

The background is an aerial photograph of a boat's wake on a deep blue ocean. A grid of semi-transparent hexagons is overlaid on the image. One hexagon in the center is a solid, bright cyan color and contains the word "FINCANTIERI" in white, uppercase letters.

FINCANTIERI

REPORT ON THE POLICY REGARDING REMUNERATION AND FEES PAID

according to Article 123-*ter* of Legislative Decree no. 58 of February 1998
(Italian Consolidated Financial Law - TUF) and pursuant to Article 84-*quater*
of CONSOB Resolution no. 111971 of 14 May 1999 ("Issuers' Regulation")
Approved by the Board of Directors on 24 March 2020

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GLOSSARY

Directors

Members of the Board of Directors

Executive Directors

The Directors vested with particular duties by the Board of Directors, specifically the Chairman and Chief Executive Officer.

Claw-back clauses

Contractual agreements that allow the Company to request restitution, in whole or in part, of variable components of the remuneration paid (or to retain sums that are subject to deferment), calculated based on information that is later revealed to be manifestly erroneous or false, or in cases of fraud or wilful or negligent conduct carried out in violation of rules, including those of a regulatory nature, as well as company regulations, on the condition that the satisfaction of the above requirements is verified based on information ascertained by proven methods by the competent corporate Departments or the judicial authorities. Similarly, in compliance with the Group's ethical principles, the return of the incentive paid will be required in the event that the objectives associated with the incentives are acquired through conduct in violation of the law on corruption and corporate crimes that involve the administrative liability of the Company under Articles 25 and 25-ter of Legislative Decree No. 231/01.

Corporate Governance Code or Code

The Corporate Governance Code for listed companies promoted by the Corporate Governance Committee established by Borsa Italiana S.p.A., ABI, Ania, Assonime, Confindustria and Assogestioni.

Remuneration Committee or Committee

The Remuneration Committee set up by the Fincantieri Board of Directors under the Code.

Board of Directors or Board

Fincantieri's Board of Directors.

General Manager¹

The General Manager of Fincantieri.

General Managers²

The General Managers of Fincantieri.

Key Executives³

The following executives of Fincantieri, who hold organisational positions of significant impact with regard to achieving the Company's objectives, are:

- **Deputy General Manager⁴**
- **SEVP Merchant Ships**
- **SEVP Naval Vessels**
- **SEVP Services**
- **SEVP Offshore and Special Ships Division**
- **SEVP Electronics, Systems & Software**
- **Chief Financial Officer**
- **SEVP Business Development**
- **SEVP Operations and Strategic Planning**
- SVP Accommodation
- SVP Infrastructure
- SVP Marketing and Communication and Media Relations
- SVP Human Resources and Industrial Relations
- General Counsel
- Chief Information Officer
- SVP Procurement
- SVP Naval Vessels Operations
- SVP Naval Vessels Business
- SVP Coordination and Business Development, Group Equity Investments
- SVP Merchant Ships Operations
- SVP Monfalcone Plant
- SVP Marghera Plant
- SVP Integrated Military Shipyard

Executives with Strategic Responsibilities

"Those parties who have the power and the responsibility, whether directly or indirectly, for the planning, management and control of the Company's activities, including Directors (executive or otherwise) of the Company".

EBITDA

Profit gross of taxable interest, taxes, depreciation and amortisation on tangible and intangible assets.

EBITDA Margin

The ratio between EBITDA and revenues in the reference period.

Adjusted FTSE Italia All Share

FTSE Italia All Share index, the value of which is published daily by Borsa Italiana, adjusted by excluding those companies mainly offering banking, asset management or insurance services.

Fincantieri

FINCANTIERI S.p.A.

Group

Fincantieri and the Companies controlled by the same under Article 93 of the Italian Consolidated Law on Finance (TUF).

Sustainability Index

The means to measure the achievement of the sustainability objectives that the Company has determined combined and/or set in addition to those of economic and financial performance, in order to align itself with the expectations of the financial community in terms of sustainable development.

MBO

Management by Objectives, i.e., the short-term variable component of remuneration consisting of an annual bonus in cash to be paid on the basis of the achievement of fixed annual objectives.

Target objective

Standard level of achieving the objective that entitles one to obtain 100% of the incentive (without prejudice to other multipliers or discretionary parameters).

International Peer Group

Panel of companies listed on the international stock exchanges and indicated as a reference parameter in the Information Document on the LTI Plans.

2016-2018 Performance Share Plan or 2016-2018 LTI Plan or 2016-2018 Plan

The medium-long term variable incentive scheme that provides for the free allocation to beneficiaries of rights to acquire a pre-set quota of Fincantieri's ordinary shares with no par value, upon achieving specific performance objectives, approved by the Shareholders' Meeting on 19 May 2017.

2019-2021 Performance Share Plan or 2019-2021 LTI Plan or 2019-2021 Plan

The medium-long term variable incentive scheme that provides for the free allocation to beneficiaries of rights to acquire a pre-set quota of Fincantieri's ordinary shares with no par value, upon achieving specific performance objectives, approved by the Shareholders' Meeting on 11 May 2018.

LTI Plans or Plans

Collectively, the 2016-2018 Performance Share Plan and the 2019-2021 Performance Share Plan.

Remuneration Policy or Policy

The Remuneration Policy approved by the Board of Directors as described at Section I of this Report.

Committee Regulations

The Remuneration Committee Regulations.

Issuers' Regulations

The Issuers' Regulations issued by Consob with Resolution No. 11971 of 14 May 1999, as amended.

Report on the policy regarding remuneration and fees paid or Report

This Report on the policy regarding

¹The General Manager appointed on 26 September 2016.

²On 22 January 2019, the Board of Directors resolved to appoint a second General Manager, who has been working alongside the General Manager until 30 June 2019 and has held this office since 26 September 2016.

³The Key Executives who are also identified as Executives with Strategic Responsibilities under Annex 1 of CONSOB Regulation No. 17221 of 12 March 2010, are shown in bold.

⁴Until 21 January 2019.

remuneration and fees paid, prepared under Article 123-ter of the Italian Consolidated Law on Finance (TUF).

Company

FINCANTIERI S.p.A.

TSR - Total Shareholder Return

The return for an investor that is calculated considering both the variations in the price of the share during a given period, and the dividends distributed in the same period, assuming that such dividends are immediately reinvested in the Company's shares themselves.

TUF - The Italian Consolidated Law on Finance

Legislative Decree No. 58 of 24 February 1998 (as amended), containing the "Consolidated text of the provisions on financial intermediation".



LETTER FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS AND FROM THE CHAIRMAN OF THE SHAREHOLDERS' REMUNERATION COMMITTEE

Dear Shareholders,

The Report on the Remuneration Policy that we submit to you illustrates Fincantieri's Remuneration Policy for the 2020 financial year as well as the remuneration paid to Directors, Statutory Auditors, the General Manager, Executives with Strategic Responsibilities and other Key Executives of the Company in 2019.

The abovementioned document, laid down in line with the governance model adopted by the Company, with the recommendations of the Corporate Governance Code, was approved by the Board of Directors on 24 March 2020 on the Remuneration Committee's proposal.

The aim of Fincantieri's Remuneration Policy is to attract, motivate and retain key resources and talent in an increasingly competitive global market, as well as aligning and stimulating management to pursue and achieve the Company's strategic objectives. With this in mind, the Remuneration Committee, with the expert contribution of the Company's Human Resources and Industrial Relations Department, seamlessly and consistently advocated a Remuneration Policy for the Company designed to:

1. Increasingly favour the variable component of management remuneration over the fixed component, and specifically, the medium/long-term component over the short-term component;
2. constantly monitor the remuneration positioning of the Company's management with respect to market trends, with the aim of pursuing, through a plan of targeted and progressive remuneration measures, the alignment of the fixed component of remuneration to market medians;
3. promote and support the link between remuneration, risk and sustainability of performance, in line with the growing expectations of shareholders and investors, strengthening trust and reputation with stakeholders.

With regard to the first point, in line with the provisions of the Corporate Governance Code, following the introduction of the medium/long-term variable component (2016-2018 LTI Plan and 2019-2021 LTI Plan) Fincantieri immediately recorded a more consistent pay-mix balance and a positive trend that saw, in 2019, a significant increase in the percentage of the medium/long-term variable component compared to the fixed component recorded in the previous year.

In this context, it should be noted that:

- in 2019, the first cycle (2019-2021) of the 2019-2021 LTI Plan was launched, which continues from the previous 2016-2018 LTI Plan, and that
- the performance period of the first cycle (2016-2018) of the 2016-2018 LTI Plan ended on 31 December 2018. The Board of Directors, on the proposal of the Remuneration Committee, after consulting the Board of Statutory Auditors, took stock of the Company's results and the other objectives of the abovementioned Plan and determined the number of shares to be allocated to each beneficiary of the Plan in relation to the extent to which the objectives had been achieved. In accordance with the Regulations governing the Plan, the shares were allocated to each beneficiary on 30 July 2019.

With regard to remuneration positioning, the Adjustment Plan implemented from 2016 onwards made it possible, during 2019, to mitigate, where necessary, the misalignments between the remuneration

positioning of Key Executives of Fincantieri and the reference market, detected in the remuneration survey carried out during 2016. In fact, following the actions taken in 2019, there was a further increase in the percentage of the population of Key Executives whose fixed remuneration is around the market median, from 62% in 2018 to 67% in 2019.

With reference to the third point, in view of the growing expectations of the financial community on sustainable development and in line with the Sustainability Plan, Fincantieri - by including not only the already consolidated economic-financial performance targets (EBITDA) linked to share performance (Total Shareholder Return) but also a Sustainability target in the 2019-2020 LTI Plan - confirms its constant commitment to sustainability issues.

Fincantieri's attention and responsiveness to the above issues is also evident with reference to the STI (Short Term Incentive) Plan, in respect of which over 13% of the recipients of the MBO Plan, for the 2019 financial year, participated in pursuing objectives related to sustainability issues such as quality, safety, respect for the environment and anti-corruption.

Dear Shareholders, in light of the above, the Remuneration Policy that we submit for your approval confirms Fincantieri's commitment to the pursuit of a balanced pay-mix of the managers' remuneration package, linking the variable component to clear, predetermined and measurable performance objectives, also with a view to sustainability. For these reasons, we believe that the Remuneration Policy covered in this Report is consistent with the objectives pursued, namely to attract, retain and adequately remunerate the Company's key resources, with the aim of ensuring the creation of value for shareholders in the medium to long term.

We would like to take this opportunity to thank you in advance for the vote and the guidance you will give us at the next meeting to approve the financial statements.

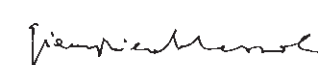
Paola Muratorio

THE CHAIRMAN OF THE
REMUNERATION COMMITTEE



Giampiero Massolo

THE CHAIRMAN OF
THE BOARD OF DIRECTORS



INTRODUCTION

This Report, prepared in compliance with the laws currently in force and the Corporate Governance Code and taking account of the recent recommendations of the Italian Committee for Corporate Governance on the topic of remuneration⁵, was approved by the Board of Directors' Meeting of 24 March 2020 on a proposal by the Remuneration Committee. In compliance with the provisions of Article 123-ter of the Italian Consolidated Law on Finance, this Report is divided into two sections:

- the **first section** illustrates the Policy adopted by Fincantieri on the remuneration of the members of the Board of Directors, the members of the Board of Statutory Auditors, the General Manager, the Executives with Strategic Responsibilities and other Key Executives with reference to the 2020 financial year, and until the approval of a new Remuneration Policy as well as the procedures used to adopt and implement that Policy; in accordance with the provisions of Article 123-ter of the Italian Consolidated Law on Finance (TUF), this section is subject to the binding vote of the Shareholders' Meeting called to approve the financial statements as of 31 December 2019;
- the **second section** provides detailed information on the remunerations paid to the abovementioned persons and to the Statutory Auditors in 2019: in compliance with the provisions of Article 123-ter of the Italian Consolidated Law on Finance (TUF), this section is subject to the consultative vote of the Shareholders' Meeting called to approve the financial statements as of 31 December 2019.

This Report is made available to the public at registered office of Fincantieri (at Via Genova No. 1 in Trieste) and on the Company's website (www.fincantieri.com), and on the authorised storage platform called eMarket STORAGE (www.emarketstorage.com).

⁵ Letter of the Chairman of the Italian Committee for Corporate Governance and the Chairmen of the governing bodies of listed Italian companies dated 19 December 2019.

SECTION I

1. Remuneration Policy of the members of the Board of Directors, of the members of the Board of Statutory Auditors, the General Manager and the Executives with Strategic Responsibilities.

1.1. Procedures for adopting and implementing the Remuneration Policy

1.1.1. Bodies and parties involved in preparing, approving and implementing the Policy

Fincantieri's Remuneration Policy is approved annually by the Board of Directors on the Remuneration Committee's proposal. This Policy's purpose is to: (i) attract, motivate and retain the most suitable resources to successfully manage the Company; (ii) stimulate the achievement of strategic objectives; (iii) align the interests of top management with the primary objective of creating sustainable shareholder value in the medium-long term, focusing the attention and commitment on strategic specific targets, such as those concerning sustainability and (iv) promote the Company's mission and its corporate values. The corporate body responsible for the correct implementation of the Remuneration Policy is the Board of Directors, supported by the Remuneration Committee, which provides proposals and consultancy on the matter and that periodically evaluates the adequacy, overall consistency and the actual implementation of the Remuneration Policy of the parties concerned in compliance with the recommendations of the Corporate Governance Code and the provisions of the Remuneration Committee's Regulations. The management of the Remuneration Policy of the General Manager, Executives with Strategic Responsibilities and other Key Executives is entrusted to the Chief Executive Officer who, with the assistance of the Company's Human

Resources and Industrial Relations Department, constantly monitors the adequacy, overall consistency, and the actual implementation of the Policy itself.

The verification of the level of achievement of the quantitative and qualitative performance objectives, and the consequent determination of the sums of money payable to the individuals concerned, shall be performed after the approval of the financial statements, following verification by the Chief Executive Officer.

1.2. Remuneration Committee: composition, method of functioning, duties and activities performed

The composition, appointment, duties and operating procedures of the Remuneration Committee are governed by special Regulations approved by the Board of Directors. Until the Shareholders' Meeting of 5 April 2019, in line with the provisions of these Regulations, the Committee was composed of three non-executive Directors, the majority of whom were independent, namely Paola Muratorio (independent) as Chairman, Donatella Treu (independent) and Fabrizio Palermo, appointed by the Board of Directors on 8 June 2016.

On 5 April 2019, the Shareholders' Meeting appointed a new Board of Directors which, on 18 April 2019, appointed new members to the Remuneration Committee, which is made up of four non-executive Directors, the majority of whom are independent, namely the Directors Paola Muratorio (independent) as Chairman, Barbara Alemanni (independent), Elisabetta Oliveri (independent) and Fabrizio Palermo. All members possess adequate knowledge and experience in financial or remuneration policies matters.

In accordance with its Regulations, the Remuneration Committee meets periodically with the frequency appropriate for the proper performance of its tasks. Meetings are called by the Committee Chairman, or when a request is

made by at least two of its members, to discuss specific matters that are considered particularly relevant.

The Committee is quorate when the majority of the members in office are present and decides by absolute majority of those present. In the event of a tie, the Chairman of the Committee holds the deciding vote.

The following individuals may also attend the Committee meetings: Chairman of the Board of Directors, Chief Executive Officer and Chairman of the Board of Statutory Auditors (or any other standing auditor appointed by them). Other standing auditors, however, may also attend the meetings and, upon invitation of the Committee itself, other parties may also attend, including other Board members or top management of the Company, to provide information on and evaluate matters falling within their remits with reference to the individual items on the agenda of the meetings. More specifically, as a general rule, the SVP of the Human Resources and Industrial Relations Department should attend. No Director shall take part in Committee meetings where proposals are submitted to the Board of Directors concerning their own remuneration. In accordance with the Corporate Governance Code and its own Regulations, the Remuneration Committee carries out the following advisory duties and makes the following proposals in relation to remuneration:

- submits proposals to the Board of Directors on the Remuneration Policy of Directors, the General Manager, Executives with Strategic Responsibilities and of other Key Executives, using, with respect to those executives, the information provided by the Chief Executive Officer, which may refer to market practices on remuneration policies;
- periodically assesses the adequacy, overall consistency and due application of the adopted Policy;
- submits proposals and expresses opinions to

the Board of Directors on the remuneration of executive Directors and other Directors who hold particular positions, as well as on setting performance objectives related to the variable component of such remuneration;

- monitors the application of the decisions taken by the Board on matters on which it has submitted proposals and expressed opinions, in particular the evaluation of the actual achievement of the performance objectives.

In carrying out these functions and for the purposes of performing its duties, the Committee shall prepare and submit to the Board of Directors proposals for medium-long term incentive schemes for top management, including any share-based remuneration plans, and is in charge of monitoring their application. Among its functions, it also reports to the Shareholders' Meeting called to approve the financial statements for the relevant year, either through the Committee Chairman or another designated member. The Committee is also in charge of the duties concerning Related Party Transactions with regard to resolutions concerning remuneration. In the performance of its duties, the Committee shall ensure suitable functional and operational communications with the competent corporate departments.

The Committee: (i) may access information and is assisted by the corporate departments necessary to perform its duties; (ii) in order to fulfil its duties, it may access, through the structures of the Company, external consultants, provided that they are adequately bound by necessary confidentiality and (iii) if considered necessary, it may prepare an annual budget for its own tasks to be proposed to the Board of Directors.

In 2019, the Remuneration Committee held 4 meetings, in the context of which it:

i. prepared the contents of the Remuneration Policy which was submitted to the Board of

Directors for approval and to the advisory vote of the Shareholders' Meeting called to approve the financial statements for the 2018 financial year, and it expressed its opinion on the second section of the Report on remuneration and fees paid;

ii. with reference to the short-term variable component of the remuneration of the Chairman and the Chief Executive Officer, it reported the business performances and other objectives related to the MBO for 2018 and established the performance objectives concerning the MBO for 2019;

iii. with reference to the medium/long-term variable component of remuneration:

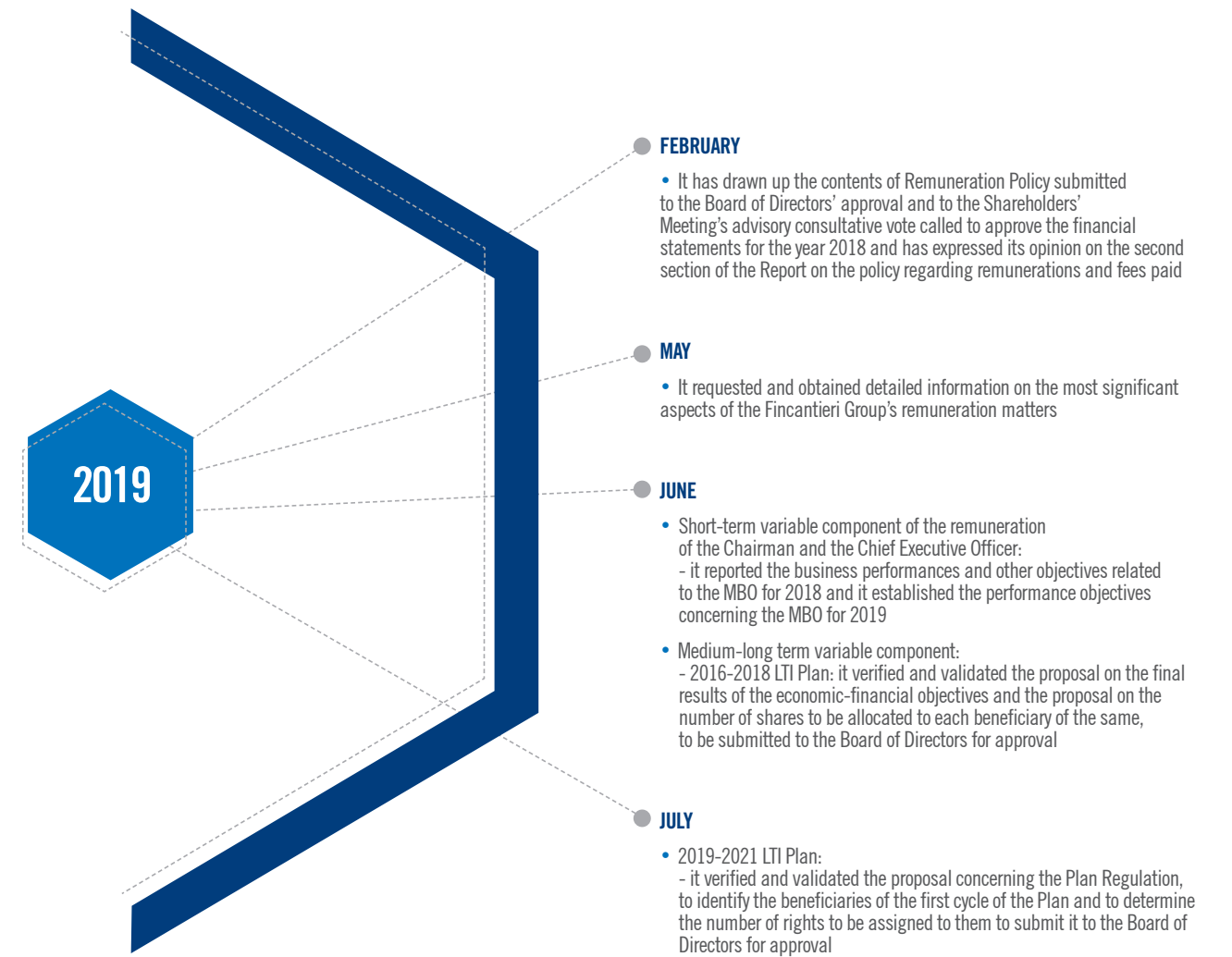
- 2016-2018 LTI Plan: it verified and validated the proposal regarding the final results of the economic-financial objectives and the proposal regarding the number of shares to be allocated to each beneficiary of the same, to be submitted to the Board of Directors for approval;
- 2019-2021 LTI Plan: it verified and validated the proposal for the Plan Regulation, identified the beneficiaries of the first cycle of the Plan and determined the number of rights to be assigned to them in order to submit it to the Board of Directors for approval;

iv. it requested and obtained detailed information on the most significant aspects of the Fincantieri Group's remuneration matters.

Moreover, in early 2020, the Committee prepared a proposal for the Remuneration Policy that will be submitted to the approval of the Board of Directors and to the binding vote of the Shareholders' Meeting called to approve the financial statements for the 2019 financial year and it expressed its opinion on the second section of this Report on the policy regarding remunerations and fees paid in 2019.

Illustrated below is the cycle of tasks performed by the Committee in 2019:

SIGNIFICANT EVENTS IN 2019



1.3. Independent experts involved in preparing the Remuneration Policy and information on using, as reference, the remuneration policies of other companies

This 2020 Policy, in line with the 2019 Policy, in consideration of the benchmark analysis conducted by Willis Towers Watson, intends to align the Policy itself with the most common market practices for listed companies to gradually adjust wages that did not meet market levels. Also with the support of Willis Towers Watson, the Company has also implemented the 2019-2021 Performance Share Plan, which is in line with the previous 2016-2018 Performance Share Plan and which saw the start of its first cycle for the 2019-2021 three-year period.

2. Characteristics of the Remuneration Policy

2.1. Goals pursued by the Remuneration Policy, basic principles and changes with respect to the Policy adopted for the 2019 financial year

The Company's Remuneration Policy is defined in accordance with the governance model adopted by the Company and with the recommendations of the Corporate Governance Code, in order to (i) contribute to the pursuit of the Company's strategy, (ii) promote long-term interests and (iii) support the Company's sustainability. Consistent with these objectives, the Remuneration Policy aims to attract, motivate and retain management with high professional qualities, capable of managing the Company successfully and profitably, as well as aligning the interests of management itself with the primary objective of creating value for the Company's shareholders in the medium to long term, ensuring that the remuneration is based on the results actually achieved.

To this end, the Company examines market practices on remuneration policies, thus ensuring an adequate level of competitiveness in the labour market. With the aim of pursuing the alignment of the fixed component of remuneration to the median market values, the Company, in 2019, in keeping with the previous year, continued with implementing the plan to adjust the fixed component of the remuneration packages of Key Executives and those of other managers, to correctly position them with the relevant market, also in view of the evidence that materialised from the update of the assessment of weighing managerial positions, made with the assistance of Willis Towers Watson during the first quarter of 2017.

The abovementioned adjustment plan has therefore made it possible, also during 2019, to mitigate, where necessary, the misalignment between the remuneration positioning of Fincantieri's Key Executives and the reference market. In fact, as a result of the measures taken in 2019, there was a further significant increase in the percentage of the population of Key Executives around the market median, which rose from 39% in 2017 and 62% in 2018 to 67% in 2019. The Remuneration Policy applied to the Chief Executive Officer, to the Chairman, to the General Manager, to Executives with Strategic Responsibilities and to other Key Executives, therefore, aims to encourage their performance within the Company and the achievement of the Company's strategic objectives, also encouraging the loyalty of management by granting an adequate fixed component of remuneration and by adopting variable remuneration systems linked to achieving certain individual and Company performance objectives. With this in mind, the Remuneration Policy and the 2019-2021 LTI Plan, approved by the Shareholders' Meeting held on 11 June

2018 in keeping with the 2016-2018 LTI Plan, confirm Fincantieri's intent to stimulate its management through effective means of remuneration that can attract, motivate and retain the Company's top management and key resources, by increasingly favouring the variable component of remuneration rather than the fixed one, thus aligning management's interests with those of the shareholders in the medium to long term. Moreover, in view of the increasing expectations of the financial community on sustainable development, the abovementioned 2019-2021 LTI Plan not only provides the financial and economic performance objectives linked to stock performance, but also a sustainability index. To strengthen the link between remuneration and the medium-long term interests of the Company, the Remuneration Policy envisages that:

- i. the fixed and the variable components and, with respect to the latter, the short-term and the medium-long term variable components are appropriately balanced;
- ii. the fixed component is suitable to compensate the party's performance if the variable component is not disbursed due to the failure to achieve the performance objectives;
- iii. a significant portion of the remuneration of those concerned is based on three-year incentive plans;
- iv. the remuneration relating to these plans is granted upon achievement of the performance objectives, which are also based on a three-year cycle;
- v. these objectives are predetermined, measurable and indicative of the Company's operational efficiency, as well as its capacity to remunerate the invested capital and create value for the shareholders over the medium-long term;
- vi. the Company may request restitution,

in whole or in part, of variable components of the remuneration paid (or to withhold sums subject to deferment) and determined on the basis of data that later turned out to be manifestly erroneous or in the event that the objectives associated with the incentives should be acquired through conduct in violation of the laws on corruption and corporate crimes that involve the administrative liability of the Company under Legislative Decree No. 231/01 (i.e., "Claw-back" clauses).

The Remuneration Policy applied to the abovementioned persons is thus oriented toward enhancing sustainable performance and the achievement of the Company's strategic priorities.

In accordance with the provisions of the Corporate Governance Code, the remuneration of non-executive Directors is commensurate with the commitment requested from each of these, also taking account of their participation in one or more Committees of the Board of Directors and does not foresee any variable components.

2.2. Amendments to the Remuneration Policy in the 2020 financial year compared to 2019

The Remuneration Policy for 2020 is in keeping with that for 2019.

2.3. Remuneration structure: fixed components and variable components, performance targets based on which the variable components are assigned and information on the connection between the change in performance and the change in remuneration

The remuneration of the Chief Executive Officer, the Chairman, the General Manager, Executives with Strategic Responsibilities and other Key Executives is established in such a way as to align their interests with the

pursuit of the primary objective of creating value for the shareholders over the medium-long term. In addition, as emphasised in the following Tables, following the introduction of the medium-long term variable component (concerning the 2016-2018 LTI Plan and the 2019-2021 LTI Plan), the pay-mix confirms an increase in the variable component. The above pay-mix, therefore, is balanced

according to the Company's strategic objectives and risk management policy, taking into account the sector in which it operates and the characteristics of the business it performs; for positions of greater responsibility, preference is given to variable components over the fixed component, in line with market best practices. The graph below shows the pay-mix:

TABLE 1 - PAY-MIX 2016-2018 LTI PLAN

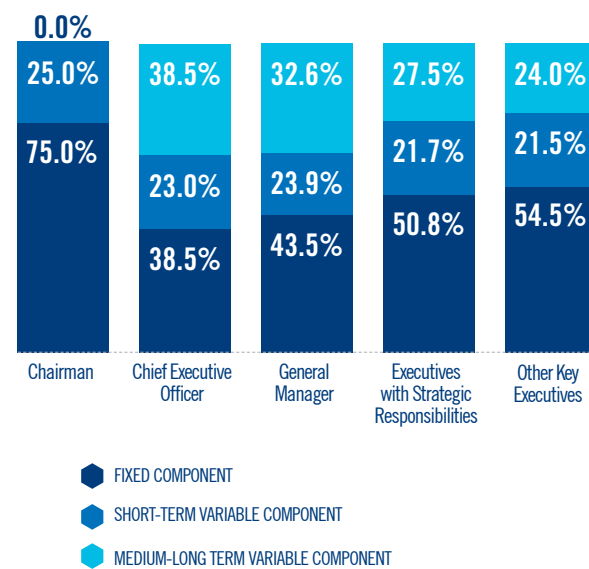
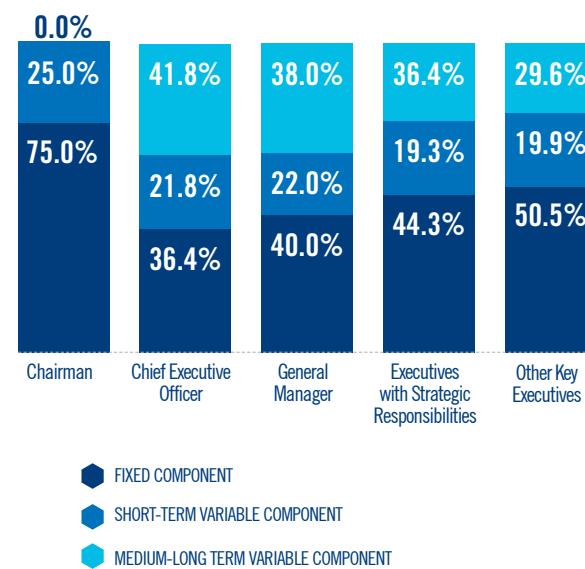


TABLE 2 - PAY-MIX 2019-2021 LTI PLAN



The above Tables report the values of the variable components that were calculated as follows:

- the short-term variable component: the annual values of the incentives that can be obtained upon achieving the target are shown;

- medium/long-term variable component: Table 1 shows the value of the incentive in terms of the number of shares that can be obtained if all targets are met in the third three-year cycle of the 2016-2018 LTI Plan, while Table 2 shows the value of the incentive in terms of the number

of shares that can be obtained if all targets are met in the second three-year cycle of the 2019-2021 LTI Plan. The abovementioned incentives were quantified considering the value of the shares when granted, assuming that the beneficiaries participate in all three

cycles of each plan as well as the fact that they remain in the same even after the end of the abovementioned three cycles of each plan. In view of the above, the abovementioned persons are recipients of a remuneration package structured as follows:

TYPE OF REMUNERATION	PURPOSE	POSITIONS INVOLVED
Fixed remuneration	Remunerates the role and more specifically the responsibilities assigned to the recipients, taking into account, among other things, the experience, quality of contribution made to achieving the business results and level of excellence with respect to the assigned duties	<ul style="list-style-type: none"> • Chairman • Chief Executive Officer • Non-executive Directors • General Manager • Executives with Strategic Responsibilities • Other Key Executives
Short-term variable remuneration (annual MBO)	Remunerates results achieved in the short term and is aimed at expressing the business plan strategies as a series of annual, individual and corporate objectives, capable of decisively influencing the performances of the managers involved	<ul style="list-style-type: none"> • Chairman • Chief Executive Officer • General Manager • Executives with Strategic Responsibilities • Other Key Executives
Medium-long term variable remuneration (Performance Share Plan)	Remunerates results achieved in the medium-long term and is aimed at improving the alignment of interests of the recipients with those of the shareholders and supporting the retention capabilities for key resources	<p>The beneficiaries are individually identified at the discretion of the Board of Directors, on the advice of the Remuneration Committee, among the following persons:</p> <ul style="list-style-type: none"> • Chief Executive Officer and, according to the Chief Executive Officer's indications, the following persons: • General Manager • Executives with Strategic Responsibilities • Other Key Executives



2.3.1. Fixed component

The fixed component of remuneration is commensurate with the role, the commitment required and the related responsibilities and is sufficient to remunerate work performance even in the event of failure to pay or partial payment of variable components, where applicable. This is determined taking into account the level of experience of the individual, the professional contribution that they bring to achieving business results, as well as the level of excellence with respect to the duties assigned.

The fixed component also ensures a suitably competitive position with respect to the remuneration level paid by the market for the specific position.

In line with the recommendations of the Corporate Governance Code and with the purposes described in paragraph 2.1 above, under the Policy the fixed component of the remuneration is made up of:

- for the **Chief Executive Officer:**
 - the salary resolved by the Shareholders' Meeting for the office of a member of the Board of Directors under Article 2389(1), of the Italian Civil Code;
 - the salary resolved by the Board of Directors under Article 2389(3), of the Italian Civil Code, on the Remuneration Committee's proposal and on the Board of Statutory Auditors' advice, for the role of Chief Executive Officer;
- for the **Chairman of the Board of Directors:**
 - the salary resolved by the Shareholders' Meeting for the office of Chairman under Article 2389(1), of the Italian Civil Code;
 - the salary resolved by the Board of Directors under Article 2389(3), of the Italian Civil Code, on the Remuneration Committee's proposal and on the Board of Statutory Auditors' advice, in consideration of the breadth and nature of the specific duties that may be assigned;
- for **non-executive Directors:**
 - the salary resolved by the Shareholders'

Meeting for the office of a member of the Board of Directors under Article 2389(1), of the Italian Civil Code;

- the amounts resolved by the Board of Directors on 18 April 2019, on the Board of Statutory Auditors' advice, and payable to the Chairmen and the members of the Internal Committees of the Board of Directors;

- for the **Board of Statutory Auditors:**
 - the salary resolved by the Shareholders' Meeting of 19 May 2017 for the office of Chairman and Standing Auditor under Article 2402, paragraph 1, of the Italian Civil Code;
- for the **General Manager, Executives with Strategic Responsibilities** and for other **Key Executives:**
 - the gross annual salary provided according to their individual contract, in compliance with the provisions of the collective labour regulations applied. Furthermore, the abovementioned executives receive allowances for travelling either nationally or abroad, in line with the provisions under the applicable National Collective Bargaining Agreements and company level contracts.

2.3.2. Variable component

The variable component is intended to remunerate management for the results achieved over the short and medium-long term. The direct relationship between results achieved and payment of the incentives allows, on the one hand, to take into account the results of the Company and the Group while, on the other, to strengthen the merit-based system, differentiating the contribution of each person and at the same time motivating human resources.

The pay-mix for the variable part of the remuneration consists of:

- a short-term component, based on short-term variable incentive plans on an annual basis (MBO); and
- a medium-long term component, based on the share plans (the LTI Plans).

The variable remuneration utilises different incentive programmes and instruments, depending on the resources involved and the time period taken into consideration, to mitigate management's assumption of risks and to encourage the creation of sustainable shareholder value over the medium-long term.

The recipients of short-term variable remuneration are: Chief Executive Officer, Chairman, General Manager, Executives with Strategic Responsibilities and other Key Executives.

The recipients of the medium-long term remuneration are individually identified at the sole discretion of the Board of Directors, after consulting, insofar as each is concerned, the Remuneration Committee, the Chairman and the Chief Executive Officer, and also on the basis of the indications of the Chief Executive Officer with regard to the General Manager, Executives with Strategic Responsibilities, other Key Executives and other key resources identified for incentive and retention purposes, in accordance with the regulations on LTI Plans.

• Short-term component

The use of a short-term variable incentive Plan on an annual basis (MBO) intends to spell out the industrial plan's strategies in a series of annual objectives. The MBO can decisively influence the performance of the executives involved.

The objectives, identified in line with the industrial plan, are predetermined and measurable and are assigned annually through forms sent to individual recipients.

Based on the achievement level of their own targets, the executives involved receive a bonus consisting in a predefined percentage of their base salary, which, in accordance with the MBO group to which they belong, ranges from a minimum of 35% for achieving the targets (which can be increased up to 38.2% for

over performance) to a maximum of 55% for achieving the target's objectives (which may be increased up to 59.25% for over performance).

The short-term incentive of the Chief Executive Officer is 60% of the annual fixed component, relative to the target and in any case not exceeding 65% in the event of over performance. The Chairman's short-term incentive is established as a fixed figure by the Board of Directors, on the Remuneration Committee's proposal.

The General Manager's MBO percentage is equal to 55% of the base salary for achieving the target's objectives, which may be increased up to 59.25% in the event of over performance. The MBO is subject to the claw-back clauses.

• Medium to long-term component

Without prejudice to what is specified in paragraph 2.1 of this Report, the Remuneration Policy also provides for a medium-long term variable component (LTI Plans) aimed at achieving the following objectives:

- improving alignment of the beneficiaries' interests with those of the shareholders, linking the management's remuneration to specific multi-year performance objectives whose attainment is strictly connected to improving the Company's performance, the value growth over the medium-long term, as well as combining the company's economic and financial performance with sustainability objectives;
- supporting the Company's capability to retain key resources, aligning the Company's Remuneration Policy with best market practices, which typically provide medium-long term incentive instruments.

More specifically, this component provides for the free allocation, to each of the beneficiaries identified, as provided for in the regulations governing the LTI Plans, of the rights to acquire free Company shares with no par value at the end of a certain performance period and subject to:

- achieving the performance objectives; and
- the other conditions laid down in the regulations governing the LTI Plans.

In particular, the 2016-2018 LTI Plan is characterised by the following elements:

- it is based on allocating Fincantieri shares with no par value to the beneficiaries based on the achievement of specific performance objectives;
- it consists of three cycles, each of which lasts three years;
- a three-year performance period is foreseen for each of the three cycles (2016-2018 for the first cycle, 2017-2019 for the second cycle, 2018-2020 for the third cycle);
- it provides for a vesting period of approximately three years;
- there are economic and financial performance targets (such as EBITDA) as well as targets connected to share performance (such as the TSR with respect to either the Adjusted FTSE Italia All Share Index, or to an International Peer Group), the achievement of which is a condition for the allocation of the shares to each beneficiary at the end of the performance period, subject to compliance with all the other conditions provided for in the Plan regulations. These objectives are identified by the Board of Directors, on the advice of the Remuneration Committee;
- a lock-up period is envisaged during which, subject to derogations authorised by the Board of Directors on the advice of the Remuneration Committee, the beneficiaries who are members of the Board of Directors, the General Manager or the Executives with Strategic Responsibilities are obliged to hold and not to dispose of in any way any portion of the shares granted under the Plan (equal to 20% of the shares allocated according to the Plan minus any shares potentially required to pay the tax charges deriving from the delivery of such shares) for a period of three years (for permanent employment contracts) or until the end of their

term of office or contract (for administrative or fixed-term employment);

- a limit is envisaged (i.e., 'cap') for the maximum value of the shares that may be granted under the Plan to each beneficiary, obtained by multiplying the number of shares which may be granted on the allocation date based on the level of achievement of the performance objectives, by four-times their market price at the date of the free assignment of the relevant rights.

The performance period of the first cycle (2016-2018) of the abovementioned Plan ended on 31 December 2018. During the meeting held on 27 June 2019, the Board of Directors, on the advice of the Remuneration Committee, on the Chief Executive Officer's proposal, reported on the business performances and on the other objectives of the first cycle of the 2016-2018 LTI Plan and established the number of shares to be allocated to each beneficiary of the same in relation to the extent of achieving the objectives and to the incentive percentage granted to each. In accordance with the Regulations governing the Plan, the rights were allocated to each beneficiary on 30 July 2019. Fincantieri used the support of BNP Paribas Securities Services to provide administrative and banking services related to the rights allocation phase. In keeping with the abovementioned 2016-2018 LTI Plan, the 2019-2021 LTI Plan, approved by the Shareholders' Meeting held on 11 May 2018, essentially follows the same plan of the previous one and is characterised by the following elements:

- it is based on allocating Fincantieri shares with no par value to the beneficiaries based on the achievement of specific performance objectives;
- it consists of three cycles, each of which lasts three years;
- a three-year performance period is foreseen for each of the three cycles (2019-2021 for the first cycle, 2020-2022 for the second cycle,

2021-2023 for the third cycle);

- it provides for a vesting period of approximately three years;
- there are economic and financial performance targets (such as EBITDA) as well as targets connected to share performance (such as the TSR with respect to either the Adjusted FTSE Italia All Share Index, or to an International Peer Group) or linked to a sustainability index (such as obtaining a certain rating from international rating agencies), which establish the allocation of the shares to each beneficiary at the end of the performance period, subject to compliance with all the other conditions provided for in the Plan regulations. These objectives are identified by the Board of Directors, on the advice of the Remuneration Committee;
- there is a lock-up period during which, subject to derogations authorised by the Board of Directors on the advice of the Remuneration Committee, the beneficiaries who are members of the Board of Directors, the General Manager or the Executives with Strategic Responsibilities are obliged to hold and not to dispose of in any way any portion of the shares granted under the Plan (equal to 20% of the shares allocated according to the Plan minus any shares potentially necessary to pay the tax charges deriving from the delivery of such shares) for a maximum period of two years (in the case of permanent employment contracts) or until the end of their term of office or contract (in the case of administrative or fixed-term employment relationships).

• **Pay-mix with variable components**

Based on the foregoing, as regards the variable components of the remuneration, the pay mix for the Chief Executive Officer, Chairman, General Manager, Executives with Strategic Responsibilities and Key Executives is made up of:

- for the **Chief Executive Officer:**
 - an MBO Plan with both annual quantitative,

financial and economic targets (such as the EBITDA Margin or the value of purchase orders), as well as qualitative targets linked to achieving specific results. The percentage target was defined by the Board of Directors, on the proposal from the Remuneration Committee and on the advice of the Board of Statutory Auditors, in the amount of 60% of the annual fixed component, which can be increased up to 65% in the event of over performance. The incentive accrued is distributed after the Board of Directors has verified, on the advice of the Remuneration Committee, the achievement of the pre-set objectives, following approval of the consolidated financial statements for the financial year in question and in compliance with the provisions of the respective Plan.

- the 2016-2018 LTI Plan with financial and economic multi-year objectives connected to share performance. At the time of the assignment of the rights to acquire free shares of the Company under the 2016-2018 LTI Plan, the number of those rights amounts to 100% of the fixed remuneration component for performing the target, which can be increased up to 130% for over performance. The value of the rights that can be allocated is subject to the above cap. The incentive accrued is granted after the Board of Directors has verified, on the advice of the Remuneration Committee, the achievement of the pre-set objectives, following approval of the financial statements for the last relevant financial year for each cycle of the Plan, as well as the existence of all the other conditions laid down in the 2016-2018 LTI Plan's regulations and is therefore distributed in accordance with those same regulations.
- The 2019-2021 LTI Plan with multi-year economic and financial objectives is linked to the share's performance and to a sustainability index. The granting of the number of rights to receive the Company's shares for free, with respect to the

2019-2021 LTI Plan, amounting to 115% of the remuneration's fixed component for target performance and that can be increased to 172.5% for over performance, will be subject to subsequent approval by the Board of Directors. The incentive accrued is granted after the Board of Directors has verified, on the advice of the Remuneration Committee, achieving the pre-set objectives, following approval of the financial statements for the last relevant financial year for each cycle of the Plan, as well as the existence of all the other conditions laid down in the 2019-2021 LTI Plan's regulations and is therefore distributed in compliance with the provisions of the regulations themselves.

- for the **Chairman:**
 - a short-term variable incentive Plan with as many quantitative, financial and economic (such as the EBITDA Margin or the value of purchase orders) annual objectives (MBO), as there are qualitative and quantitative objectives tied to achieving specific results. The amount is established as a fixed amount by the Board of Directors, following a proposal by the Remuneration Committee and on the advice of the Board of Statutory Auditors, and paid following a specific resolution in relation to achieving pre-set annual targets.
- for the **General Manager, Executives with Strategic Responsibilities** and other **Key Executives:**
 - an MBO Plan with annual targets of both quantitative, of a financial and economic nature as well as qualitative, for both the Company and the individual, which take into consideration the role held (such as the value of purchase orders, curbing certain structure costs, or specific qualitative and quantitative objectives). The target amount of the short-term variable component of the remuneration (MBO) of the General Manager amounts to 55% of the fixed remuneration component, which

may be increased up to 59.25% for over performance.

The maximum target amount of the short-term variable component of the remuneration (MBO) of Executives with Strategic Responsibilities and of other Key Executives, depending on the MBO range they fall into, varies from a minimum of 35% to a maximum of 55% of the base remuneration; for over performance, depending on the MBO they fall into, those percentages will vary from a minimum of 38.2% to a maximum of 59.25%. The incentive accrued is assigned and disbursed after the Chief Executive Officer has verified the degree to which the pre-set objectives have been achieved, following approval of the financial statements for the financial year in question, and is therefore distributed in compliance with the respective plan.

- The 2016-2018 LTI Plan with multi-year financial and economic objectives linked to share performance. The incentive accrued is assigned after the Board of Directors, within its scope of competence and on the advice of the Remuneration Committee, has verified the achievement of the pre-set objectives, following approval of the financial statements for the last financial year for each cycle of the plan, as well as the existence of all other conditions laid down in the plan's regulation, and is therefore disbursed in accordance with that same regulation. Within the limits of the cap referred to in the plan, the amount of the incentive is equal to the following percentage of the fixed remuneration component linked to the recipient's category, established by the Board of Directors, on the advice of the Remuneration Committee and on the Chief Executive Officer's proposal, based on the impact of their role on the Company's results:

- for the **General Manager:** 75% when target

objectives are met, increasing up to 97.5% in the event of over performance;

- for the **Executives with Strategic Responsibilities** and other **Key Executives:** it varies depending on the recipient's category from a minimum of 33% to a maximum of 60% when target objectives are met; in the event of over performance, such percentages will increase, depending on the recipient's category, from a minimum of 43% to a maximum of 78%.
 - The 2019-2021 LTI Plan with multi-year economic and financial objectives is linked to the share's performance and to a sustainability index. The incentive accrued is granted after the Board of Directors has verified, on the advice of the Remuneration Committee and on the Chief Executive Officer's proposal, the achievement of the pre-set objectives, following approval of the financial statements for the last relevant financial year for each cycle of the plan, as well as the existence of all the other conditions laid down in the 2019-2021 LTI Plan's regulation and is therefore distributed in compliance with the provisions of the regulation itself. The amount of the incentive is equal to the following percentage of the fixed remuneration component linked to the recipient's category, established by the Board of Directors, on the advice of the Remuneration Committee and on the Chief Executive Officer's proposal, based on the impact of their role on the Company's performance:
 - for the **General Manager:** 95% when target objectives are met, increasing up to 142.5% in the event of over performance;
 - for the **Executives with Strategic Responsibilities** and other **Key Executives:** it varies depending on the recipient's category from a minimum of 33% to a maximum of 85% when target objectives are met; in the event of over performance, such percentages will increase, depending on

the recipient's category, from a minimum of 49.5% to a maximum of 127.5%.

For all details, reference is made to the contents of the Information Documents for the 2016-2018 LTI Plan and for the 2019-2021 LTI Plan drawn up under Article 114-*bis* of the Italian Consolidated Law on Finance (TUF) and Article 84-*bis* of the Issuers' Regulation, published by the Company.

- **Extraordinary Remunerations**

In exceptional and extraordinary circumstances with respect to the context of the Remuneration Policy and with a view to attracting key figures from the market or motivating and retaining the best resources, specific remuneration packages may be granted during hiring or during employment. These remuneration packages, which are envisaged only for selected high-profile managerial figures, may consist, for example, of (a) entry bonuses linked to economic losses resulting from the termination of previous employment that could adversely affect the entry/hiring of the new key resource (such as, for example, granting short/medium-term incentives, etc.); (b) retention bonuses linked to the commitment to continue employment with the Company for a specific period; (c) variable components guaranteed only for the first year of employment; (d) success fees linked to extraordinary transactions and/or results (such as, for example, divestments, acquisitions, mergers, reorganization or efficiency gains), of such significance as to have a substantial impact on the value and volume of the Company's business and/or on its profitability and, as such, not likely to be adequately covered by ordinary variable remuneration systems, so as to justify such additional payment. In accordance with the most common market practices on the subject and with the provisions of Article 123-*ter*, paragraph 3-*bis*, of the Consolidated Law on Finance (TUF), these remuneration

packages envisage an amount that does not exceed the amount of the short-term variable component.

Where intended for the Chairman or Chief Executive Officer, those extraordinary remuneration components are subject to resolution by the Board of Directors, on proposal of the Remuneration Committee. For the General Manager, Executives with Strategic Responsibilities and other Key Executives, disbursement is subject to the assessments of the Chief Executive Officer. The foregoing also applies with reference to the recent recommendations of the Italian Corporate Governance Committee.

2.3.3. Non-monetary benefits

The Chief Executive Officer, the Chairman, the General Manager, the Executives with Strategic Responsibilities and the other Key Executives are granted a company car for business and private use and the related fuel within predetermined limits and, if necessary, as an alternative to a hotel, the use of an economically viable accommodation for long-term stays limited in time.

2.3.4. Criteria used for evaluation performance targets at the basis of the assignment of variable salary components and information aimed at pointing out the coherence of the Remuneration Policy with the pursuit of the Company's long-term interests and risk management policy

The performance targets provided by the Remuneration Policy for the disbursement of the variable salary component are identified by taking account of the specific activities conducted by the Company and of their connected risk profiles.

More specifically, the payment of the variable component of the short-term incentive Plan is tied to achieving pre-set financial and economic performance objectives related to the annual budget. The comparison of

the final balance figures with the assigned objectives determines the amount of the variable component of the payable remuneration.

The payment of the medium/long-term variable component, aimed at creating value for all shareholders over a medium/long-term time horizon, is linked to the achievement of pre-set economic and financial performance objectives in the business plan and/or phases of the same or, if on a share basis, linked to the share price and/or economic return for shareholders in the medium/long-term. The 2019-2021 Plan provides for a Sustainability Index in addition to the economic and financial objectives linked to the performance of the stock.

2.3.5. Deferred payment systems, with indication of the deferment periods and criteria used for determination of those periods and ex post correction mechanisms

For the medium-long term variable component, a vesting period of approximately three-years and a lock-up period are envisaged, unless the Board of Directors, on the advice of the Remuneration Committee, grants exceptions as indicated in paragraph 2.3.2 above.

Claw-back clauses are provided for all variable remuneration components.

2.3.6. Policy relating to salary packages in the event of the end of term of office or termination of employment

The remuneration packages offered for termination of office or termination of employment is regulated by the current National Collective Bargaining Agreement for Executives of Companies that Produce Goods or Services, as well as being left to entering into specific agreements with the individual parties involved. In any event, such agreements may not provide for the payment of an indemnity exceeding an amount

equivalent to 36 gross monthly salaries, including the instalment of the thirteenth month of the annual salary. Under Article 2125 of the Italian Civil Code, specific remuneration may also be provided for cases in which it is necessary to enter into non-competition agreements for members of the Board of Directors, for the General Manager, for Executives with Strategic Responsibilities and for other Key Executives. The foregoing complies with the provisions of Article 123-ter of the Consolidated Law on Finance (TUF).

2.3.7. Information on insurance, social security or pension coverage, other than those that are mandatory

The Chairman and Chief Executive Officer are provided with specific insurance covers. The General Manager, Executives with Strategic Responsibilities and other Key Executives, as well as other Company

Executives, are given more generous remuneration packages than those established by the National Collective Labour Agreement in terms of supplementary insurance, welfare and pension benefits.

2.3.8. Remuneration Policy followed regarding: (i) the independent Directors, (ii) participation in Committees and (iii) performing specific assignments

The remuneration of the independent Directors is the same as that described in paragraph 2.3.1 above for non-executive Directors.

For Directors participating in the Board of Directors' Internal Committees, under the Remuneration Policy, they shall receive, for their participation in each Committee, additional remuneration established by the Board of Directors, after the Remuneration Committee's proposal, as stated in paragraph 2.3.1 above.



SECTION II

Remuneration received in the 2019 financial year by the members of the Board of Directors and Board of Statutory Auditors, the General Manager, as well as Key Executives/Executives with Strategic Responsibilities

Part 1 Items making up the remuneration

Where the 2019 financial year is concerned, this part of Section II of the Report sets out: (i) the salaries payable to individuals who held the roles of Director, Statutory Auditor or General Manager during that year or for part thereof, by name, and (ii) the aggregate remunerations payable to Key Executives / Executives with Strategic Responsibilities. These items are also shown in summary in the tables in the Second Part of this Section.

1. Board of Directors

1.1. The Chairman of the Board of Directors

For the entire 2019 financial year, the office of Chairman of the Board of Directors was held by Ambassador Giampiero Massolo. The remuneration payable to Ambassador Massolo for the 2019 financial year (from 1 January to 31 December 2018) was comprised as follows:

- Fixed component: EUR 307,397.26, per annum, of which:
 - EUR 10,410.96 on a *pro rata* basis (from 1 January to 5 April 2019), as resolved by the Shareholders' Meeting held on 19 May 2016 for the office of Chairman of the Board of Directors, under Article 2389(1) of the Italian Civil Code; the abovementioned amount will be paid in 2020;
 - EUR 36,986.30 on a *pro rata* basis (from 6 April to 31 December 2019), as resolved by the Shareholders' Meeting held on 5 April 2019

for the office of Chairman of the Board of Directors, under Article 2389(1) of the Italian Civil Code; the abovementioned amount will be paid in 2020;

– EUR 260,000 per annum, as the remuneration resolved by the Board of Directors under Article 2389(3) of the Italian Civil Code, on proposal from the Remuneration Committee and on the advice of the Board of Statutory Auditors, in consideration of the breadth and nature of the specific delegated powers granted; the abovementioned amount was paid in 2019.

- Short-term variable component:
 - 2019 MBO Plan: as established by the Board of Directors on 20 July 2016 and subsequently confirmed on 27 June 2019, in accordance with the Remuneration Committee's proposal and on the advice of the Board of Statutory Auditors, the short-term variable component is EUR 100,000, subject to adjustment up to a maximum of EUR 120,000 in the event of over performance; in 2020, the Board of Directors will verify that the objectives were achieved and establish the actual incentive, on the Remuneration Committee's proposal, on the basis of the 2019 annual financial statements and specific reports. Any amounts due will be paid in 2020.

Ambassador Massolo's remuneration for the 2019 financial year is as follows:

- Fixed component: EUR 300,000, of which:
 - EUR 40,000 as remuneration for the 2018 financial year as resolved by the Shareholders' Meeting on 19 May 2016 for the office of Chairman of the Board of Directors, under Article 2389(1) of the Italian Civil Code;
 - EUR 260,000 as remuneration for the 2019 financial year as resolved by the Board of Directors on 20 July 2016, under Article 2389(3) of the Italian Civil Code, on the

Remuneration Committee's proposal and on the advice of the Board of Statutory Auditors, in consideration of the breadth and nature of the specific delegated powers granted.

- Short-term variable component:
 - 2018 MBO Plan: as established by the Board of Directors on 20 July 2016 on the Remuneration Committee's proposal and on the advice of the Board of Statutory Auditors, the short-term variable component was established in the amount of EUR 100,000, subject to adjustment up to a maximum of EUR 120,000 in the event of over performance; on the Remuneration Committee's proposal, the meeting of the Board of Directors held on 27 June 2019 established that the specific over performance conditions had been met in full, consequently determining payment of the amount of EUR 120,000 in 2019.
 - Non-monetary benefits: provision of a company car for business and private use plus fuel, supplementary health package, insurance and further minor benefits, for the total amount of EUR 2,045.28, established on the basis of taxable income criteria.

No payments are due in relation to cease of office.

1.2. Chief Executive Officer

For the entire 2019 financial year, Mr Giuseppe Bono held the office of Chief Executive Officer. Mr Bono's remuneration for the 2019 financial year (from 1 January to 31 December 2019) was comprised as follows:

- Fixed component: EUR 967,013.70 per annum, of which:
 - EUR 7,027.40 as remuneration calculated on a *pro rata* basis (from 1 January to 5 April 2019), as resolved by the Shareholders' Meeting on 19 May 2016, for the office of member of the Board of Directors, under

Article 2389(1) of the Italian Civil Code, which will be paid in 2020;

- EUR 36,986.30 as remuneration calculated on a *pro rata* basis (from 6 April to 31 December 2019), as resolved by the Shareholders' Meeting on 5 April 2019, for the office of member of the Board of Directors, under Article 2389(1) of the Italian Civil Code, which will be paid in 2020;
- EUR 923,000 per annum, as the remuneration resolved by the Board of Directors on 20 July 2016, under Article 2389(3) of the Italian Civil Code, on the Remuneration Committee's proposal and on the advice of the Board of Statutory Auditors, for the office of Chief Executive Officer.
- Short-term variable component:
 - 2019 MBO Plan: as established by the Board of Directors on 20 July 2016 and subsequently confirmed on 27 June 2019, on the Remuneration Committee's proposal and in accordance with the advice of the Board of Statutory Auditors, the short-term variable component is EUR 583,800 where targets are achieved, with an adjustment up to a maximum of EUR 632,450 in the event of over performance. The Board of Directors establishes whether target objectives have been achieved and the actual incentive accrued in the course of 2020, on the Remuneration Committee's proposal, on the basis of the 2019 annual financial statements and specific reports. Any amount due will be paid in 2020.
 - Medium-long term variable component:
 - 2019-2021 LTI Plan: on 11 May 2018, the Shareholders' Meeting approved the 2019-2021 LTI Plan on the proposal of the Board of Directors; with reference to the first cycle (2019-2021) of the abovementioned Plan, the Board of Directors, in accordance with the Remuneration Committee's proposal and the opinion of the Board of Statutory Auditors, on 24 July 2019, established that

1,082,219 rights to receive ordinary shares of Fincantieri would be allocated free of charge if all target objectives were met and subject to the conditions imposed by the Regulations that govern the Plan. In the event of over performance, the number of rights may be increased up to a maximum of 50%. Any allocation concerning the third cycle will take place in 2022.

Remuneration effectively paid to Mr Bono during the 2019 financial year was:

- Fixed component⁶: an amount equal to EUR 950,000, of which:
 - EUR 27,000 as remuneration for the 2018 financial year as resolved by the Shareholders' Meeting on 19 May 2016 for the office of member of the Board of Directors, under Article 2389(1) of the Italian Civil Code;
 - EUR 923,000 as remuneration for the 2019 financial year, as resolved by the Board of Directors on 20 July 2016, under Article 2389(3) of the Italian Civil Code, on the Remuneration Committee's proposal and on the advice of the Board of Statutory Auditors, for the office of Chief Executive Officer.
- Short-term variable component:
 - 2018 MBO Plan: as established by the Board of Directors on 20 July 2016 on the Remuneration Committee's proposal and on the advice of the Board of Statutory Auditors, the short-term variable component was established in the amount of EUR 570,000 upon reaching the target, subject to adjustment up to a maximum of EUR 617,500 in the event of over performance; on the Remuneration Committee's proposal, the meeting of the Board of Directors held on 27 June 2019 established that the specific over performance conditions had been met in full, consequently determining payment of the amount of EUR 617,500 in 2019.
- Long-term variable component:
 - 2016-2018 LTI Plan The performance

period of the first cycle (2016-2018) of the abovementioned Plan ended on 31 December 2018. The Board of Directors, on the Remuneration Committee's proposal and on the advice of the Board of Statutory Auditors, reported the Company's results and the other objectives of the first cycle of the 2016-2018 LTI Plan and determined the number of shares to be allocated to each beneficiary of the Plan in relation to the extent to which the objectives had been achieved. In accordance with the Regulation governing the Plan, the rights were allocated to each beneficiary on 30 July 2019.

Consequently, the Board of Directors, on the proposal of the Remuneration Committee and on the advice of the Board of Statutory Auditors, resolved to allocate a total of 2,572,497 ordinary Fincantieri shares to the Chief Executive Officer, gross of withholding taxes.

- Non-monetary benefits: provision of a company car for business and private use plus fuel, supplementary health package, insurance and further minor benefits, for the total amount of EUR 2,090.64, established on the basis of taxable income criteria.
- Apartment: when in Trieste, Mr Bono uses an apartment rather than a hotel, for reasons of cost effectiveness.

No payments are due in relation to cease of office.

1.3. Other members of the Board of Directors

The Board of Directors, appointed by the Shareholders' Meeting on 19 May 2016 for the 2016-2018 three-year period, was in office up to 5 April 2019.

For the period from 1 January to 5 April 2019, the offices of members of the Board of Directors were covered not only by the

Directors Ambassador Giampiero Massolo and Mr Giuseppe Bono, but also by the following Directors:

- Gianfranco Agostinetto (Architect) (independent), Simone Anichini (independent), Massimiliano Cesare (Attorney) (independent), Nicoletta Giadrossi (independent), Paola Muratorio (Architect) (independent), Fabrizio Palermo (non-independent) and Donatella Treu (independent).

On 8 June 2016, the Board of Directors appointed the Advisory Committees and its members and established their remuneration. More specifically, for the period from 1 January to 5 April 2019, the abovementioned Advisory Committees were comprised as follows:

- Internal Control and Risk Management Committee: Massimiliano Cesare (Chairman), Nicoletta Giadrossi and Fabrizio Palermo. This Committee also acted as the Committee for Transactions with Related Parties and, when analysing Transactions of Major Relevance, Mr Palermo is replaced by the independent director Gianfranco Agostinetto (Architect);
- Remuneration Committee: Paola Muratorio (Architect) (Chairman), Donatella Treu and Fabrizio Palermo;
- Appointments Committee: Donatella Treu (Chairman), Simone Anichini and Fabrizio Palermo;
- Sustainability Committee: Gianfranco Agostinetto (Chairman), Simone Anichini, Nicoletta Giadrossi and Massimiliano Cesare (Attorney).

The remunerations resolved for the abovementioned members of the Board of Directors are made up of a fixed part alone, which will be paid during the 2020 financial year.

More specifically:

- Director Gianfranco Agostinetto's remuneration for 2019 (period from 1 January to 5 April 2019) was EUR 14,835.62, of which:
 - EUR 7,027.40 as remuneration calculated on a *pro rata* basis as resolved by the Shareholders' Meeting on 19 May 2016 for the office of member of the Board of Directors;
 - EUR 7,808.22 as remuneration calculated on a *pro rata* basis for the office of Chairman of the Sustainability Committee.

- Director Simone Anichini's remuneration for 2019 (period from 1 January to 5 April 2019) was EUR 17,438.36, of which:
 - EUR 7,027.40 as remuneration calculated on a *pro rata* basis, as resolved by the Shareholders' Meeting on 19 May 2016 for the office of member of the Board of Directors;
 - EUR 5,205.48 as remuneration calculated on a *pro rata* basis for the office of member of the Appointments Committee;
 - EUR 5,205.48 as remuneration calculated on a *pro rata* basis for the office of member of the Sustainability Committee;

- Director Massimiliano Cesare's remuneration for 2019 (period from 1 January to 5 April 2019) was EUR 20,041.10, of which:
 - EUR 7,027.40 as remuneration calculated on a *pro rata* basis, as resolved by the Shareholders' Meeting on 19 May 2016, for the office of member of the Board of Directors;
 - EUR 7,808.22 as remuneration calculated on a *pro rata* basis for the office of Chairman of the Internal Control and Risk Committee;
 - EUR 5,205.48 as remuneration calculated on a *pro rata* basis for the office of member of the Sustainability Committee;

- Director Nicoletta Giadrossi's remuneration for 2019 (period from 1 January to 5 April 2019) was EUR 17,438.36, of which:
 - EUR 7,027.40 as remuneration calculated on a *pro rata* basis, as resolved by the Shareholders' Meeting on 19 May 2016, for the

⁶ Mr Bono's remuneration as Chairman of VARD Group AS (1 January - 29 September 2016) equal to SGD 243,750 (EUR 163,333 at the average exchange rate on 22 February 2016 - SGD/EUR = 0.67008) was paid and transferred in full by the Chief Executive Officer to Fincantieri in full in 2019. Note also that the remuneration referred to above in this footnote and any remuneration from other subsidiaries and affiliated companies are not included in the total of EUR 950,000, as these had been transferred to Fincantieri.

office of member of the Board of Directors;
 - EUR 5,205.48 as remuneration calculated on a *pro rata* basis for the office of member of the Internal Control and Risk Committee;
 - EUR 5,205.48 as remuneration calculated on a *pro rata* basis for the office of member of the Sustainability Committee;

- Director Paola Muratorio's remuneration for 2019 (period from 1 January to 5 April 2019) was EUR 14,835.62, of which:
 - EUR 7,027.40 as remuneration calculated on a *pro rata* basis, as resolved by the Shareholders' Meeting on 19 May 2016, for the office of member of the Board of Directors;
 - EUR 7,808.22 as remuneration calculated on a *pro rata* basis for the office of Chairman of the Remuneration Committee.
- Director Fabrizio Palermo's remuneration for 2019 (period from 1 January to 5 April 2019) was EUR 22,643.84, of which:
 - EUR 7,027.40 as remuneration calculated on a *pro rata* basis, as resolved by the Shareholders' Meeting on 19 May 2016, for the office of member of the Board of Directors;
 - EUR 5,205.48 as remuneration calculated on a *pro rata* for the office of member of the Remuneration Committee;
 - EUR 5,205.48 as remuneration calculated on a *pro rata* basis for the office of member of the Appointments Committee;
 - EUR 5,205.48 as remuneration calculated on a *pro rata* basis for the office of member of the Internal Control and Risk Committee;
- Director Donatella Treu's remuneration for 2019 (period from 1 January to 5 April 2019) was EUR 20,041.10 per annum, of which:
 - EUR 7,027.40 as remuneration calculated on a *pro rata* basis, as resolved by the Shareholders' Meeting on 19 May 2016, for the office of member of the Board of Directors;
 - EUR 7,808.22 as remuneration for the office of Chairman of the Appointments Committee;

- EUR 5,205.48 as remuneration calculated on a *pro rata* basis for the office of member of the Remuneration Committee;

On 5 April 2019, the Shareholders' Meeting appointed the new Board of Directors for the 2019-2021 three-year period.

The offices of members of the Board of Directors are covered, in addition to Directors Ambassador Giampiero Massolo and Mr Giuseppe Bono, also by the following Board Members:

- Barbara Alemanni (independent), Massimiliano Cesare (independent), Luca Errico (independent), Paola Muratorio (Architect) (independent), Elisabetta Oliveri (independent), Fabrizio Palermo (non-independent), Federica Santini (non-independent) and Federica Seganti (independent).

On 18 April 2019, the Board of Directors appointed the Advisory Committees and its members and established their remuneration. Specifically, the appointments were as follows:

- Internal Control and Risk Management Committee, composed of: Massimiliano Cesare (Attorney) (Chairman), Barbara Alemanni, Federica Seganti, Federica Santini. This Committee also operates as the Committee for Transactions with Related Parties; when analysing Transactions of Major Relevance, Ms Santini is replaced by Ms Muratorio;
- Remuneration Committee, composed of: Paola Muratorio (Architect) (Chairman), Barbara Alemanni, Elisabetta Oliveri and Fabrizio Palermo;
- Appointments Committee, composed of: Messrs Federica Seganti (Chairman), Massimiliano Cesare, Luca Errico and Fabrizio Palermo;
- Sustainability Committee, composed of: Elisabetta Oliveri (Chairman), Luca Errico, Paola Muratorio (Architect) and Federica Santini.

On 5 April 2019, the Shareholders' Meeting resolved on a remuneration of EUR 50,000 *per annum* for all board members. The members of the Board of Directors do not receive variable remunerations; the remunerations approved for these members will be paid during the 2020 financial year. More specifically:

- Director Barbara Alemanni's remuneration for 2019 was EUR 72,328.76, of which:
 - EUR 36,986.30 as remuneration calculated on a *pro rata* basis (period from 6 April to 31 December 2019), as resolved by the Shareholders' Meeting on 5 April 2019, for the office of member of the Board of Directors;
 - EUR 17,671.23 as remuneration calculated on a *pro rata* basis (period from 18 April to 31 December 2019) for the office of member of the Internal Control and Risk Committee;
 - EUR 17,671.23 as remuneration calculated on a *pro rata* basis (period from 18 April to 31 December 2019) for the office of member of the Remuneration Committee.
- Director Massimiliano Cesare's remuneration for the 2019 financial year was EUR 79,397.26, of which:
 - EUR 36,986.30 as remuneration calculated on a *pro rata* basis (period from 6 April to 31 December 2019), as resolved by the Shareholders' Meeting on 5 April 2019, for the office of member of the Board of Directors;
 - EUR 24,739.73 as remuneration calculated on a *pro rata* basis (period from 18 April to 31 December 2019) for the office of Chairman of the Internal Control and Risk Committee;
 - EUR 17,671.23 as remuneration calculated on a *pro rata* basis (period from 18 April to 31 December 2019) for the office of member of the Appointments Committee.
- Director Luca Errico's remuneration for 2019 was EUR 72,328.76, of which:
 - EUR 36,986.30 as remuneration calculated

on a *pro rata* basis (period from 6 April to 31 December 2019), as resolved by the Shareholders' Meeting on 5 April 2019, for the office of member of the Board of Directors;
 - EUR 17,671.23 as remuneration calculated on a *pro rata* basis (period from April to 31 December 2019) for the office of member of the Appointments Committee;
 - EUR 17,671.23 as remuneration calculated on a *pro rata* basis (period from 18 April to 31 December 2019) for the office of member of the Sustainability Committee.

- Director Paola Muratorio's remuneration for the 2019 financial year was EUR 79,397.26, of which:
 - EUR 36,986.30 as remuneration calculated on a *pro rata* basis (period from 6 April to 31 December 2019), as resolved by the Shareholders' Meeting on 5 April 2019, for the office of member of the Board of Directors;
 - EUR 24,739.73 as remuneration calculated on a *pro rata* basis (period from 18 April to 31 December 2019) for the office of Chairman of the Remuneration Committee;
 - EUR 17,671.23 as remuneration calculated on a *pro rata* basis (period from 18 April to 31 December 2019) for the office of member of the Sustainability Committee.
- Director Elisabetta Oliveri's remuneration for the 2019 financial year was EUR 79,397.26, of which:
 - EUR 36,986.30 as remuneration calculated on a *pro rata* basis (period from 6 April to 31 December 2019), as resolved by the Shareholders' Meeting on 5 April 2019, for the office of member of the Board of Directors;
 - EUR 24,739.73 as remuneration calculated on a *pro rata* basis (period from 18 April to 31 December 2019) for the office of Chairman of the Sustainability Committee.
 - EUR 17,671.23 as remuneration calculated on a *pro rata* basis (period from 18 April to 31

December 2019) for the office of member of the Remuneration Committee;

- Director Fabrizio Palermo's remuneration for 2019 was EUR 72,328.76, of which:
 - EUR 36,986.30 as remuneration calculated on a *pro rata* basis (period from 6 April to 31 December 2019), as resolved by the Shareholders' Meeting on 5 April 2019, for the office of member of the Board of Directors;
 - EUR 17,671.23 as remuneration calculated on a *pro rata* basis (period from 18 April to 31 December 2019) for the office of member of the Remuneration Committee;
 - EUR 17,671.23 as remuneration calculated on a *pro rata* basis (period from 18 April to 31 December 2019) for the office of member of the Appointments Committee.

- Director Federica Santini's remuneration for 2019 was EUR 72,328.76, of which:
 - EUR 36,986.30 as remuneration calculated on a *pro rata* basis (period from 6 April to 31 December 2019), as resolved by the Shareholders' Meeting on 5 April 2019, for the office of member of the Board of Directors;
 - EUR 17,671.23 as remuneration calculated on a *pro rata* basis (period from 18 April to 31 December 2019) for the office of member of the Internal Control and Risk Committee;
 - EUR 17,671.23 as remuneration calculated on a *pro rata* basis (period from 18 April to 31 December 2019) for the office of member of the Sustainability Committee.

- Director Federica Seganti's remuneration for 2019 was EUR 79,397.26, of which:
 - EUR 36,986.30 as remuneration calculated on a *pro rata* basis (period from 6 April to 31 December 2019), as resolved by the Shareholders' Meeting on 5 April 2019, for the office of member of the Board of Directors;
 - EUR 17,671.23 as remuneration calculated on a *pro rata* basis (period from 18 April to 31 December 2019) for the office of member of

the Internal Control and Risk Committee;
 - EUR 24,739.73 as remuneration calculated on a *pro rata* basis (period from 18 April to 31 December 2019) for the office of Chairman of the Appointments Committee.

No payments are due in relation to cease of office.

1.4. Members of the Board of Directors' Internal Committees

On 8 June 2016, the Board of Directors approved an additional remuneration for the members of the Advisory Committees amounting to EUR 30,000 for those holding the office of Chairman and EUR 20,000 for the other standing members.

On 18 April 2019, the Board of Directors recalculated these remunerations in the amount of EUR 35,000 *per annum* for those holding the office of Chairman and EUR 20,000 *per annum* for the other standing members.

The remunerations in 2018 for those holding the office of Chairman and for the members of the Committees are set out in the previous paragraph.

2. Board of Statutory Auditors

The Board of Statutory Auditors currently in office was appointed by the Shareholders' Meeting held on 19 May 2017 and is made up of the standing auditors Gianluca Ferrero (Chairman), Fioranna Vittoria Negri and Roberto Spada. The Shareholders' Meeting held on 19 May 2017 resolved to remunerate the members of the Board of Statutory Auditors as follows:

- EUR 37,000 per annum for the Chairman; and
- EUR 26,000 per annum for each standing auditor.

The abovementioned amounts relating to the

2018 financial year were paid in 2019; the amounts pertaining to the 2019 financial year will be paid in the 2020 financial year.

3. General Management Department

For the entire 2019 financial year, the office of General Manager of the Company was held by Alberto Maestrini (Engineer) and, jointly, by Pierfrancesco Ragni for the period from 22 January to 30 June 2019.

Mr Maestrini's remuneration is comprised as follows:

- Fixed component: EUR 423,412.86, referring to the entire 2019 financial year, was paid in 2019.
- Short-term variable component:
 - 2018 MBO Plan: EUR 178,804.02 was paid for the 2018 financial year. The Chief Executive Officer verified that the objectives set by the 2018 Plan were met on the basis of the financial statements for 2018 and on specific cost reporting. The incentive payment was conditional upon exceeding the access threshold tied to achieving the strategic objective, as established by the Board of Directors, and consisting in achieving the target relevant to the EBITDA Margin, i.e. the ratio between EBITDA and Group Revenues in the financial year in question (2018) of no less than 90% of the amount specified in the 2018 Budget. Failure to reach this threshold would have led to the cancellation of the entire incentive.
 - 2019 MBO Plan 2019: any incentive accrued will be paid during 2020, once the process of finalising the assigned objectives has been completed, following the shareholders' meeting called to approve the 2019 financial statements. Assuming full achievement of all objectives, the maximum MBO payable in 2020 is EUR 217,298.78.
- Medium-long term variable component:
 - 2016-2018 LTI Plan: the performance

period of the first cycle (2016-2018) of the abovementioned Plan ended on 31 December 2018. The Board of Directors, on the Remuneration Committee's proposal and the Board of Statutory Auditors' advice, reported the Company's results and the other objectives of the first cycle of the 2016-2018 LTI Plan and determined the number of shares to be allocated to each beneficiary of the Plan in relation to the extent to which the objectives had been achieved. In accordance with the Regulations governing the Plan, the rights were allocated to each beneficiary on 30 July 2019.

As a result of the above, the Board of Directors, on the Remuneration Committee's proposal and the Board of Statutory Auditors' advice, resolved to allocate a total number of 497,619 ordinary Fincantieri shares to the General Manager, gross of withholding taxes.

- 2019-2021 LTI Plan: on 11 May 2018, the Shareholders' Meeting approved the 2019-2021 LTI Plan on the Board of Directors' proposal; with reference to the first cycle (2019-2021) of that Plan, the Board of Directors, on the Remuneration Committee's proposal and the Board of Statutory Auditors' advice, on 24 July 2019, provided for the free assignment of 401,597 rights to receive ordinary shares of Fincantieri, in the event of the achievement of all target objectives and subject to the conditions set out in the Regulations governing the Plan. In the event of over performance, the number of rights may be increased up to a maximum of 50%. Any allocation concerning the third cycle will take place in 2022.

• Non-monetary benefits: provision of a company car for business and private use plus fuel, supplementary health package, insurance and further minor benefits, for the total amount of EUR 32,873.77, established on the basis of taxable income criteria.

Mr Ragni's remuneration, for the period from 22 January to 30 June 2019, is as follows:

- Fixed component: EUR 125,711.87, referring to the entire 2018 financial year, was paid in 2019.
- Non-monetary benefits: provision of a company car for business and private use plus fuel, supplementary health package, insurance and further minor benefits, for the total amount of EUR 7,388.84, calculated on a *pro rata* basis (period from 22 January to 30 June 2019), established on the basis of taxable income criteria.

4. Key Executives/Executives with Strategic Responsibilities

In 2019, new hires/dismissals and arrivals/departures at a managerial level in terms of the various roles for the financial year in question (during the year or part thereof) resulted in the aggregate presence of 23 Key Executives, 7 of whom are Executives with Strategic Responsibilities.

Key Executives' remunerations are indicated at an aggregate level, and within each group, the aggregate remunerations for Executives with Strategic Responsibilities are specified therein, as none of the Executives with Strategic Responsibilities had received a remuneration greater overall than the highest aggregate remuneration received by members of the Board of Directors, the Board of Statutory Auditors and by the General Manager.

Set out below, in aggregate form, is a description of each of the items that make up the remuneration paid to Key Executives, with details for Executives with Strategic Responsibilities, in the 2019 financial year:

- Fixed component: EUR 4,631,231.29 in gross annual remuneration, of which EUR 1,443,678.84 for Executives with Strategic

Responsibilities; these amounts were paid in 2019.

- Short-term variable component:
 - 2018 MBO Plan: a total amount of EUR 1,526,707.63 (of which EUR 560,766.08 relating to Executives with Strategic Responsibilities) was disbursed for 2018. The Chief Executive Officer verified that the objectives set by the 2018 MBO Plan were met on the basis of the financial statements for 2018 and on specific cost reporting. The incentive payment was conditioned by exceeding the access threshold tied to achieving the strategic objective, as established by the Board of Directors, and consisting in achieving the target objective relevant to the EBITDA Margin, i.e. the ratio between EBITDA and Group Revenues in the financial year in question (2018) of no less than 90% of the amount specified in the 2018 Budget. Failure to reach this threshold would have led to the cancellation of the entire incentive.
 - 2019 MBO Plan 2019: any incentive accrued will be paid during 2020, once the process of finalising the assigned objectives has been completed, following the shareholders' meeting called to approve the 2019 financial statements. Assuming full achievement of all targets, the maximum MBO payable in 2020 is EUR 1,821,535.57, of which EUR 575,660.88 relating to Executives with Strategic Responsibilities.
- Medium-long term variable component:
 - 2016-2018 LTI Plan: the performance period of the first cycle (2016-2018) of the abovementioned Plan ended on 31 December 2018. The Board of Directors, upon the Remuneration Committee's advice and the Chief Executive Officer's proposal, reported the business performances and the other objectives of the first cycle of the 2016-2018 LTI Plan and established the number of shares to be allocated to each beneficiary of the same in relation to the

extent of achieving the objectives and to the incentive percentage granted to each. In compliance with the provisions of the Regulations governing the Plan, rights were allocated to each beneficiary on 30 July 2019. Following the above, the Board of Directors, on the Remuneration Committee's proposal and the Board of Statutory Auditors' advice, approved the allocation of a total number of 3,694,301 ordinary Fincantieri shares, gross of withholding taxes, of which 1,632,453 relating to Executives with Strategic Responsibilities.

- 2019-2021 LTI Plan: on 11 May 2018, the Shareholders' Meeting approved the 2019-2021 LTI Plan on the Board of Directors' proposal; with reference to the first cycle (2019-2021) of that Plan, the Board of Directors, on the Remuneration Committee's proposal and the Board of Statutory Auditors' advice, on 24 July 2019, provided for the free assignment of 2,818,880 rights to receive ordinary shares of Fincantieri (of which 1,076,234 for Executives with Strategic Responsibilities), in the event of the achievement of all target objectives and subject to the conditions set out in the Regulations governing the Plan. In the event of over performance, the number of rights may be increased up to a maximum of 50%. Any allocation concerning the third cycle will take place in 2022.

- Extraordinary Remuneration: In line with the provisions of paragraph 2.3.2 of this document - which provides for the possibility for the Company to grant, on an exceptional and extraordinary basis, with respect to the Remuneration Policy context and with a view to attracting key figures from the market or to motivating and retaining the best resources, specific remuneration packages during the hiring phase or during employment - in 2019 the Chief Executive Officer authorised the disbursement of only

one entry bonus worth EUR 30,000 gross to a Key Executive hired in 2019, to make the hiring offer more attractive.

- Non-monetary benefits: these include the provision of a company car for business and private use plus fuel, in some cases the use of an accommodation for long-term stays and in any case limited in time, supplementary insurance, social security and pension coverage as well as those provided by the national collective bargaining agreement for the category applied, for a total value, according to a taxable income criterion, of EUR 429,841.20 (of which EUR 133,688.23 for Executives with Strategic Responsibilities).

5. Agreements for payment of indemnities in the event of early termination of employment

Under a specific agreement in place with the current General Manager and an Executive with Strategic Responsibilities, an indemnity is payable where the employment is terminated early; the indemnity comprises 36 gross monthly salaries, inclusive of the thirteenth month salary bonus, in the event of unfair dismissal, resignation with cause and termination of employment by mutual consent.



Part 2

TABLE 1

Table on the remuneration paid to the members of the Board of Directors and the Board of Statutory Auditors, the General Manager, as well as Key Executives/Executives with Strategic Responsibilities during the 2019 financial year

The amounts provided in this Table and in the related notes follow accrual and cash criteria, in accordance with the applicable legislation

Data expressed in EUR				VARIABLE NON-EQUITY REMUNERATION									
NAME AND SURNAME	OFFICE ¹	PERIOD IN OFFICE	TERMINATION OF OFFICE	FIXED REMUNERATION	REMUNERATION FOR SITTING ON COMMITTEES	BONUSES AND OTHER INCENTIVES	PROFIT SHARING	NON-MONETARY BENEFITS	OTHER REMUNERATION	TOTAL	FAIR VALUE REMUNERATION ²	SALARY PACKAGES FOR END OF OFFICE - TERMINATION OF EMPLOYMENT	
Giampiero Massolo	Chairman BoD	01.01.2019 31.12.2019	Meeting to approve 2021 Financial Statements	Fincantieri Remunerations	300,000.00 ³	-	120,000.00 ⁴	-	2,045.28	-	422,045.28	-	
				Remunerations from controlled and affiliated companies	-	-	-	-	-	-	-	-	
				Total	300,000.00	-	120,000.00	-	2,045.28	-	422,045.28	-	-
Giuseppe Bono	CEO	01.01.2019 31.12.2019	Meeting to approve 2021 Financial Statements	Fincantieri Remunerations	950,000.00 ⁵	-	617,500.00 ⁶	-	2,090.64	-	1,569,590.64	2,639,281.00	
				Remunerations from controlled and affiliated companies	- ⁷	-	-	-	-	-	-	-	-
				Total	950,000.00	-	617,500.00	-	2,090.64	-	1,569,590.64	2,639,281.00	-
Simone Anichini	Director/Member AC/Member SC	01.01.2019 05.04.2019	Meeting to approve 2018 Financial Statements	Fincantieri Remunerations	7,027.40 ⁸	10,410.96 ⁹	-	-	-	-	17,438.36	-	
				Remunerations from controlled and affiliated companies	-	-	-	-	-	-	-	-	
				Total	7,027.40	10,410.96	-	-	-	-	17,438.36	-	-
Massimiliano Cesare	Director/Chairman ICRMC/Member SC	01.01.2019 05.04.2019	Meeting to approve 2018 Financial Statements	Fincantieri Remunerations	7,027.40 ⁸	13,013.70 ¹⁰	-	-	-	-	20,041.10	-	
				Remunerations from controlled and affiliated companies	-	-	-	-	-	-	-	-	
				Total	7,027.40	13,013.70	-	-	-	-	20,041.10	-	-
Nicoletta Giadrossi	Director/Member ICRMC/Member SC	01.01.2019 05.04.2019	Meeting to approve 2018 Financial Statements	Fincantieri Remunerations	36,986.30 ¹¹	42,410.96 ¹²	-	-	-	-	79,397.26	-	
				Remunerations from controlled and affiliated companies	-	-	-	-	-	-	-	-	
				Total	36,986.30	42,410.96	-	-	-	-	79,397.26	-	-
Gianfranco Agostinotto	Director/Chairman SC	01.01.2019 05.04.2019	Meeting to approve 2018 Financial Statements	Fincantieri Remunerations	7,027.40 ⁸	7,808.22 ¹³	-	-	-	-	14,835.62	-	
				Remunerations from controlled and affiliated companies	-	-	-	-	-	-	-	-	
				Total	7,027.40	7,808.22	-	-	-	-	14,835.62	-	-
Paola Muratorio	Director/Chairman RC	01.01.2019 05.04.2019	Meeting to approve 2018 Financial Statements	Fincantieri Remunerations	7,027.40 ⁸	7,808.22 ¹⁵	-	-	-	-	14,835.62	-	
				Remunerations from controlled and affiliated companies	-	-	-	-	-	-	-	-	
				Total	7,027.40	7,808.22	-	-	-	-	14,835.62	-	-
Elisabetta Oliveri	Director/Member RC/Member SC	06.04.2019 31.12.2019	Meeting to approve 2021 Financial Statements	Fincantieri Remunerations	36,986.30 ¹¹	42,410.96 ¹⁶	-	-	-	-	79,397.26	-	
				Remunerations from controlled and affiliated companies	-	-	-	-	-	-	-	-	
				Total	36,986.30	42,410.96	-	-	-	-	79,397.26	-	-

Data expressed in EUR

NAME AND SURNAME	OFFICE ¹	PERIOD IN OFFICE	TERMINATION OF OFFICE	FIXED REMUNERATION	REMUNERATION FOR SITTING ON COMMITTEES	BONUSES AND OTHER INCENTIVES	PROFIT SHARING	NON-MONETARY BENEFITS	OTHER REMUNERATION	TOTAL	VARIABLE NON-EQUITY REMUNERATION		
											FAIR VALUE REMUNERATION ²	SALARY PACKAGES FOR END OF OFFICE - TERMINATION OF EMPLOYMENT	
Fabrizio Palermo	Director/Member RC/Member ICRMC/Member AC	01.01.2019 05.04.2019	Meeting to approve 2018 Financial Statements	Fincantieri Remunerations	7,027.40 ⁸	15,616.44 ¹⁷	-	-	-	-	22,643.84	-	
				Remunerations from controlled and affiliated companies	-	-	-	-	-	-	-		
				Total	7,027.40	15,616.44	-	-	-	-	22,643.84	-	-
Donatella Treu	Director/Chairman AC/Member RC	01.01.2019 05.04.2019	Meeting to approve 2018 Financial Statements	Fincantieri Remunerations	36,986.30 ¹¹	35,342.46 ¹⁸	-	-	-	-	72,328.76	-	
				Remunerations from controlled and affiliated companies	-	-	-	-	-	-	-		
				Total	36,986.30	35,342.46	-	-	-	-	72,328.76	-	-
Barbara Alemanni	Director/Member ICRMC/Member RC	06.04.2019 31.12.2019	Meeting to approve 2021 Financial Statements	Fincantieri Remunerations	7,027.40 ⁸	13,013.70 ¹⁹	-	-	-	-	20,041.10	-	
				Remunerations from controlled and affiliated companies	-	-	-	-	-	-	-		
				Total	7,027.40	13,013.70	-	-	-	-	20,041.10	-	-
Luca Errico	Director/Member AC/Member SC	06.04.2019 31.12.2019	Meeting to approve 2021 Financial Statements	Fincantieri Remunerations	36,986.30 ¹¹	35,342.46 ²⁰	-	-	-	-	72,328.76	-	
				Remunerations from controlled and affiliated companies	-	-	-	-	-	-	-		
				Total	36,986.30	35,342.46	-	-	-	-	72,328.76	-	-
Elisabetta Oliveri	Director/Member RC/Member SC	06.04.2019 31.12.2019	Meeting to approve 2021 Financial Statements	Fincantieri Remunerations	36,986.30 ¹¹	42,410.96 ²²	-	-	-	-	79,397.26	-	
				Remunerations from controlled and affiliated companies	-	-	-	-	-	-	-		
				Total	36,986.30	42,410.96	-	-	-	-	79,397.26	-	-

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¹In the Tables above, the following abbreviations have been used for corporate bodies and the offices held in Fincantieri: CEO (indicates the Chief Executive Officer); BoD (indicates the Board of Directors); ICRMC (indicates the Internal Control & Risk Management Committee); AC (indicates the Appointment Committee); RC (indicates the Remuneration Committee); SC (indicates the Sustainability Committee); BoSA (indicates the Board of Statutory Auditors); MG (indicates the General Manager); KE (indicates Key Executives); ESR (indicates Executives with Strategic Responsibilities).

²The amounts indicated are the sum of the fair values of the second cycle (2017 - 2019), the third cycle (2018-2020) of the 2016 - 2018 LTI Plan and the first cycle (2019-2021) of the 2019-2021 LTI Plan.

³The fixed remuneration of the Chairman consists of: (i) EUR 40,000, disbursed during 2019 and pertaining to 2018, as remuneration for the office of Chairman of the Board of Directors, approved by the Shareholders' Meeting of 19 May 2016, under Article 2389(1) of the Italian Civil Code. (ii) EUR 260,000, as remuneration accrued during 2019, approved by the Board of Directors on 20 July 2016, under Article 2389(3) of the Italian Civil Code, on the proposal of the RC and on the advice of the BoSA, by virtue of the extent and nature of the specific powers granted; this amount was paid in 2019. It should also be noted that the remuneration for the office of Chairman of the Board of Directors, resolved by the Shareholders' Meeting of 19 May 2016, under Article 2389(1) of the Italian Civil Code, for the 2019 financial year (period 1 January - 5 April 2019), amounted to EUR 10,410.96; while the remuneration for the office of Chairman of the Board of Directors, resolved by the Shareholders' Meeting of 5 April 2019, under Article 2389(1) of the Italian Civil Code, for the 2019 financial year (period 6 April - 31 December 2019) amounted to EUR 36,986.30. These amounts total EUR 47,397.26 and will be disbursed in 2020.

⁴The amount refers to the 2018 MBO Plan. On 27 June 2019, the BoD, on the RC's proposal, established that the specific conditions for over performance were met in full, consequently establishing the payment of EUR 120,000, disbursed in 2019.

⁵The CEO's fixed remuneration consists of: (i) EUR 27,000, as remuneration for the 2018 financial year, resolved by the Shareholders' Meeting on 19 May 2016 for the office of member of the Board of Directors, under Article 2389(1) of the Italian Civil Code; that amount was disbursed in 2019 and (ii) EUR 923,000, as remuneration, accrued during the 2019 financial year, as resolved by the Board of Directors on 20 July 2016, under Article 2389(3) of the Italian Civil Code, on the RC's proposal and on the advice of the BoSA, for the office of Chief Executive Officer; that amount was disbursed in 2019. It should be noted that the remuneration for the office of member of the Board of Directors, resolved by the Shareholders' Meeting of 19 May 2016, under Article 2389(1) of the Italian Civil Code, for the 2019 financial year (period 1 January - 5 April 2019), is equal to EUR 7,027.40; while the remuneration for the office of member of the Board of Directors, resolved by the Shareholders' Meeting of 5 April 2019, under Article 2389(1) of the Italian Civil Code, for 2019 (period 6 April - 31 December 2019), is equal to EUR 36,986.30. These amounts total EUR 44,013.70 and will be disbursed in 2020. It should also be noted that Mr Bono resigned from his office as Chairman of VARD Group AS on 30 September 2016; the VARD remuneration for 2016 (1 January - 29 September 2016) for the office held amounted to SGD 243,750 (EUR 163,333, at the average exchange rate on 22 February 2016 - SGD/EUR = 0.67008) and was disbursed and entirely transferred by the CEO to Fincantieri in 2019. Note also that the remuneration referred to above in this footnote and any remuneration in relation to other subsidiaries and affiliated companies are not included in the total of EUR 950,000, as these had been transferred to Fincantieri.

⁶The amount refers to the 2018 MBO Plan. On 27 June 2019, the BoD, on the RC's proposal, established that the specific conditions for over performance were met in full, consequently establishing the payment of EUR 617,500, disbursed in 2019. With reference to the Board of Directors' meeting of 20 July 2016, as subsequently confirmed on 7 May 2018 on the RC's proposal, the short-term variable component for 2019, amounts to EUR 583,800, upon achievement of the target, with adjustment up to a maximum of EUR 632,450 for over-performance; this amount will be paid out during the year 2020, after verification of the achievement of the performance targets assigned.

⁷Note that the remunerations relating to the offices held in controlled and affiliated companies in 2018-2019 are not included in the remunerations received by Mr Bono, as they were transferred to Fincantieri (see Footnote 5).

⁸This amount, on a pro rata basis, resolved by the Shareholders' Meeting held on 19 May 2016 and relating to the 2019 financial year, will be disbursed in 2020.

⁹This amount relating to the 2019 financial year consists of: (i) EUR 5,205.48 calculated on a pro rata basis as remuneration for the office of AC member and (ii) EUR 5,205.48 calculated on a pro rata basis as remuneration for the office of SC member. This amount will be disbursed in the 2020 financial year.

¹⁰This amount relating to the 2019 financial year consists of: (i) EUR 5,205.48 calculated on a pro rata basis for the office of ICRMC Chairman and (ii) EUR 5,205.48 calculated on a pro rata basis as remuneration for the office of SC member. This amount will be disbursed in the 2020 financial year.

¹¹This amount, on a pro rata basis, resolved by the Shareholders' Meeting held on 5 April 2019 and relating to the 2019 financial year, will be disbursed in 2020.

¹²This amount relating to the 2019 financial year consists of: (i) EUR 24,739.73 calculated on a pro rata basis as remuneration for the office of ICRMC member and (ii) EUR 17,671.23 calculated on a pro rata basis as remuneration for the office of AC member. This amount will be disbursed in the 2020 financial year.

¹³This amount relating to the 2019 financial year is paid on a pro rata basis for the office of SC Chairman. This amount will be disbursed in the 2020 financial year.

¹⁴This amount relating to the 2019 financial year consists of: (i) EUR 5,205.48 calculated on a pro rata basis for the office of ICRMC member and (ii) EUR 5,205.48 calculated on a pro rata basis as remuneration for the office of SC member. This amount will be disbursed in the 2020 financial year.

¹⁵This amount, calculated on a pro rata basis, relating to the 2019 financial year is for the office of RC Chairman. This amount will be disbursed in the 2020 financial year.

¹⁶This amount relating to the 2019 financial year consists of: (i) EUR 24,739.73 calculated on a pro rata basis as remuneration for the office of RC Chairman; and (ii) EUR 17,671.23 calculated on a pro rata basis as remuneration for the office of SC member. This amount will be disbursed in the 2020 financial year.

¹⁷This amount relating to the 2019 financial year consists of: (i) EUR 5,205.48 calculated on a pro rata basis for the office of AC member; (ii) EUR 5,205.48 calculated on a pro rata basis as remuneration for the office of ICRMC member and (iii) EUR 5,205.48 calculated on a pro rata basis as remuneration for the office of RC member. This amount will be disbursed in the 2020 financial year.

¹⁸This amount relating to the 2019 financial year consists of: (i) EUR 17,671.23 calculated on a pro rata basis as remuneration for the office of AC member and (ii) EUR 17,671.23 calculated on a pro rata basis as remuneration for the office of RC member. This amount will be disbursed in the 2020 financial year.

¹⁹This amount relating to the 2019 financial year consists of: (i) EUR 5,205.48 calculated on a pro rata basis for the office of AC Chairman and (ii) EUR 5,205.48 calculated on a pro rata basis as remuneration for the office of RC member. This amount will be disbursed in the 2020 financial year.

²⁰This amount relating to the 2019 financial year consists of: (i) EUR 17,671.23 calculated on a pro rata basis as remuneration for the office of ICRMC member and (ii) EUR 17,671.23 calculated on a pro rata basis as remuneration for the office of RC member. This amount will be disbursed in the 2020 financial year.

²¹This amount relating to the 2019 financial year consists of: (i) EUR 17,671.23 calculated on a pro rata basis as remuneration for the office of AC member and (ii) EUR 17,671.23 calculated on a pro rata basis as remuneration for the office of SC member. This amount will be disbursed in the 2020 financial year.

²²This amount relating to the 2019 financial year consists of: (i) EUR 17,671.23 calculated on a pro rata basis as remuneration for the office of RC member and (ii) EUR 24,739.73 calculated on a pro rata basis as remuneration for the office of SC Chairman. This amount will be disbursed in the 2020 financial year.

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Data expressed in EUR

VARIABLE NON-EQUITY REMUNERATION

NAME AND SURNAME	OFFICE ¹	PERIOD IN OFFICE	TERMINATION OF OFFICE		FIXED REMUNERATION	REMUNERATION FOR SITTING ON COMMITTEES	BONUSES AND OTHER INCENTIVES	PROFIT SHARING	NON-MONETARY BENEFITS	OTHER REMUNERATION	TOTAL	FAIR VALUE REMUNERATION ²	SALARY
													PACKAGES FOR END OF OFFICE - TERMINATION OF EMPLOYMENT
Federica Santini	Director/Member ICRMC/Member SC	06.04.2019 31.12.2019	Meeting to approve 2021 Financial Statements	Fincantieri Remunerations	36,986.30 ³¹	35,342.46 ²³	-	-	-	-	72,328.76	-	-
				Remunerations from controlled and affiliated companies	-	-	-	-	-	-	-	-	
				Total	36,986.30	35,342.46	-	-	-	-	72,328.76	-	-
Federica Seganti	Director/Member ICRMC/Member AC	06.04.2019 31.12.2019	Meeting to approve 2021 Financial Statements	Fincantieri Remunerations	36,986.30 ³¹	42,410.96 ²⁴	-	-	-	-	79,397.26	-	-
				Remunerations from controlled and affiliated companies	-	-	-	-	-	-	-	-	
				Total	36,986.30	42,410.96	-	-	-	-	79,397.26	-	-
Alberto Maestrini	General Manager	01.01.2019 31.12.2019	-	Fincantieri Remunerations	423,412.86 ²⁵	-	178,804.02 ²⁸	-	32,873.77	-	635,090.65	810,912.00	-
				Remunerations from controlled and affiliated companies	-	-	-	-	-	-	-	-	
				Total	423,412.86	-	178,804.02	-	32,873.77	-	635,090.65	810,912.00	-
Pierfrancesco Ragni	General Manager	22.01.2019 30.06.2019	-	Fincantieri Remunerations	125,711.87 ²⁷	-	-	-	7,388.84	-	133,100.71	-	-
				Remunerations from controlled and affiliated companies	-	-	-	-	-	-	-		
				Total	125,711.87	-	-	-	7,388.84	-	133,100.71	-	-
Gianluca Ferrero	Chairman BoSA	01.01.2019 31.12.2019	Meeting to approve 2021 Financial Statements	Fincantieri Remunerations	37,000.00 ²⁸	-	-	-	-	-	37,000.00	-	-
				Remunerations from controlled and affiliated companies	-	-	-	-	-	-	-		
				Total	37,000.00	-	-	-	-	-	37,000.00	-	-
Fioranna Vittoria Negri	Standing Auditor	01.01.2019 31.12.2019	Meeting to approve 2021 Financial Statements	Fincantieri Remunerations	26,000.00 ²⁸	-	-	-	-	-	26,000.00	-	-
				Remunerations from controlled and affiliated companies	-	-	-	-	-	-	-		
				Total	26,000.00	-	-	-	-	-	26,000.00	-	-
Roberto Spada	Standing Auditor	01.01.2019 31.12.2019	Meeting to approve 2021 Financial Statements	Fincantieri Remunerations	26,000.00 ²⁸	-	-	-	-	-	26,000.00	-	-
				Remunerations from controlled and affiliated companies	-	-	-	-	-	-	-		
				Total	26,000.00	-	-	-	-	-	26,000.00	-	-
Key Executives	-	01.01.2019 31.12.2019	-	Fincantieri Remunerations	4,631,231.29 ²⁹	-	1,526,707.63 ³⁰	-	429,841.20 ³¹	30,000.00 ³²	6,617,780.12	6,172,662.00 ³³	-
				Remunerations from controlled and affiliated companies	-	-	-	-	-	-	-		
				Total	4,631,231.29	-	1,526,707.63	-	429,841.20	30,000.00	6,617,780.12	6,172,662.00	-

²³ This amount relating to the 2019 financial year consists of: (i) EUR 17,671.23 calculated on a pro rata basis as remuneration for the office of ICRMC member and (ii) EUR 17,671.23 calculated on a pro rata basis as remuneration for the office of SC member. This amount will be disbursed in the 2020 financial year.

²⁴ This amount relating to the 2019 financial year consists of: (i) EUR 17,671.23 calculated on a pro rata basis as remuneration for the office of ICRMC member and (ii) EUR 24,739.73 calculated on a pro rata basis as remuneration for the office of AC Chairman. This amount will be disbursed in the 2020 financial year.

²⁵ The amount of the fixed component reported in the 2018 2019 financial year was disbursed within the same financial year.

²⁶ The amount refers to the 2018 MBO Plan and was disbursed in 2019. The Chief Executive Officer verified the achievement of the objectives referred to in the 2018 Plan on the basis of the 2018 financial statements and specific cost-reporting.

²⁷ The amount of the fixed component reported in the 2019 financial year, calculated on a pro rata basis, was disbursed within the same financial year.

²⁸ It should be noted that the remuneration of the Statutory Auditors was approved by the Shareholders' Meeting of 28 May 2014 and until the renewal of the Board of Statutory Auditors at the Shareholders' Meeting held on 19 May 2017 who also approved the news fees.

²⁹ Out of which EUR 1,443,678.84 for Executives with Strategic Responsibilities. It should be noted that the amount indicated does not include the remunerations received by Key Executives for positions held in the corporate bodies of subsidiaries, since, in line with Group policy, such remuneration is paid to Fincantieri.

³⁰ The aggregate amount of EUR 1,526,707.63 (of which EUR 560,766.08 for Executives with Strategic Responsibilities) refers to the 2018 MBO Plan and was disbursed in 2019. The Chief Executive Officer verified the achievement of the objectives referred to in the 2018 Plan on the basis of the 2018 financial statements and specific cost-reporting.

³¹ Out of which EUR 133,688.23 for Executives with Strategic Responsibilities.

³² This amount was paid on a one-off basis, in line with Section II, paragraph 2.3.2 of this document.

³³ Of which EUR 2,607,710 for Executives with Strategic Responsibilities.



TABLE 2

Table on monetary incentive plans for the Chairman, the Chief Executive Officer, the General Manager and Key Executives /Executives with Strategic Responsibilities

The remunerations listed in this Table reflect the maximum amount payable; their potential payment during the 2020 financial year and the amount thereof shall be subject to the evaluation by the corporate bodies of the achievement of the underlying objectives.

Data expressed in EUR									
NAME AND SURNAME	OFFICE	PLAN	BONUS FOR THE YEAR			BONUSES FROM PREVIOUS YEARS		OTHER BONUSES	
			DISTRIBUTABLE/ DISTRIBUTED	DEFERRED	REFERENCE PERIOD	NO LONGER DISTRIBUTIBLE	DISTRIBUTABLE/ DISTRIBUTED	STILL DEFERRED	
Giampiero Massolo	Chairman BoD	Fincantieri Remunerations	2018 MBO	-	-	-	120,000.00 ³⁴	-	-
		Remunerations from controlled and associated companies	2019 MBO	120,000.00 ³⁵	-	-	-	-	-
				-	-	-	-	-	-
		Total	-	120,000.00	-	-	-	120,000.00	-
Giuseppe Bono	CEO	Fincantieri Remunerations	2018 MBO	-	-	-	617,500.00 ³⁶	-	-
		Remunerations from controlled and associated companies	2019 MBO	632,450.00 ³⁷	-	-	-	-	-
				-	-	-	-	-	-
		Total	-	632,450.00	-	-	-	617,500.00	-
Alberto Maestrini	General Manager	Fincantieri Remunerations	2018 MBO	-	-	-	178,804.02 ³⁸	-	-
		Remunerations from controlled and associated companies	2019 MBO	217,298.78 ³⁹	-	-	-	-	-
				-	-	-	-	-	-
		Total	-	217,298.78	-	-	-	178,804.02	-
Key Executives	-	Fincantieri Remunerations	2018 MBO	-	-	-	1,526,707.63 ⁴⁰	-	-
		Remunerations from controlled and associated companies	2019 MBO	1,821,535.57 ⁴¹	-	-	-	-	-
				-	-	-	-	-	-
		Total	-	1,821,535.57	-	-	-	1,526,707.63	-

³⁴ The amount refers to the 2018 MBO Plan and was disbursed in 2019.
³⁵ The amount refers to the 2019 MBO Plan and amounts to EUR 100,000.00, with adjustment up to a maximum of EUR 120,000.00 for over performance; the amount will potentially be paid in 2020, after verifying the achievement of the assigned performance objectives.
³⁶ The amount refers to the 2018 MBO Plan and was disbursed in 2019.
³⁷ The amount refers to the 2019 MBO Plan and amounts to EUR 583,800.00, with adjustment up to a maximum of EUR 632,450.00 for over performance; the amount will potentially be paid in 2020, after verifying the achievement of the assigned performance objectives.
³⁸ The amount refers to the 2018 MBO Plan and was disbursed in 2019.
³⁹ The amount refers to the 2019 MBO Plan and amounts to EUR 201,711.95 with adjustment up to a maximum of EUR 217,298.78 for over performance; the amount will potentially be paid in 2020, after verifying the achievement of the assigned performance objectives.
⁴⁰ The amount refers to the 2018 MBO Plan and was disbursed in 2019; the amount EUR 560,766.08 refers to Executives with Strategic Responsibilities.
⁴¹ The amount refers to the 2019 MBO Plan and will potentially be paid in 2020, after verifying the achievement of the assigned performance objectives. EUR 575,660.88 of this amount refers to Executives with Strategic Responsibilities.

SECTION III

Information on the shareholding of members of the Board of Directors, of the Board of Statutory Auditors, the General Manager and Executives with Strategic Responsibilities

The table below is drafted under Article 84-*quater*, paragraph 4, of the Issuers' Regulation and of Schedule No. 7-*ter* of Annex 3A to the Issuers' Regulation. This table includes the list, by name, of the shareholdings held by members of the Board of Directors and of the Board of Statutory Auditors, by the General Manager and, in aggregate form, by Executives with Strategic Responsibilities in Fincantieri and in its controlled companies⁴².

NAME AND SURNAME	OFFICE	PERIOD IN OFFICE	PARTICIPATED SUBSIDIARIES	NO. OF SHARES HELD AT THE END OF THE 2018 FINANCIAL YEAR	NO. OF SHARES PURCHASED*	NO. OF SHARES SOLD	NO. OF SHARES HELD AT THE END OF THE 2019 FINANCIAL YEAR
Giampiero Massolo	Chairman BoD	01.01.2019 31.12.2019	-	-	-	-	-
Giuseppe Bono	CEO	01.01.2019 31.12.2019	Fincantieri	84,000	1,246,481	-	1,330,481
Massimiliano Cesare	Director	01.01.2019 31.12.2019	-	-	-	-	-
Paola Muratorio	Director	01.01.2019 31.12.2019	-	-	-	-	-
Simone Anichini	Director	01.01.2019 05.04.2019	-	-	-	-	-
Fabrizio Palermo	Director	01.01.2019 31.12.2019	-	-	-	-	-
Gianfranco Agostinetti	Director	01.01.2019 05.04.2019	-	-	-	-	-
Nicoletta Giadrossi	Director	01.01.2019 05.04.2019	-	-	-	-	-
Donatella Treu	Director	01.01.2019 05.04.2019	-	-	-	-	-
Barbara Alemanni	Director	06.04.2019 31.12.2019	-	-	-	-	-
Luca Errico	Director	06.04.2019 31.12.2019	-	-	-	-	-
Elisabetta Oliveri	Director	06.04.2019 31.12.2019	-	-	-	-	1,000
Federica Santini	Director	06.04.2019 31.12.2019	-	-	-	-	-
Federica Seganti	Director	06.04.2019 31.12.2019	-	-	-	-	-
Gianluca Ferrero	Chairman BoSA	01.01.2019 31.12.2019	-	-	-	-	-
Roberto Spada	Standing Auditor	01.01.2019 31.12.2019	-	-	-	-	-
Fioranna Vittoria Negri	Standing Auditor	01.01.2019 31.12.2019	-	-	-	-	-
Alberto Maestrini	General Manager	01.01.2019 31.12.2019	Fincantieri	11,000	246,760	-	257,760
Dirigenti con Responsabilità Strategiche	-	01.01.2019 31.12.2019	Fincantieri	56,200 ⁴³	661,943	15,000	675,543 ⁴⁴

⁴² No information was reported on persons who resigned from office prior to admission of the Company's shares to trading. Note that, under Article 84-*quater*, paragraph 4, of the Issuers' Regulation, the Remuneration Report includes "the shareholdings held in companies with listed shares and in the companies controlled thereby, by members of the governing and control bodies, by General Managers and by other Executives with Strategic Responsibilities as well as by spouses who are not legally separated and by under-age children, directly or through controlled companies, trustee companies or through an intermediary, as resulting from the shareholders' book, from communications received and from other information acquired by the same members of the governing and control bodies, from General Managers and Executives with Strategic Responsibilities".
⁴³ Under Schedule No. 7-*ter* of Annex 3A to the Issuers' Regulation, this includes all persons who, during the reference year, held the offices of members of governing and control bodies, of General Manager or of Executives with Strategic Responsibilities even for a fraction of a year. Accordingly, the certificate of ownership and the procedures thereof are also specified.
⁴⁴ The abovementioned number corresponds to the total shares held on 31 December 2017 by Executives with Strategic Responsibilities identified for the 2019 financial year. The difference in the number of shares held on 31 December 2018 compared to 31 December 2017 is due to alternating several Executives in the role of Executive with Strategic Responsibilities during the year under review.
*The total number of shares purchased also includes the assignment concerning the first cycle (2016-2018) of the 2016-2018 LTI Plan, net of withholding taxes.

TABLE 3A

Incentive plans based on financial instruments, other than stock options, for Members of the Board of Directors, the General Manager and other Executives with Strategic Responsibilities

Name and Surname/Office	2016-2018 LTI PLAN ⁴⁵	Financial instruments allocated in previous financial years and not vested during the financial year			Financial instruments allocated during the financial year					Financial instruments vested during the year and non-assignable		Financial instruments vested during the year and assignable		Financial instruments relating to the financial year	
		Number and type of financial instruments ⁴⁶	Vesting Period		Number and type of financial instruments	Fair value on granting date ⁴⁷	Vesting Period	Granting date	Market price when granted ⁴⁸	Number and type of financial instruments	Number and type of financial instruments	Value on accrual date	Fair Value		
Remuneration of CEO in Fincantieri	10 November 2016 (1 st cycle 2016-2018)	2,237,927 shares	Approximately 3 years	-	-	-	-	-	-	2,572,497	0.928				
	10 November 2016 (2 nd cycle 2017-2019)	915,486 shares	Approximately 3 years	-	-	-	-	-	-	-	-	806,543			
	10 November 2016 (3 rd cycle 2018-2020)	707,530 shares	Approximately 3 years	-	-	-	-	-	-	-	-	778,007			
Remuneration of General Manager in Fincantieri	10 November 2016 (1 st cycle 2016-2018)	432,988 shares	Approximately 3 years	-	-	-	-	-	-	497,719	0.928				
	10 November 2016 (2 nd cycle 2017-2019)	220,491 shares	Approximately 3 years	-	-	-	-	-	-	-	-	194,253			
	10 November 2016 (3 rd cycle 2018-2020)	204,857 shares	Approximately 3 years	-	-	-	-	-	-	-	-	225,263			
Remuneration of KE + ESR in Fincantieri	10 November 2016 (1 st cycle 2016-2018)	2,429,514 shares	Approximately 3 years	-	-	-	-	-	-	3,694,301 ⁴⁸	0.928				
	10 November 2016 (2 nd cycle 2017-2019)	1,840,298 shares	Approximately 3 years	-	-	-	-	-	-	-	-	1,621,303 ⁴⁹			
	10 November 2016 (3 rd cycle 2018-2020)	1,640,654 shares	Approximately 3 years	-	-	-	-	-	-	-	-	1,804,079 ⁵⁰			
Total	-	-	-	-	0.7544	-	-	-	-	-	-	3,847,764			
	-	-	-	-	0.8810	-	-	-	-	-	-	2,622,098			
	-	-	-	-	1.09961	-	-	-	-	-	-	2,807,349			

⁴⁵ The Plan's approval date by the Board of Directors, subsequently approved by the Shareholders' Meeting called on 19 April 2017 to approve the financial statements as at 31 December 2016, on a proposal from the Board of Directors itself.
⁴⁶ The shares indicated correspond to the number of assignments to the target. Note that the shares indicated in the tables attached to the Information Document for the LTI Plans are the maximum number of shares granted.
⁴⁷ The fair value for the 2016-2018 LTI Plan, first cycle 2016-2018, corresponding to the maximum incentive that can be granted if all performance conditions are met in full, was calculated on the basis of the weighted unit value of the following parameters: 30% of the reference book value for TSR (EUR 0.1293) and 70% of the reference book value for EBITDA (EUR 0.6251); the fair value for the second cycle (2017-2019) of the same 2016-2018 Plan, corresponding to the maximum incentive that can be granted where all performance conditions are met in full, was calculated on the basis of the weighted unit value of the following parameters: 30% of the reference book for TSR (EUR 0.146) and 70% of the reference book value for EBITDA (EUR 0.735); the fair value for the third cycle (2018-2020) of the same 2016-2018 Plan, corresponding to the maximum incentive that can be granted where all performance conditions are met in full, was calculated on the basis of the weighted unit value of the following parameters: 30% of the reference book value for TSR (EUR 0.18261) and 70% of the reference book value for EBITDA (EUR 0.917).
⁴⁸ Of which EUR 1,632,453 for Executives with Strategic Responsibilities.
⁴⁹ Of which EUR 730,905 for Executives with Strategic Responsibilities.
⁵⁰ Of which EUR 827,907 for Executives with Strategic Responsibilities.

TABLE 3A

Incentive plans based on financial instruments, other than stock options, for Members of the Board of Directors, the General Manager and other Executives with Strategic Responsibilities

Name and Surname/Office	2019-2021 LTI PLAN ⁵¹	Financial instruments allocated in previous financial years and not vested during the financial year			Financial instruments allocated during the financial year					Financial instruments vested during the year and non-assignable		Financial instruments vested during the year and assignable		Financial instruments relating to the financial year	
		Number and type of financial instruments	Vesting Period		Number and type of financial instruments	Fair value on granting date ⁵²	Vesting Period	Granting date	Market price when granted ⁵³	Number and type of financial instruments	Number and type of financial instruments	Value on accrual date	Fair Value		
Remuneration of CEO in Fincantieri	27 March 2018 (1 st cycle 2019-2021)	-	-	-	1,082,219 shares	0.9746	Approximately 3 years	24.07.2019 ⁵⁴	1,0095	-	-	-	-	-	1,054,731
Remuneration of General Manager in Fincantieri	27 March 2018 (1 st cycle 2019-2021)	-	-	-	401,597	0.9746	Approximately 3 years	24.07.2019 ⁵⁴	1,0095	-	-	-	-	-	391,396
Remuneration of KE + ESR in Fincantieri	27 March 2018 (1 st cycle 2019-2021)	-	-	-	2,818,880 ⁵⁵	0.9746	Approximately 3 years	24.07.2019 ⁵⁴	1,0095	-	-	-	-	-	2,747,280 ⁵⁶
Total	-	-	-	-	-	0.9746	-	-	-	-	-	-	-	-	4,193,407

⁵¹ The Plan's approval date by the Board of Directors, subsequently approved by the Shareholders' Meeting called on 11 May 2018 to approve the financial statements as at 31 December 2017, on a proposal from the Board of Directors itself.
⁵² The fair value relating to the 2019-2021 LTI Plan, first cycle 2019-2021, corresponding to the maximum incentive payable for full achievement of all performance conditions, was calculated on the basis of the weighted unit value of the following parameters: 15% of the reference book value for the TSR (EUR 0.0931) and 15% of the reference book value for the Sustainability Index plus 70% of the reference book value for EBITDA (EUR 0.8815).
⁵³ This is the weighted average market price of the shares in the five trading days preceding the date when the Board of Directors resolved on the Plan's first cycle (2019-2021) at the meeting held on 24 July 2019.
⁵⁴ Date on which the Board of Directors approved the number of rights to assign to the recipients of the 2019-2021 Plan with respect to its first cycle (2019-2021).
⁵⁵ Of which EUR 1,076,234 for Executives with Strategic Responsibilities.
⁵⁶ Of which EUR 1,048,898 for Executives with Strategic Responsibilities.





FINCANTIERI

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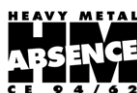
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