

ORDINARY AND  
EXTRAORDINARY  
SHAREHOLDERS' MEETING  
19 MAY 2017

EXPLANATORY REPORT  
BY THE BOARD OF DIRECTORS  
ON THE THIRD ITEM ON THE AGENDA  
FOR THE ORDINARY PART



## THIRD ITEM ON THE AGENDA FOR THE ORDINARY PART

**FINCANTIERI S.p.A.**

Registered office Via Genova No. 1, Trieste  
Share Capital €862,980,725.70 – fully paid up

VAT No. 00629440322  
Tax Code and Venezia Giulia Business Registry No. 00397130584  
Trieste Economic and Administrative Index No. 89063

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### ORDINARY PART

*Explanatory Report pursuant to Article 114-bis of the Legislative Decree No. 58 of 24 February 1998 and Article 84-bis of the Regulation issued by Consob by Resolution No. 11971 of 14 May 1999*

#### THIRD ITEM ON THE AGENDA FOR THE ORDINARY PART

*Approval of the Performance Share Plan 2016-2018 pursuant to Article 114-bis of the Legislative Decree no. 58 of 24 February 1998. Related and consequent resolutions.*

Dear Shareholders,

you have been convened in ordinary session to discuss and resolve upon the Performance Share Plan 2016-2018 (the "Plan") for the management of Fincantieri, devised by the Board of Directors, upon proposal by the Remuneration Committee, at the meeting held on 10 November 2016.

The Plan seeks to better align the interests of its beneficiaries with those of Shareholders, by linking remuneration of the management to specific performance targets, whose achievement is closely linked to improved company performance and enhanced corporate value in the medium to long term.

The Plan is also conceived as a mean to enhance retention of key resources of Fincantieri, aligning the Company's Remunerations Policy with best market practices which, typically, provide for medium to long-term incentives.

The characteristics of the aforementioned Plan are described in the information document drawn up by the Company pursuant to art. 84-bis of the Regulation issued by Consob (the Italian Securities Market Authority) by Resolution No. 11971 of 14 May 1999, made available to the public at the Company's registered office and on the Company's website ([www.fincantieri.com](http://www.fincantieri.com)) in the section dealing with this Shareholders' Meeting and elsewhere, in accordance with applicable regulatory deadlines in force.

You are therefore invited to consult the aforementioned information document.

In view of the foregoing, we hereby submit for your approval the following draft resolution:

*"The Ordinary Shareholders' Meeting of FINCANTIERI S.p.A., having examined the information document drawn up by the Board of Directors pursuant to Article 84-bis of the Regulation issued by Consob by Resolution No. 11971 of 14 May 1999,*

*resolves*

*1. to approve the Performance Share Plan 2016-2018 for the persons identified by the Board of Directors, in accordance with the terms and conditions described in the information document drawn up pursuant to Article 84-bis of the Regulation issued by Consob by Resolution No. 11971 of 14 May 1999, including the following: Chief Executive Officer, Chairperson of the Board of Directors (if granted executive powers), General Manager (if any), other Executives with Strategic Responsibilities, other Key Executives and other key employees;*

*2. to grant the Board of Directors - and through it, the Chief Executive Officer - all the necessary powers to concretely implement the Performance Share Plan 2016-2018, to be exercised in accordance with the criteria described in the information document drawn up pursuant to Article 84-bis of the Regulation issued by Consob by Resolution No. 11971 of 14 May 1999”.*

*Trieste, 29 March 2017*

*For the Board of Directors  
Chairman of the Board of Directors  
Giampiero Massolo*