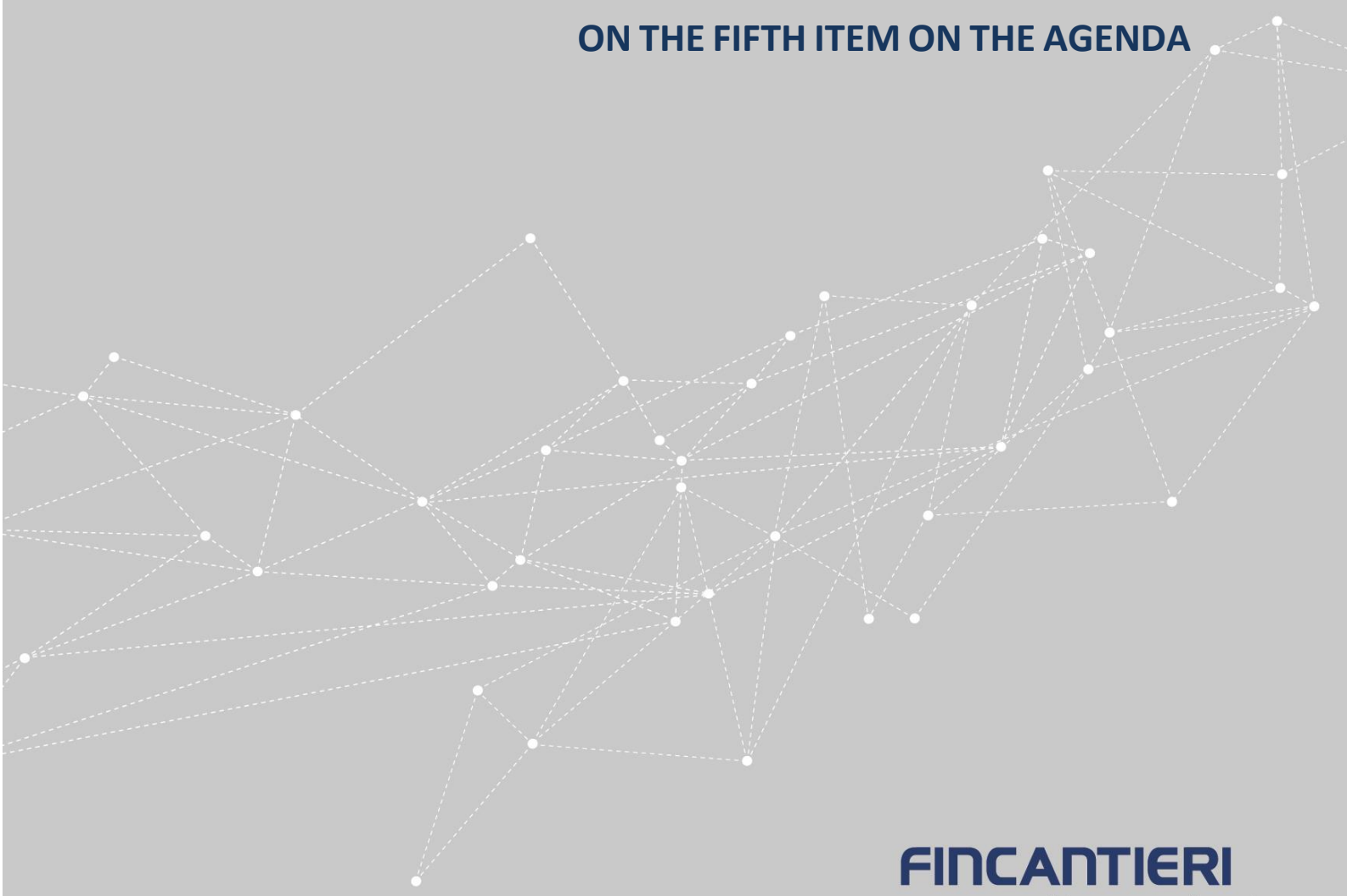


ORDINARY SHAREHOLDERS' MEETING

9 JUNE 2020

**EXPLANATORY REPORT
BY THE BOARD OF DIRECTORS
ON THE FIFTH ITEM ON THE AGENDA**



FIFTH ITEM ON THE AGENDA

FINCANTIERI S.p.A.
Registered office Via Genova No.1, Trieste
Share Capital EUR 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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Explanatory report drafted pursuant to Article 125-ter of Legislative Decree No. 58 dated 24 February 1998

POINT 5 OF THE AGENDA

Report on the policy regarding remuneration and fees paid according to Article 123-ter, paragraphs 3-bis and 6, of Legislative Decree No. 58 of 24 February 1998:

- 5.1. Binding resolution on the first section on the policy regarding remuneration prepared under Article 123-ter, paragraph 3, of Legislative Decree No. 58 of 24 February 1998;***
- 5.2. Non-binding resolution on the second section on fees paid prepared under Article 123-ter, paragraph 4, of Legislative Decree No. 58 of 24 February 1998.***

Dear Shareholders,

Under Article 123-ter of Legislative Decree No. 58 of 24 February 1998 (the “Italian Consolidated Financial Act” or the “TUF”) and Article 84-*quater* of the Regulation adopted by Consob by Resolution No. 11971 of 14 May 1999 (the “Issuers’ Regulations”), the Board of Directors of FINCANTIERI S.p.A. (“Fincantieri” or the “Company”) has drawn up the “Report on the policy regarding remuneration and fees paid”, (the “Report”) which is made available to the public at the Company’s registered office and on the Company’s Internet website at the address www.fincantieri.com in the section dedicated to this Shareholders’ Meeting, and also in the centralised storage mechanism called “eMarket STORAGE” (www.emarketstorage.com), pursuant to law currently in force.

The abovementioned Report is divided into two sections:

- (i) the first section illustrates the Company’s policy on the remuneration of the members of the Board of Directors, the General Manager and the other Key Executives, including the Company’s Executives with Strategic Responsibilities, and, without prejudice to the provisions of Article 2402 of the Italian Civil Code, the Standing Auditors, with reference to the financial year 2020, and the procedures used to adopt and implement this policy;
- (ii) the second section, listing the names of the members of the Board of Directors, the Standing Auditors and the Managing Director and in aggregate form the other Key Executives, including the Company’s Executives with Strategic Responsibilities, provides an adequate representation of the individual items making up the remuneration of the abovementioned persons, pointing out its consistency with the Company’s remuneration policy for 2019, and illustrating the fees paid to such persons in 2019,

for whatever reason and in whatever form, by the Company and its subsidiaries and associated companies.

Under Article 123-ter, paragraphs 3-ter and 6 of the TUF, you are called upon to resolve by binding vote on the first section of the Report and by non-binding vote on the second section of the Report.

* * * * *

In view of the above, we submit the following proposal for your approval for a resolution on the first section of the Report:

“The Ordinary Shareholders’ Meeting of Fincantieri S.p.A.,

- *having examined the Report on the policy regarding remuneration and fees paid, prepared by the Board of Directors according to Article 123-ter of Legislative Decree No. 58 of 24 February 1998 and Article 84-quater of the Regulation issued by Consob with Resolution No. 11971 of 14 May 1999, and, specifically, the first section of the same, containing an illustration of the Policy on the remuneration of the members of the Board of Directors, the Managing Director and other Key Executives including Executives with Strategic Responsibilities, and, without prejudice to the provisions of Article 2402 of the Italian Civil Code, of the Standing Auditors, adopted by the Company for 2020, as well as the procedures applied to adopt and implement this policy;*
- *considering that, pursuant to Article 123-ter, paragraph 3-ter, of Legislative Decree No. 58 of 24 February 1998, the Shareholders’ Meeting is invited to give a binding vote on the first section of the abovementioned Report*

resolves

to approve the first section of the Report on the policy regarding remuneration and fees paid prepared in accordance with Article 123-ter of Legislative Decree No. 58 of 24 February 1998 and Article 84-quater of the Regulation issued by Consob with Resolution No. 11971 of 14 May 1999”.

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We therefore submit the following proposal for resolution on the second section of the Report for your approval:

“The Ordinary Shareholders’ Meeting of Fincantieri S.p.A.,

- *Having examined the Report on the policy regarding remuneration and fees paid, prepared by the Board of Directors in accordance with Article 123-ter of Legislative Decree No. 58 of 24 February 1998 and Article 84-quater of the Regulation issued by Consob with Resolution No. 11971 of 14 May 1999, and, specifically, the second section of the same, which, listing the names of the members of the Board of Directors, the Standing Auditors and the Managing Director and in aggregate form the other Key Executives, including the Company’s Executives with Strategic Responsibilities, provides adequate representation, under Article 123-ter, paragraph 4, of the TUF, of the individual items that make up the remuneration of the abovementioned persons, pointing out their consistency with the Company’s remuneration policy for 2019, as well as illustrating the fees paid to*

- these persons in 2019, for whatever reason and in whatever form, by the Company and its subsidiaries and associated companies;*
- *considering that, under Article 123-ter, paragraph 6, of Legislative Decree No. 58 of 24 February 1998, the Shareholders' Meeting is called upon to express a non-binding vote on the second section of the abovementioned Report*

resolves

to approve the second section of the Report on the policy regarding remuneration and fees paid prepared in accordance to Article 123-ter of Legislative Decree No. 58 of 24 February 1998 and Article 84-quater of the Regulation issued by Consob with Resolution No. 11971 of 14 May 1999”.

Trieste, 1 April 2020

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