income tax return for the relevant tax period any periodic interest payments received on the Note and, in addition, any amount equal to the difference between the value of the Note at redemption or sale, as applicable, and the value of the Note at issuance or secondary market purchase, as applicable, realized on the sale or redemption of such Note, and converted into Swiss Francs at the exchange rate prevailing at the time of sale or redemption, issuance or purchase, respectively, and will be taxable on any net taxable income (including such amounts) for the relevant tax period. A holder of a Note may offset any value decrease realized by him or her on such a Note on sale or redemption against any gains (including periodic interest payments) realized by him or her within the same taxation period on the sale or redemption of other debt securities with a predominant one-time interest payment.

*Capital gains and losses*: Swiss resident individuals who sell or otherwise dispose of privately held Notes realize either a tax-free private capital gain or a non-tax-deductible capital loss. See the preceding paragraph for an overview of the tax treatment of a gain or a loss realized on Notes with a "*predominant one-time interest payment*." See "*Notes Held as Swiss Business Assets*" below for an overview on the tax treatment of individuals classified as "professional securities dealers."

### ***Notes Held as Swiss Business Assets***

Individuals who hold Notes as part of a business in Switzerland and Swiss-resident corporate taxpayers and corporate taxpayers residing abroad holding Notes as part of a permanent establishment or fixed place of business in Switzerland are required to recognize the payments of interest and any capital gain or loss realized on the sale or other disposition of such Notes in their income statement for the respective tax period and will be taxable on any net taxable earnings for such tax period. The same taxation treatment also applies to Swiss-resident individuals who, for income tax purposes, are classified as "professional securities dealers" for reasons of, *inter alia*, frequent dealings and leveraged transactions in securities.

## ***Automatic Exchange of Information in Tax Matters***

On 19 November 2014, Switzerland signed the Multilateral Competent Authority Agreement (the "**MCAA**"). The MCAA is based on article 6 of the OECD/Council of Europe administrative assistance convention and is intended to ensure the uniform implementation of the AEOI. The Federal Act on the International Automatic Exchange of Information in Tax Matters (the "**AEOI Act**") and the Ordinance on the International Automatic Exchange of Information in Tax Matters (the "**AEOI Ordinance**") entered into force on 1 January 2017. The AEOI Act with the AEOI Ordinance is the legal basis for the implementation of the global AEOI standard of OECD in Switzerland.

More specifically, Switzerland has concluded a multilateral AEI agreement with the EU (replacing the EU savings tax agreement) and has concluded bilateral AEI agreements with several non-EU countries. In

accordance with such multilateral agreements and bilateral agreements and the implementing laws of Switzerland, Switzerland has begun to exchange data so collected, and such data may include data about payments made in respect of the Notes.

On 27 February 2019, the Federal Council initiated the consultation on the revision of the AEOI Act and AEOI Ordinance. The consultation proposal takes account of recommendations of the Global Forum on Transparency and Exchange of Information for Tax Purposes. They concern, among other things, certain due diligence and registration obligations, the maintenance of a document retention obligation for reporting Swiss financial institutions, as well as definitions. Some exceptions have also been removed or adapted. The amendments to the law and ordinance are expected to enter into force on 1 January 2021.

## **UNITED KINGDOM TAXATION**

The following is a summary of the UK withholding taxation treatment at the date hereof in relation to payments of principal and interest in respect of the Notes. It is based on current law and the practice of Her Majesty's Revenue and Customs ("**HMRC**"), which may be subject to change, sometimes with retrospective effect. The comments do not deal with other UK tax aspects of acquiring, holding or disposing of Notes. The comments are made on the assumption that the Issuer of the Notes is not resident in the UK for UK tax purposes. The comments relate only to the position of persons who are absolute beneficial owners of the Notes. Prospective Noteholders should be aware that the particular terms of issue of any series of Notes as specified in the relevant Final Terms may affect the tax treatment of that and other series of Notes. The following is a general guide for information purposes and should be treated with appropriate caution. It is not intended as tax advice and it does not purport to describe all of the tax considerations that may be relevant to a prospective purchaser. Noteholders who are in any doubt as to their tax position should consult their professional advisers. Noteholders who may be liable to taxation in jurisdictions other than the UK in respect of their acquisition, holding or disposal of the Notes are particularly advised to consult their professional advisers as to whether they are so liable (and if so under the laws of which jurisdictions), since the following comments relate only to certain UK taxation aspects of payments in respect of the Notes. In particular, Noteholders should be aware that they may be liable to taxation under the laws of other jurisdictions in relation to payments in respect of the Notes even if such payments may be made without withholding or deduction for or on account of taxation under the laws of the UK.

### ***UK Withholding Tax on Interest Payments by the Issuer***

**Provided that** the interest on the Notes does not have a UK source, interest on the Notes may be paid by the Issuer without withholding or deduction for or on account of UK income tax. The location of the source of a payment is a complex matter. It is necessary to have regard to case law and HMRC practice. Case law has established that in determining the source of interest, all relevant factors must be taken into account. HMRC has indicated that the most important factors in determining the source of a payment are those which influence where a creditor would sue for payment, and has stated that the place where the Issuer does business, and the place where its assets are located, are the most important factors in this regard; however HMRC has also indicated that, depending on the circumstances, other relevant factors may include the place where the interest and principal are payable, the method of payment, the governing law of the Notes and the competent jurisdiction for any legal action, the location of any security for the Issuer's obligations under the Notes, and similar factors relating to any guarantee.

Interest which has a UK source ("**UK interest**") may be paid by the Issuer without withholding or deduction for or on account of UK income tax if the Notes in respect of which the UK interest is paid are issued for a term of less than one year (and are not issued under arrangements the effect of which is to render the Notes part of a borrowing with a total term of one year or more).

UK interest on Notes issued for a term of one year or more (or under arrangements the effect of which is to render the Notes part of a borrowing with a total term of one year or more) may be paid by the Issuer without withholding or deduction for or on account of UK income tax if the Notes in respect of which the UK interest is paid constitute "quoted Eurobonds". Notes which carry a right to interest will constitute quoted Eurobonds provided they are and continue to be listed on a recognised stock exchange (within the meaning of section 1005 of the Income Tax Act 2007 (the "Act") for the purposes of section 987 of the Act) or admitted to trading on a "multilateral trading facility" operated by a regulated recognised stock exchange (within the meaning of section 987 of the Act).

The Luxembourg Stock Exchange is a recognised stock exchange. The Issuer's understanding of current HMRC practice is that securities which are officially listed and admitted to trading on the Euro MTF Market of that Exchange may be regarded as "listed on a recognised stock exchange" for these purposes.

In all other cases, UK interest on the Notes may fall to be paid under deduction of UK income tax at the basic rate (currently 20 per cent) subject to such relief or exemption, as may be available.

#### ***Payments by Guarantor***

If the Guarantor makes any payments in respect of interest on the Notes (or other amounts due under the Notes other than the repayment of amounts subscribed for the Notes) and such payments have a UK source, such payments may be subject to UK withholding tax at the basic rate (currently 20 per cent) subject to such relief or exemption, as may be available.

#### ***Other UK withholding tax considerations***

Where Notes are issued at an issue price of less than 100 per cent of their principal amount. Any discount element on any such Notes will not generally be subject to any UK withholding tax pursuant to the provisions mentioned above.

Where Notes are to be, or may fall to be, redeemed at a premium, as opposed to being issued at a discount, then any such element of premium may constitute a payment of interest. Payments of interest are subject to UK withholding tax as outlined above.

Where interest has been paid under deduction of UK income tax, Holders who are not resident in the UK may be able to recover all or part of the tax deducted if there is an appropriate provision in any applicable double taxation treaty.

The references to "interest" above mean "interest" as understood in UK tax law. The statements above do not take any account of any different definitions of "interest" or "principal" which may prevail under any other law or which may be created by the terms and conditions of the Notes or any related documentation. Noteholders should seek their own professional advice as regards the withholding tax treatment of any payment on the Notes which does not constitute "interest" or "principal" as those terms are understood in UK tax law.

## **NIGERIAN TAXATION**

***The following is a general summary of Nigerian tax consequences of the Notes as at the date hereof. This summary does not purport to describe all possible tax considerations or consequences that may be relevant to a holder or prospective holder of Notes. In view of its general nature, it should be treated with corresponding caution.***

#### ***Taxation of Noteholders***

As non-Nigerian companies, the Issuer (together with its activities and the Notes) is only subject to Nigerian tax laws in limited circumstances as discussed subsequently. Payments of principal and interest on the Notes to an individual who is a non-resident of Nigeria or to a legal entity that is not incorporated in Nigeria or otherwise has no taxable presence in Nigeria (together, "**Non Nigerian Holders**") will not be subject to taxation in Nigeria, and no withholding of any Nigerian tax will be required on any such payments. In addition, gains realised by Non Nigerian Holders derived from the disposal, sale, exchange or transfer of the Notes will not be subject to capital gains tax or value added tax in Nigeria.

However, any individual who is a resident of Nigeria, or any legal entity that is either incorporated in Nigeria, or otherwise has a taxable presence in Nigeria (together, "**Nigerian Holders**") will be subject to taxation in Nigeria, and interest or coupon payments or other income from the Notes in the hands of such Nigerian Holder will be taxable in the hands of such Nigerian Holder as part of its general taxable income, except where such income is brought into Nigeria through government approved banking channels (i.e. commercial banks and other entities licensed to deal in foreign exchange). In those instances, such income will be exempt from tax in Nigeria.

Save for this, the transaction between any Noteholder and the Issuer will not be liable to any form of taxation in Nigeria.

### ***Stamp duties***

Stamp duty is payable in Nigeria either on a flat rate or *ad valorem* basis. The Notes, Trust Deed, the Deed of Guarantee, the Dealer Agreement and the Agency Agreement are intended to be executed and held outside of Nigeria and are therefore not required to be stamped in Nigeria. However, if it becomes necessary to bring any such documentation into Nigeria for the purpose of admission in evidence before a Nigerian court and enforcement by such courts, the documents will be required to be stamped within 30 days of being brought into Nigeria and will be subject to the payment of the relevant rate of stamp duty, assessed by the Nigerian Commissioner for Stamp Duties as prescribed by the Stamp Duties Act.

Each of the documents, other than the Deed of Guarantee and the Notes, would be subject to a nominal amount of stamp duty assessed on a flat rate of N500 (approximately US\$1.50) on each document. Based on the schedule to the Stamp Duties Act, the Deed of Guarantee should ordinarily be subject to nominal stamp duty. However, based on current practice in Nigeria, it is unclear whether stamp duty will be assessed on the Deed of Guarantee at a nominal rate or on an *ad valorem* basis. This is because the Commissioner for Stamp Duties could take the view that the guarantee amount to security, which could attract a stamp duty rate of up to 0.375 per cent of the value of the guarantees provided by the Nigerian Guarantor since that is the maximum rate of stamp duty payable in Nigeria in respect of security documents securing payment or repayment of money. However, it is more likely that stamp duty will be assessed on the Deed of Guarantee at a nominal rate since no actual security is contemplated.

Pursuant to the Stamp Duties Act and only in the event that the Notes are brought into Nigeria, the stamp duty payable on the issuance of the securities transferable by delivery is 2.25 per cent., however, with respect to marketable securities that are not transferable by delivery, and again only in the event that the Notes are brought into Nigeria, the applicable rate of stamp duties is 0.375 per cent.

### ***Other taxes and duties***

Save as set out above, no value added tax or VAT, registration fees, or any other similar documentary tax, charge or duty will be payable by the Noteholders in respect of, or in connection with the issue of the Notes or with respect to the payment of interest or principal by the Issuer or the Nigerian Guarantor under the Notes.

## **LUXEMBOURG TAXATION**

The following information is of a general nature only and is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. The information contained within this section is limited to certain Luxembourg tax issues and prospective investors in the Notes should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a withholding tax or a tax of a similar nature, or to any other concepts, refers to Luxembourg tax law and/or concepts only.

Also, please note that a reference to Luxembourg income tax encompasses corporate income tax (*impôt sur le revenu des collectivités*), municipal business tax (*impôt commercial communal*), a solidarity surcharge (*contribution au fonds pour l'emploi*) as well as personal income tax (*impôt sur le revenu*) generally. Investors may further be subject to net wealth tax (*impôt sur la fortune*) as well as other duties, levies or taxes. Corporate income tax, municipal business tax as well as the solidarity surcharge invariably apply to most corporate taxpayers resident in Luxembourg for tax purposes. Individual taxpayers are generally subject to personal income tax and the solidarity surcharge. Under certain circumstances, where an individual taxpayer acts in the course of the management of a professional or business undertaking, municipal business tax may apply as well.

### ***Luxembourg Tax Residency of the holders of the Notes***

A Luxembourg non-resident holder of the Notes will not become resident, nor be deemed to be resident, in Luxembourg by reason only of the holding of the Notes, or the execution, performance, delivery and/or enforcement of their entitlements thereunder.

### ***Withholding tax***

#### Non-resident holders of Notes

Under Luxembourg general tax laws currently in force, interest payments (including accrued but unpaid interest) and principal made to non-residents of Luxembourg in the context of the holding, disposal, redemption or repurchase of the Notes which are not profit-sharing will not be subject to any Luxembourg withholding tax.

#### Resident holders of Notes

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005, as amended (the "**Relibi Law**"), there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of Notes, nor on accrued but unpaid interest in respect of Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Notes held by Luxembourg resident holders of Notes provided that the interest on the Notes does not depend on the profit of the Issuer.

Under the Relibi Law, payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the immediate benefit of an individual beneficial owner who is a resident of Luxembourg will be subject to a withholding tax of 20 per cent. Payments of interest under the Notes coming within the scope of the Relibi Law will be subject to a withholding tax at a rate of 20 per cent. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of tax in application of the Relibi Law is assumed by the Luxembourg paying agent.

THE DISCUSSION ABOVE IS A GENERAL SUMMARY. IT DOES NOT COVER ALL TAX MATTERS THAT MAY BE OF IMPORTANCE TO A PARTICULAR INVESTOR. EACH PROSPECTIVE INVESTOR IS URGED TO CONSULT ITS OWN TAX ADVISOR ABOUT THE TAX CONSEQUENCES TO IT OF AN INVESTMENT IN THE NOTES IN LIGHT OF THE INVESTOR'S OWN CIRCUMSTANCES.

### **SAUDI ARABIAN TAXATION AND ZAKAT**

The following is a general description of certain tax/zakat considerations relating to the Notes. It does not purport to be a complete analysis of all tax/zakat considerations relating to the Notes whether in the countries specified below or elsewhere. Prospective purchasers of Notes should consult their own tax/zakat advisers as to the consequences under the tax laws of the country of which they are resident for tax purposes and the tax laws of The Netherlands and tax and zakat laws of Saudi Arabia of acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes. This summary is based upon the law as in effect on the date of this Base Prospectus and is subject to any change in law that may take effect after such date. Prospective purchasers should note that the Issuer and/or the Guarantors are not obliged to update this section for any subsequent changes or modification to the applicable tax/zakat regulations.

Also investors should note that the appointment by an investor in Notes, or any person through which an investor holds Notes, of a custodian, collection agent or similar person in relation to such Notes in any jurisdiction may have tax implications. Investors should consult their own tax/zakat advisers in relation to the tax consequences for them of any such appointment.

#### ***Overview of Saudi tax and zakat law***

##### *Income Tax*

According to Saudi Arabian tax law, a resident capital company (on its foreign partner's (shareholder's) share) and a non-resident who does business in Saudi Arabia through a Permanent Establishment (as defined below) are subject to corporate income tax in Saudi Arabia at a flat rate of 20%. Companies which are wholly owned by Saudi/GCC nationals are subject to zakat instead of income tax.

Companies owned jointly by Saudi/GCC and non-Saudi/non-GCC nationals pay tax on the portion of income attributable to the non-Saudi/non-GCC nationals and zakat on the portion of net equity attributable to Saudi nationals. Residents of countries belonging to the GCC and shares held directly by GCC nationals

or via other GCC companies (where the shareholding structure does not fall outside of the GCC) in a Saudi capital company are subject to zakat and not income tax. In determining the tax/zakat profile, the Saudi tax authorities apply a "look-through" approach to determine whether the up-stream shareholding structure at any point exists outside of the GCC. In this regard, the indirect ownership has been specified to mean ownership up to the second level.

### ***Zakat***

According to zakat regulations of Saudi Arabia, zakat is assessed on Saudi and GCC nationals and on Saudi companies wholly-owned by such individuals. There are certain rules that apply to the method of calculating the zakat liability. Zakat is levied on the higher of the adjusted Zakatable profits or the zakat base which, in general, comprises equity, loans and provisions reduced by deductible investments and fixed assets. Zakat is applied at a rate of 2.5% on the adjusted Zakatable profit or zakat base. However, the zakat rate is apportioned based on number of days while applying on zakat base; in case if zakat payer uses Gregorian year as its fiscal year instead of Hijri (Islamic) year.

### ***Withholding Tax ("WHT")***

The Saudi Arabian tax law provides for actual withholding tax at different rates on payments made to non-resident parties (including those located in the GCC) by a Saudi resident from a source of income in Saudi Arabia. WHT is imposed on payments against services and not sale of goods. Services are defined to mean anything done for consideration other than the purchase and sale of goods and other property. Loan charges paid to non-residents generally attract 5% Saudi WHT, unless such WHT is reduced or eliminated pursuant to the terms of an applicable double tax treaty.

### ***Certain tax and zakat implications for Noteholders***

#### ***GCC Noteholders who are Resident in Saudi Arabia***

Noteholders who are GCC Persons (as defined below) and resident in Saudi Arabia are not subject to any Saudi Arabian income tax, whether by WHT or direct assessment, in respect of any profit payment received or gain realised in respect of the Notes. However, such Noteholders will be subject to zakat in respect of any profit payment received or gain realised in respect of the Notes including capital gain on sale of Notes. Additionally, the General Authority of Zakat and Tax (GAZT) does not allow an investment in the Notes to be deducted from the zakat base of such a Noteholder, as stipulated under Chapter 2 – Article 5(4) of the zakat regulations.

#### ***Non-GCC Noteholders who are Resident in Saudi Arabia***

Noteholders who are non-GCC legal entities and resident in Saudi Arabia as defined in Chapter 2 – Article 3 of the Income Tax Regulations will be subject to Saudi Arabian corporate income tax at the rate of 20% on any profit payment received or gain realised in respect of the Notes but they will not be subject to any zakat.

Noteholders, who are non-GCC natural persons and resident in Saudi Arabia, should not be subject to Saudi Arabian income tax or zakat on any profit payment received or gain realised in respect of the Notes.

#### ***Noteholders who are not Resident in Saudi Arabia***

Noteholders, either natural persons or legal entities, who are not resident in Saudi Arabia (whether such Noteholders are Saudi Arabian nationals or non-Saudi Arabian nationals (including Noteholders resident in the GCC)) and do not have a Permanent Establishment in Saudi Arabia for tax purposes, will not be subject to Saudi Arabian withholding tax (as the payments will be received from a Saudi non-resident) or zakat on any payments received by them in respect of the Notes.

Natural persons having the nationality of a GCC country other than Saudi Arabia who are not resident but have a Permanent Establishment in Saudi Arabia and legal entities established under the laws of a GCC country other than Saudi Arabia with a Permanent Establishment in Saudi Arabia are subject to Saudi Arabian corporate income tax at the rate of 20% in respect of any profit payment received or gain realized in respect of the Notes but will not be subject to zakat. Notwithstanding the above, pursuant to Condition

15 (*Taxation*), to the extent that any WHT is deducted, the Guarantor will generally be obliged to pay such additional amounts as will result in receipt by the Noteholders, after such withholding or deduction, of such amounts as would have been received by them had no such withholding or deduction been required.

Saudi Arabia has signed a double tax treaty for avoidance of double taxation with The Netherlands, which provides exemption from tax in respect of business profits of the non-resident, which does not have a Permanent Establishment in Saudi Arabia.

### **General**

Noteholders who are natural persons with or without a Permanent Establishment in Saudi Arabia at the time of their death will not be subject to inheritance or other taxes of a similar nature in Saudi Arabia under Saudi Arabian tax law.

Noteholders will not be deemed to be Resident (as defined below), domiciled or carrying on business in Saudi Arabia solely by reason of holding any Note.

Under the zakat regulations which are in effect in Saudi Arabia as at the date of this Base Prospectus, long-term investments in Notes are not deductible from the zakat base of the investor.

For the purposes of this summary:

- (a) "**GCC**" means the Kingdom of Bahrain, the State of Kuwait, the Sultanate of Oman, the State of Qatar, the Kingdom of Saudi Arabia and the United Arab Emirates;
- (b) a "**GCC Person**" means: (i) a natural persons having the nationality of any of the GCC countries; and (ii) any legal entity owned by GCC nationals and established under the laws of a GCC country. A GCC Person will include a company owned by both Saudi/GCC and non-Saudi/non- GCC nationals, to the extent it is ultimately owned by Saudi/ GCC nationals;
- (c) "**Permanent Establishment**", subject to the exceptions stipulated in the Income Tax Regulations, of a non-resident in Saudi Arabia represents a permanent place for the non-resident's activity where he conducts the activity either fully or partly; this also includes the activity conducted by the non-resident through an agent. A non-resident carrying out an activity in Saudi Arabia through a licensed branch is considered to have a Permanent Establishment in Saudi Arabia; and
- (d) a "**Resident**" is defined as follows:
  - (i) a natural person is considered a Resident in Saudi Arabia for a taxable year if he meets either of the two following conditions:
    - (1) he has a permanent place of abode in Saudi Arabia and is physically present in Saudi Arabia for a total of not less than 30 days in the taxable year; or
    - (2) he is physically present in Saudi Arabia for a period of not less than 183 days in the taxable year; and
  - (ii) a company is considered Resident in Saudi Arabia during a taxable year if it meets either of the following conditions:
    - (1) it is formed in accordance with the Saudi Companies Regulations; or
    - (2) its place of central control and management is located in Saudi Arabia.

Noteholders will not be deemed to be Resident in Saudi Arabia solely by reason of holding any Notes.

## OTHER INFORMATION RELATING TO TAX

### *The Proposed Financial Transaction Tax ("FTT")*

On 14 February 2013, the European Commission published a proposal (the "Commission's proposal") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**"). However, Estonia has since stated that it will not participate.

The Commission's proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary' market transactions) in certain circumstances.

Under the Commission's proposal, FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

### **FATCA**

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "*foreign financial institution*" may be required to withhold on certain payments it makes ("*foreign passthru payments*") to persons that fail to meet certain certification, reporting, or related requirements. The issuer may be a foreign financial institution for these purposes. A number of jurisdictions (including the jurisdictions of the Issuers) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to the date that is two years after the publication of the final regulations defining "foreign passthru payment" and Notes issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the issuer). However, if additional notes (as described under "*Terms and Conditions—Further Issues*") that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

## SUBSCRIPTION AND SALE

Notes may be sold from time to time by the Issuer to any one or more of BNP Paribas and UniCredit Bank AG (or any additional dealers appointed from time to time pursuant to the Dealer Agreement) (the "Dealers"). The arrangements under which Notes may from time to time be agreed to be sold by the Issuer to, and subscribed to by the Dealers, are set out in a Dealer Agreement dated 29 June 2020 as amended from time to time (the "**Dealer Agreement**") and made between the Issuer, the Guarantor and the Dealers. If in the case of any Tranche of Notes the method of distribution is an agreement between the Issuer, the Guarantors and a single Dealer for that Tranche to be issued by the Issuer and subscribed by that Dealer, the method of distribution will be described in the relevant Final Terms as "*Non-Syndicated*" and the name of that Dealer and any other interest of that Dealer which is material to the issue of that Tranche beyond the fact of the appointment of that Dealer will be set out in the relevant Final Terms. If in the case of any Tranche of Notes the method of distribution is an agreement between the Issuer, the Guarantors and more than one Dealer for that Tranche to be issued by the Issuer and subscribed by those Dealers, the method of distribution will be described in the relevant Final Terms as "*Syndicated*", the obligations of those Dealers to subscribe the relevant Notes will be joint and several and the names and addresses of those Dealers and any other interests of any of those Dealers which is material to the issue of that Tranche beyond the fact of the appointment of those Dealers (including whether any of those Dealers has also been appointed to act as Stabilising Manager in relation to that Tranche) will be set out in the relevant Final Terms.

Any such agreement will, *inter alia*, make provision for the form and terms and conditions of the relevant Notes, the price at which such Notes will be subscribed by the Dealer(s) and the commissions or other agreed deductibles (if any) payable or allowable by the Issuer in respect of such subscription. The Dealer Agreement makes provision for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche of Notes. In addition, under any subscription agreement to be executed in connection with any Tranche of the Notes the relevant Dealers are entitled in certain circumstances to be released and discharged from their obligations prior to the closing of the issue of such Notes.

### UNITED STATES OF AMERICA

The Notes have not been, and will not be, registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered, sold or (in the case of Bearer Notes) delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) except in certain transactions exempt from the registration requirements of the Securities Act.

The Bearer Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the United States Internal Revenue Code and regulations thereunder.

Each Dealer has agreed (and each further Dealer appointed under the Programme will be required to further agree) that, except as permitted by the Dealer Agreement, it will not offer, sell or deliver Notes, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of the Notes comprising the relevant Tranche, as certified to the Principal Paying Agent or the Issuer by such Dealer (or, in the case of a sale of a Tranche of Notes to or through more than one Dealer, by each of such Dealers as to the Notes of such Tranche purchased by or through it, in which case the Principal Paying Agent or the Issuer shall notify each such Dealer when all such Dealers have so certified) within the United States or to, or for the account or benefit of, U.S. persons and such Dealer will have sent to each dealer to which it sells Notes during the distribution compliance period relating thereto, a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering of Notes comprising any Tranche, any offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

## PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS

Unless the Final Terms (or Drawdown Prospectus, as the case may be) in respect of any Notes specifies the "Prohibition of Sales to EEA and UK Retail Investors" as "Not Applicable", each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms (or are the subject of the offering contemplated by a Drawdown Prospectus) in relation thereto to any retail investor in the European Economic Area or in the UK. For the purposes of this provision:

- (a) the expression "**retail investor**" means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (11) of MiFID II; or
  - (ii) a customer within the meaning Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

## Public Offer Selling Restriction Under the Prospectus Regulation

If the Final Terms in respect of any Notes specifies the "Prohibition of Sales to EEA and UK Retail Investors" as "Not Applicable", in relation to each Member State of the European Economic Area and the UK (each a "**Relevant State**"), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto (or are the subject of the offering contemplated by a Drawdown Prospectus, as the case may be) to the public in that Relevant State except that it may make an offer of such Notes to the public in that Relevant State:

- (a) *Qualified investors*: at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (b) *Fewer than 150 offerees*: at any time to fewer than 150, natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (c) *Other exempt offers*: at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation.

**provided that** no such offer of Notes referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes and the expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129.

## LUXEMBOURG

The Notes may not be offered or sold to the public within the territory of the Grand Duchy of Luxembourg ("**Luxembourg**") unless:

- (i)
  - (a) a prospectus has been duly approved by the Commission de Surveillance du Secteur Financier (the "**CSSF**") pursuant to part II of the Luxembourg law dated 16 July 2019 on prospectuses for securities, which applies Regulation (EU) 2017/1129 (the "**Prospectus Regulation**") (the "**Luxembourg Prospectus Law**"), if Luxembourg is the home Member State as defined under the Prospectus Regulation; or

(b) if Luxembourg is not the home Member State as defined under the Prospectus Regulation, the CSSF and the European Securities and Markets Authority have been provided by the competent authority in the home Member State with a certificate of approval attesting that a prospectus in relation to the Notes has been duly approved in accordance with the Prospectus Regulation and with a copy of that prospectus; or

(c) the offer of Notes benefits from an exemption from, or constitutes a transaction not subject to, the requirement to publish a prospectus or similar document under the Luxembourg Prospectus Law; and

(ii) Regulation (EU) No 1286/2014 ("**PRIIPS**") and the Luxembourg law of 17 April 2018 implementing PRIIPS in Luxembourg has been complied with.

## **UNITED KINGDOM**

Each Dealer has represented, warranted and agreed (and each further Dealer appointed under the Programme will be required to further represent, warrant and agree) that:

(a) **No deposit-taking:** in relation to any Notes having a maturity of less than one year:

(i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and

(ii) it has not offered or sold and will not offer or sell any Notes other than to persons:

(A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or

(B) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses,

where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

(b) **Financial promotion:** it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer or the Guarantors; and

(c) **General compliance:** it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

## **REPUBLIC OF ITALY**

The offering of the Notes has not been registered with the *Commissione Nazionale per le Società e la Borsa* ("**CONSOB**") pursuant to Italian securities legislation. Each Dealer has represented and agreed that any offer, sale or delivery of the Notes or distribution of copies of this Base Prospectus or any other document relating to the Notes in the Republic of Italy will be effected in accordance with all Italian securities, tax and exchange control and other applicable laws and regulation.

Accordingly, each of the Dealers has represented and agreed that it will not offer, sell or deliver any Notes or distribute copies of this Base Prospectus and any other document relating to the Notes in the Republic of Italy except:

(1) to "qualified investors", as defined in Regulation (EU) 2017/1129 of 14 June 2017 (the "**Prospectus Regulation**", as amended); or

(2) in any other circumstances where an express exemption from compliance with the offer restrictions applies, as provided under the Prospectus Regulation, Article 100 of Legislative Decree No. 58 of

24 February 1998, as amended (the "**Decree No. 58**") and Article 34-ter of CONSOB Regulation No. 11971 of 14 May 1999, as amended ("**Regulation No. 11971**").

Any such offer, sale or delivery of the Notes or distribution of copies of this Base Prospectus or any other document relating to the Notes in the Republic of Italy must be:

- (i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with Legislative Decree No. 58 of 24 February 1998, CONSOB Regulation No. 20307 of 15 February 2018 and Legislative Decree No. 385 of 1 September 1993 (in each case as amended from time to time) and any other applicable laws and regulations;
- (ii) in compliance with Article 129 of Legislative Decree No. 385 of 1 September 1993, as amended, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in the Republic of Italy and the relevant implementing guidelines of the Bank of Italy issued on 25 August 2015 (as amended on 10 August 2016); and
- (iii) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or any other Italian authority.

## **THE NETHERLANDS**

Zero Coupon Notes in definitive bearer form and other Notes in definitive bearer form on which interest does not become due and payable during their term but only at maturity (savings certificates or *spaarbewijzen* as defined in The Netherlands Savings Certificates Act (*Wet inzake spaarbewijzen*, the "**SCA**") may only be transferred and accepted, directly or indirectly, within, from or into The Netherlands through the mediation of either the Issuer or a member of Euronext Amsterdam N.V. with due observance of the provisions of the SCA and its implementing regulations (which include registration requirements). No such mediation is required, however, in respect of (i) the initial issue of such Notes to the first holders thereof, (ii) the transfer and acceptance by individuals who do not act in the conduct of a profession or business and (iii) the issue and trading of such Notes if they are physically issued outside The Netherlands and are not immediately thereafter distributed in The Netherlands.

As used herein "**Zero Coupon Notes**" are Notes that are in bearer form and that constitute a claim for a fixed sum against the Issuer and on which interest does not become due during their tenor or on which no interest is due whatsoever.

## **FRANCE**

Each Dealer has represented and agreed, and each further Dealer will be required to represent and agree, that it has only offered or sold and will only offer or sell, directly or indirectly, Notes in France to qualified investors (*investisseurs qualifiés*) as defined in Article L.411-2 1° of the French *Code monétaire et financier* and it has only distributed or caused to be distributed and will only distribute or cause to be distributed in France to such qualified investors this Base Prospectus, any Final Terms or any other offering material relating to the Notes.

## **JAPAN**

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "**FIEA**") and, accordingly, each Dealer has represented and agreed that has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan or to others for re-offering or resale, directly or indirectly, in Japan or to any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and other relevant laws and regulations of Japan. As used in this paragraph, "**resident of Japan**" means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

## NIGERIA

This Base Prospectus and the Notes have not been and will not be registered with the Nigerian Securities and Exchange Commission (“SEC”) or under the Nigerian Investment and Securities Act 2007 (“ISA”). Further, neither this Base Prospectus nor any other offering material related to the Notes may be utilised in connection with any offering to the public within Nigeria, and the Notes may not be offered or sold within Nigeria to persons resident in Nigeria, except to the extent that the Notes have been registered with the Nigerian SEC and its written approval obtained in accordance with the provisions of the Nigerian ISA and other Nigerian securities law. The Notes may, however, be offered and sold in Nigeria in certain transactions exempt from the registration requirements of the Nigerian ISA. Accordingly, this Base Prospectus is not directed to, and the Notes are not available for subscription by, any persons within Nigeria, other than any selected investors to whom the Base Prospectus has been addressed as a private sale, or domestic concern, within the exemption and meaning of Section 69(2) of the Nigerian ISA.

Each Dealer has agreed that, subject to the provisions of the ISA and regulations made thereunder, it will not offer, sell or deliver the Notes, directly or indirectly, in Nigeria as part of their distribution at any time.

## NORWAY

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that, unless the Issuer has confirmed in writing to each Dealer that the Base Prospectus has been filed with the Financial Supervisory Authority of Norway (in Norwegian: *Finanstilsynet*), it has not, directly or indirectly, offered or sold and will not directly or indirectly, offer or sell any Notes in Norway or to residents of Norway, other than:

- (a) in respect of an offer of Notes addressed to investors subject to a minimum purchase of Notes for a total consideration of not less than €100,000 per investor; or
- (b) to "professional investors" as defined in Section 10-6 in the Norwegian Securities Trading Act of 29 June 2007 no. 75; or
- (c) to fewer than 150 natural or legal persons (other than "professional investors", as defined in Section 10-6 in the Norwegian Securities Trading Act of 29 June 2007 no. 75), subject to obtaining the prior consent of the relevant Dealer or Dealers for any such offer; or
- (d) in any other circumstances **provided that** no such offer of Notes shall result in a requirement for the registration, or the publication by the Issuer or the Dealer or Dealers of a prospectus pursuant to the Norwegian Securities Trading Act of 29 June 2007.

The Notes shall be registered with the Norwegian central securities depository *Verdipapirsentralen ASA* (VPS) in dematerialised form or in another central securities depository which is properly authorised and recognised by the Financial Supervisory Authority of Norway as being entitled to register the Notes pursuant to Regulation (EU) No 909/2014, unless (i) the Notes are denominated in NOK and offered and sold outside of Norway to non-Norwegian tax residents only, or (ii) the Notes are denominated in a currency other than NOK and offered or sold outside of Norway.

## PORTUGAL

No offer or sale of Notes may be made in Portugal or to persons resident or established in Portugal or having a permanent establishment located in the Portuguese territory except under circumstances that will result in compliance with all laws and regulations in force in Portugal, including (without limitation) the Portuguese Securities Code (*Código dos Valores Mobiliários*), any regulations issued by the Portuguese Securities Market Commission (*Comissão do Mercado de Valores Mobiliários*, the "CMVM") and the Prospectus Regulation (as amended from time to time) ("**Public Offering Regulations**").

Neither the Base Prospectus nor any document, circular, marketing or any offering material in relation to the Notes has been or will be registered with or subject to approval by the CMVM nor has a certificate of approval has or will be delivered to the CMVM under the Prospectus Regulation.

Hence, the Notes may not be offered, sold or distributed to undetermined addressees in Portugal nor any prospecting or advertisement activities or gathering of investment intentions from undetermined addressees

have been or may be undertaken in Portugal in connection with the Notes or its offering, in circumstances which could qualify as a public offer of securities pursuant to the Public Offering Regulations.

Accordingly, the Notes may only be offered, sold or distributed in Portugal if such offer, sale or distribution qualifies as a private offering pursuant to the Public Offering Regulations.

## **SWITZERLAND**

This Base Prospectus and any final terms are not intended to constitute, and do not constitute, an offer or solicitation to purchase or invest in the Notes. The Notes have not been and will not be publicly offered, sold or advertised, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act ("**FinSA**") except that offers of Notes may be made to the public in Switzerland under the following exemptions under the FinSA:

- (i) to any investor that qualifies as a professional client within the meaning of the FinSA; or
- (ii) in any other circumstances falling within article 36 of the FinSA;

*provided*, in each case, that no such offer of Notes referred to in (i) through (ii) above shall require the publication of a prospectus pursuant to article 35 of the FinSA.

The Notes have not been and will not be listed or admitted to trading on a trading venue (*i.e.* exchange or multilateral trading facility) in Switzerland. Neither this Base Prospectus, any final terms nor any other offering or marketing material relating to the Notes constitute a prospectus within the meaning of article 35 of the FinSA. In particular, this Base Prospectus has not been and will not be reviewed or approved by a Swiss review body pursuant to article 51 of the FinSA, and does not comply with the disclosure requirements applicable to a prospectus within the meaning of article 35 of the FinSA. Neither this Base Prospectus nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland (unless in circumstances falling within article 36 of the FinSA).

## **SAUDI ARABIA**

This Base Prospectus may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Rules on the Offer of Securities and Continuing Obligations issued by the Capital Market Authority of the Kingdom of Saudi Arabia (the "**Capital Market Authority**") pursuant to its Resolution No. 3-123-2017 dated 9/4/1439H (corresponding to 27 December 2017, as amended by Resolution of the Board of the Capital Market Authority No. 3-45-2018 dated 7/8/1439H (corresponding to 23 April 2018) and Resolution of the Board of the Capital Market Authority No. 1-104-2019 dated 01/02/1441H (corresponding to 30 September 2019)) and as further amended from time to time.

The Capital Market Authority does not make any representation as to the accuracy or completeness of this Base Prospectus, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Base Prospectus. Prospective purchasers of Notes offered hereby should conduct their own due diligence on the accuracy of the information relating to the Notes. If a prospective investor does not understand the contents of this Base Prospectus, he or she should consult an authorized financial adviser.

## **GENERAL**

Each Dealer has represented, warranted and agreed (to the best of its knowledge and belief), and each further Dealer appointed under the Programme will be required to further represent, warrant and agree, that it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in or from which it purchases, offers, sells or delivers Notes or possesses, distributes or publishes this Base Prospectus or any Final Terms or any related offering material, in all cases at its own expense. Other persons into whose hands this Base Prospectus or any Final Terms comes are required by the Issuer, the Original Guarantors and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or possess, distribute or publish this Base Prospectus or any Final Terms or any related offering material, in all cases at their own expense.

The Dealer Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) or change(s) in official interpretation, after the date hereof, of applicable laws and regulations, no longer be

applicable but without prejudice to the obligations of the Dealers described in the paragraph headed "General" above.

Selling restrictions may be supplemented or modified with the agreement of the Issuer. Any such supplement or modification may be set out in the relevant Final Terms (in the case of a supplement or modification relevant only to a particular Tranche of Notes) or in a supplement to this Base Prospectus.

## GENERAL INFORMATION

### Authorisation

1. The update of the Programme were authorised by a resolution of the Board of Directors of Saipem Finance International B.V. dated 23 April 2020.
2. The giving of the Guarantee of the Notes was duly authorised by a resolution of the Board of Directors of Saipem S.p.A. dated 22 April 2020, a written resolution of the sole shareholder of Saipem (Portugal) - Comércio Marítimo, Sociedade Unipessoal Lda. dated 27 May 2020, a board of directors resolution of Saipem SA dated 20 May 2020, a board of directors resolution of Sofresid SA dated 20 May 2020, a resolution of the board of directors and a written resolution of the sole shareholder of Saipem Limited dated 29 May 2020, a resolution of the Board of Directors of Saipem Offshore Norway AS dated 25 May 2020, a resolution of the Board of Directors of Saipem Drilling Norway AS dated 25 May 2020, a resolution of the Board of Directors of Saipem Contracting Netherlands B.V. dated 19 May 2020, a resolution of the Board of Directors and a written resolution of the sole shareholder of Global Petroprojects Services AG respectively dated 22 May 2020 and 19 May 2020, a written resolution of the board of directors of Saipem Contracting Nigeria Limited dated 27 May 2020, a resolution of the board of directors of Saipem Luxembourg S.A. dated 27 May 2020, a written resolution of the shareholders of Snamprogetti Saudi Arabia Co Limited dated 22 June 2020 and a written resolution of the shareholders of Saudi Arabian Saipem Limited dated 22 June 2020. Each of the Issuer and the Guarantors has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes and the giving of the guarantee relating to them.

### Legal and Arbitration Proceedings

3. Save as disclosed in this Base Prospectus on pages 149-174, there are no governmental, legal or arbitration proceedings, (including any such proceedings which are pending or threatened, of which the Issuer or any Guarantor is aware), which may have, or have had during the 12 months prior to the date of this Base Prospectus, a significant effect on the financial position or profitability of any the Issuer, the Guarantors and the Group.

### Significant/Material Change

4. Save as disclosed in this Base Prospectus on page 176, since the date of last audited balance sheet there has been no material adverse change in the prospects or financial position of the Issuer, Guarantors or the Group nor any significant change in the financial performance of trading position of the Issuer, the Guarantors and the Group.

### Auditors

5. The consolidated and separate financial statements of Saipem as at and for the year ended 31 December 2019 have been audited by KPMG S.p.A., which issued unqualified audit opinions.

The consolidated and separate financial statements of Saipem as at and for the year ended 31 December 2018 have been audited by EY S.p.A., which issued unqualified audit opinions.

EY S.p.A. and KPMG S.p.A. is/are authorized and regulated by The Italian Ministry of Economy and Finance ("MEF") and registered on the special register of auditing firms held by the MEF. The registered office of EY S.p.A. is Via Lombardia, 31, 00187 Rome. The registered office of KPMG S.p.A. is in Via Vittor Pisani, 25 20124 Milan, Italy.

The stand-alone annual financial statements of Saipem Finance International B.V have been audited without qualification for the years ended 31 December 2019 by KPMG Accountants N.V., a member of the Netherlands Institute of Chartered Accountants (*Nederlandse Beroepsorganisatie van Accountants*) located at Laan van Langerhuize 1, 1186 DS Amstelveen, The Netherlands and 31 December 2018 by Ernst & Young Accountants LLP, an independent registered accounting firm located at Cross Towers, Antonio Vivaldistraat 150, 1083 HP Amsterdam, The Netherlands, who have issued an unqualified audit opinion on such standalone annual financial statements prepared in accordance with Dutch GAAP and with the statutory provisions of Part 9 of Book 2 of the Dutch Civil Code. The auditors of Ernst & Young Accountants LLP are members of the Royal NBA (*Koninklijke*

*Nederlandse Beroepsorganisatie van Accountants*), (the "**Netherlands Institute of Chartered Accountants**").

#### **Documents on Display**

6. Copies of the following documents (together with English translations thereof, where necessary) will be available free of charge during normal business hours at the registered offices of the Issuer and from the specified offices of the Principal Paying Agent for 12 months from the date of this Base Prospectus or for so long as any Notes remain outstanding:
  - (a) the constitutive documents of the Issuer;
  - (b) the constitutive documents of the Guarantors;
  - (c) the audited consolidated financial statements of Saipem S.p.A. for the years ended 31 December 2019 and 2018;
  - (d) the auditors' report and audited stand-alone annual financial statements of the Issuer for the financial years ended 31 December 2019 and 2018;
  - (e) the press release headed "Saipem: results for the first quarter of 2020" disseminated by Saipem on April 23, 2020 and available at <https://www.saipem.com/sites/default/files/2020-04/PR%20Saipem%2023.04.2020.pdf>;
  - (f) the Trust Deed (which contains the forms of Notes in global and definitive form);
  - (g) the Agency Agreement;
  - (h) the Deed of Guarantee;
  - (i) the Programme Manual (which contains the forms of the Notes in global and definitive form); and
  - (j) the Issuer-ICSDs Agreement (which is entered into between the Issuer and Euroclear and/or Clearstream, Luxembourg with respect to the settlement in Euroclear and/or Clearstream, Luxembourg of Notes in New Global Note form.

In addition, copies of this Base Prospectus, any supplements to this Base Prospectus, each Final Terms relating to the Notes which are admitted to trading on the Euro MTF market of the Luxembourg Stock Exchange and each document incorporated by reference are available on the Luxembourg Stock Exchange's website ([www.bourse.lu](http://www.bourse.lu)).

#### **Material Contracts**

7. Save as disclosed in this Base Prospectus on pages 174-176, neither the Issuer nor any of the Guarantors has entered into any contracts in the last two years outside the ordinary course of business that have been or may be reasonably expected to be material to their ability to meet their obligations to Noteholders.

#### **Clearing of the Notes**

8. The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The address of Euroclear is 1 Boulevard du Roi Albert II, B 1210 Brussels and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L 1855 Luxembourg.

The appropriate common code and/or the International Securities Identification Number (ISIN) and/or if applicable, the FISN and CFI code in relation to the Notes of each Tranche will be specified in the relevant Final Terms. The relevant Final Terms shall specify any other clearing system as shall have accepted the relevant Notes for clearance together with any further appropriate information.

### **Issue Price and Yield**

9. Notes may be issued at any price. The issue price of each Tranche of Notes to be issued under the Programme will be determined by the Issuer, the Guarantors and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions and the issue price of the relevant Notes or the method of determining the price and the process for its disclosure will be set out in the applicable Final Terms. In the case of different Tranches of a Series of Notes, the issue price may include accrued interest in respect of the period from the interest commencement date of the relevant Tranche (which may be the issue date of the first Tranche of the Series or, if interest payment dates have already passed, the most recent interest payment date in respect of the Series) to the issue date of the relevant Tranche.

The yield of each Tranche of Notes set out in the applicable Final Terms will be calculated as of the relevant issue date on an annual or semi-annual basis using the relevant issue price. It is not an indication of future yield.

### **Post-issuance information**

10. The Issuer does not intend to provide any post-issuance information, except if required by any applicable laws and regulations.

### **The Legal Entity Identifier**

11. The Legal Entity Identifier (LEI) code of the Issuer is 724500V4QZAOY63SY989.

### **Dealers transacting with the Issuer – Potential conflicts of interest**

12. Fees will be paid to the Dealers for the role carried out and part of the proceeds could be used to repay previous loans granted to the Issuer and/or their affiliates by certain Dealers.

Certain Dealers and their affiliates have engaged, and may in the future engage, in lending (including the Lines of Credit), advisory, investment banking, corporate finance and/or commercial banking transactions with, and may perform services for, the Issuer, any Guarantor, the Issuer's or Guarantors' affiliates, other companies directly or indirectly involved in the same sector in which the Issuer or any Guarantor operate, and/or competitors of the Issuer and/or Guarantors interested in carrying out transactions of a similar nature, in the ordinary course of business. Certain Dealers and their affiliates may have positions and deal or make markets in Notes issued under the Programme, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer, any Guarantor, the Issuer's and/or any Guarantors' affiliates, and/or investor clients, in order to manage their exposure and/or general market risk, or other trading activities. In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments (including instruments linked to) of the Issuer and/or any Guarantor or the Issuer's and/or any Guarantors' affiliates. Certain Dealers or their affiliates that have a lending relationship, sometimes significant, with the Issuer and/or any Guarantor and the Issuer's and/or any Guarantors' affiliates routinely hedge their credit exposure to the Issuer in a way that is consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such short positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments. For the avoidance of doubt, the term "affiliate(s)" also includes parent companies.

### **Saipem S.p.A. website**

13. Saipem S.p.A.'s website is [www.saipem.com](http://www.saipem.com). Unless specifically incorporated by reference into this base prospectus, information contained on the website does not form part of this prospectus.

### **BNP Paribas Securities Services, Luxembourg Branch Information**

14. BNP Paribas Securities Services Luxembourg Branch, being part of a financial group providing client services with a worldwide network covering different time zones, may entrust parts of its operational processes to other BNP Paribas Group entities and/or third parties, whilst keeping ultimate accountability and responsibility in Luxembourg.

Further information on the international operating model of BNP Paribas Securities Services, Luxembourg Branch may be provided on request.

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