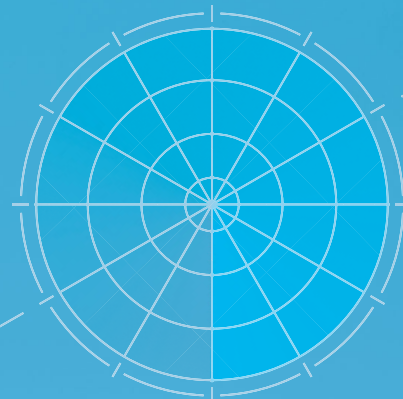


FINCANTIERI

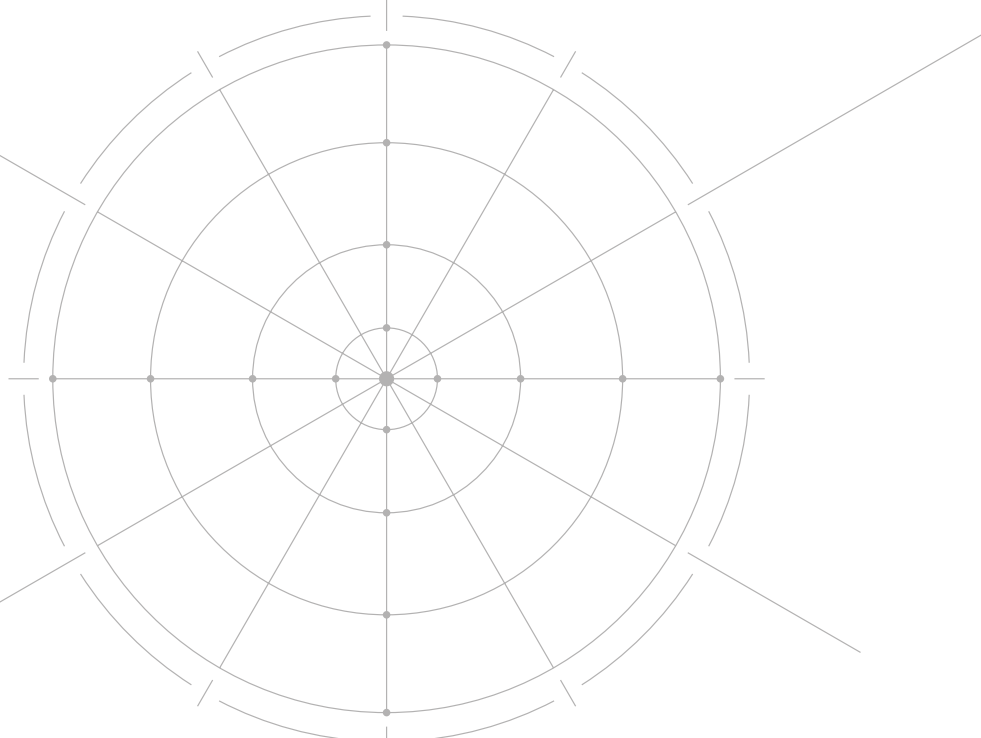


REPORT ON THE POLICY REGARDING REMUNERATION AND FEES PAID

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 25 February 2021

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 25 February 2021



INDEX

Glossary	4				
Letter from the Chairman of the Board of Directors and from the Chairman of the Shareholders' Remuneration Committee	8				
Introduction	12				
Section I	12				
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	12	2.3.3 Non-monetary benefits	27		
1.1 Procedures for adoption and implementation of the Policy	12	2.3.4 Criteria used to assess the performance targets on which the variable components of remuneration are based and information aimed at highlighting the consistency of the variable components of remuneration. Remuneration Policy with the pursuit of the Company's long-term interests and risk management Policy	27		
1.1.1 Bodies and individuals involved in preparation, approval and implementation of the Policy	12	2.3.5 Deferred payment systems, indicating the periods of deferral and the criteria used for the determination of these periods and ex-post correction mechanisms	27		
1.2 Remuneration Committee: composition, modus operandi, tasks, and activity carried out	13	2.3.6 Severance Policy in the event of termination of office or termination of the employment relationship	27		
1.3 Independent experts involved in the preparation of the Remuneration Policy and guidelines for the use, as a reference, of remuneration policies of other companies	15	2.3.7 Information on the presence of insurance, social security or pension coverage, other than compulsory	28		
2. Characteristics of the Remuneration Policy	15	2.3.8 Remuneration Policy followed with reference to: (i) the Independent Directors; (ii) the activities of participation in committees and (iii) performance of special assignments	28		
2.1 Purposes pursued by the Remuneration Policy, principles underlying it and amendments to the Policy adopted with reference to the financial year 2020	15	Section II	29		
2.2 Changes made to the Remuneration Policy for the financial year 2021 compared to the financial year 2020	17	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	29		
2.3 Structure of remuneration: fixed and variable components and performance targets on the basis of which the variable components are assigned and the information on the link between the variation of the results and changes in remuneration	18	First Part	29		
2.3.1 Fixed component	19	Items making up remuneration	29		
2.3.2 Variable component	20	1. Board of Directors	29		
		1.1 Chairman of the Board of Directors	29		
		1.2 Chief Executive Officer	30		
		1.3 Other members of the Board of Directors	32		
		1.4 Members of the Internal Committees of the Board of Directors	34		
		2. Board of Statutory Auditors	34		
		3. General Management	35		
		4. Key Executives/Executives with Strategic Responsibilities	36		
		5. Agreements providing for remuneration in the event of early termination	39		
				Second Part	40
				Table 1	40
				Table of remuneration paid to the members of the Board of Directors and the Board of Statutory Auditors, to the General Manager and Key Executives/ Executives with Strategic Responsibilities during the financial year 2020	40
				Table 2	42
				Table on monetary incentive plans for the Chairman, Chief Executive Officer, General Manager and Key Executives/ Executives with Strategic Responsibilities	42
				Section III	44
				Information on the shareholdings of members of the Board of Directors, Board of Statutory Auditors, General Manager and Executives with Strategic Responsibilities	44
				Table 3A	46
				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	46

Glossary

Directors

Members of the Board of Directors

Executive Directors

Directors who have been assigned special duties by the Board of Directors, specifically the Chairman and the Chief Executive Officer

Claw-back clauses

Contractual agreements that allow the Company to demand the restitution, in whole or in part, of the variable components (sums or shares) of remuneration paid (or to withhold the variable components subject to deferment), determined on the basis of data that later turned out to be manifestly incorrect or false, or in cases of fraud or in relation to fraudulent or negligent conduct in breach of rules, including those of a regulatory nature, and company regulations, provided that the verification of the above cases takes place on the basis of data proven by the competent company functions, within three years from the date of attribution, or by the courts, within the limitation period of the various cases. Similarly, in compliance with the Group's ethical principles, the return of the incentive paid will be required in the event that the targets associated with the incentives are acquired through conduct in breach of the regulations on corruption and corporate criminal offences that entail the administrative liability of the Company, under Articles 25 and 25-ter of Legislative Decree no. 231/01, subject to the time limits defined above

Corporate Governance Code or Code

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

Remuneration Committee or Committee

The Remuneration Committee established by the Board of Directors of Fincantieri, under the Code

Board of Directors or Board

The Board of Directors of Fincantieri

General Manager¹

The General Manager of Fincantieri

Key Executives

The following executives of Fincantieri, who hold organisational positions having a significant impact on the achievement of corporate targets:

- Head of Merchant Vessels
- Head of Military Vessels
- Head of the Offshore and Special Vessels Division
- Head of Electronics, Systems & Software
- Chief Financial Officer
- Head of Corporate Business Development
- Head of Operations and Strategic Planning
- Head of Accommodation
- Head of Infrastructure

- Head of Human Resources and Industrial Relations
- General Counsel
- Chief Information Officer
- Head of Procurement
- Head of Military Vessel Operations
- Head of Naval Vessels Business
- Head of Operations Merchant Shipping Division
- Head of Monfalcone Plant
- Head of Marghera Plant
- Head of Integrated Military Yard Plant

Where applicable, Key Executives may be included in the definition of Top Management see definition of Top Management)

Executives with Strategic Responsibilities

“Those persons who have the power and responsibility, directly or indirectly, to plan, direct and control the affairs of the company, including Directors (whether executive or otherwise) of the company”

The following Key Executives have also been identified as Executives with Strategic Responsibilities, under Annex 1 of Consob Regulation no. 17221 of 12 March 2010:

- Head of Merchant Vessels
- Head of Military Vessels
- Head of the Offshore and Special Vessels Division
- Head of Electronics, Systems & Software
- Chief Financial Officer
- Head of Corporate Business Development
- Head of Operations and Strategic Planning

Executives with Strategic Responsibilities are included in the definition of Top Management (see definition of Top Management)

EBITDA

Earnings before interest expense, taxes, depreciation and amortisation of tangible and intangible assets

EBITDA Margin

The ratio of EBITDA to revenues in the reference period

Adjusted FTSE All Share Italy

The FTSE Italia All Share index, the value of which is published daily by Italian Stock Exchange, has been modified to exclude companies whose main or exclusive business is banking, insurance or asset management

Fincantieri

FINCANTIERI S.p.A.

Group

Fincantieri and its subsidiaries, under Art. 93 of the TUF

Sustainability index

The tool used to measure the achievement of sustainability targets that the company has set itself, in combination with and/or in addition to those of economic and financial performance, in order to align with the growing expectations of the financial community for sustainable development

¹ On 30 July 2020, the Board of Directors approved the appointment of Fabio Gallia as General Manager to replace Alberto Maestrini.

MBO

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

Target objective

Standard level of achievement of the target entitling to 100% of the incentive (except for other multiplier or discretionary parameters)

International Peer Group

Panel of companies listed on international markets and indicated as reference parameter in the Information Document relating to the LTI Plans

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

Medium-long term variable incentive instrument providing for the free assignment to beneficiaries of rights to receive a predetermined quota of Fincantieri ordinary shares without nominal value, depending on the achievement of specific performance targets, approved by the Shareholder's Meeting of 19 May 2017

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

Medium-long term variable incentive instrument providing for the free assignment to beneficiaries of rights to receive a predetermined quota of Fincantieri ordinary shares without nominal value, depending on the achievement of specific performance targets, approved by the Shareholder's Meeting of 11 May 2018

Performance Share Plan 2022-2024 or LTI Plan 2022-2024 or Plan 2022-2024

Medium-long term variable incentive plan which provides for the free assignment to beneficiaries of rights to receive a predetermined number of ordinary Fincantieri shares without nominal value, based on the achievement of specific performance targets, which will be submitted for approval to the Shareholder's Meeting on 8 April 2021

LTI Plans or Plans

Will mean collectively the 2016-2018 Performance Share Plan, the 2019-2021 Performance Share Plan and the 2022-2024 Performance Share Plan

Remuneration Policy or Policy

The Remuneration Policy approved by the Board of Directors and described in the first Section of this Report

Committee Regulation

The Regulations of the Remuneration Committee

Issuers' Regulations

The Regulations issued by Consob with resolution no. 11971 of 14 May 1999 on Issuers, as subsequently amended and supplemented

Report on the policy regarding remuneration and fees paid or Report

This Report on the policy regarding remuneration and fees paid, drawn up in accordance with Art. 123-ter of the TUF

Company

FINCANTIERI S.p.A.

Top Management

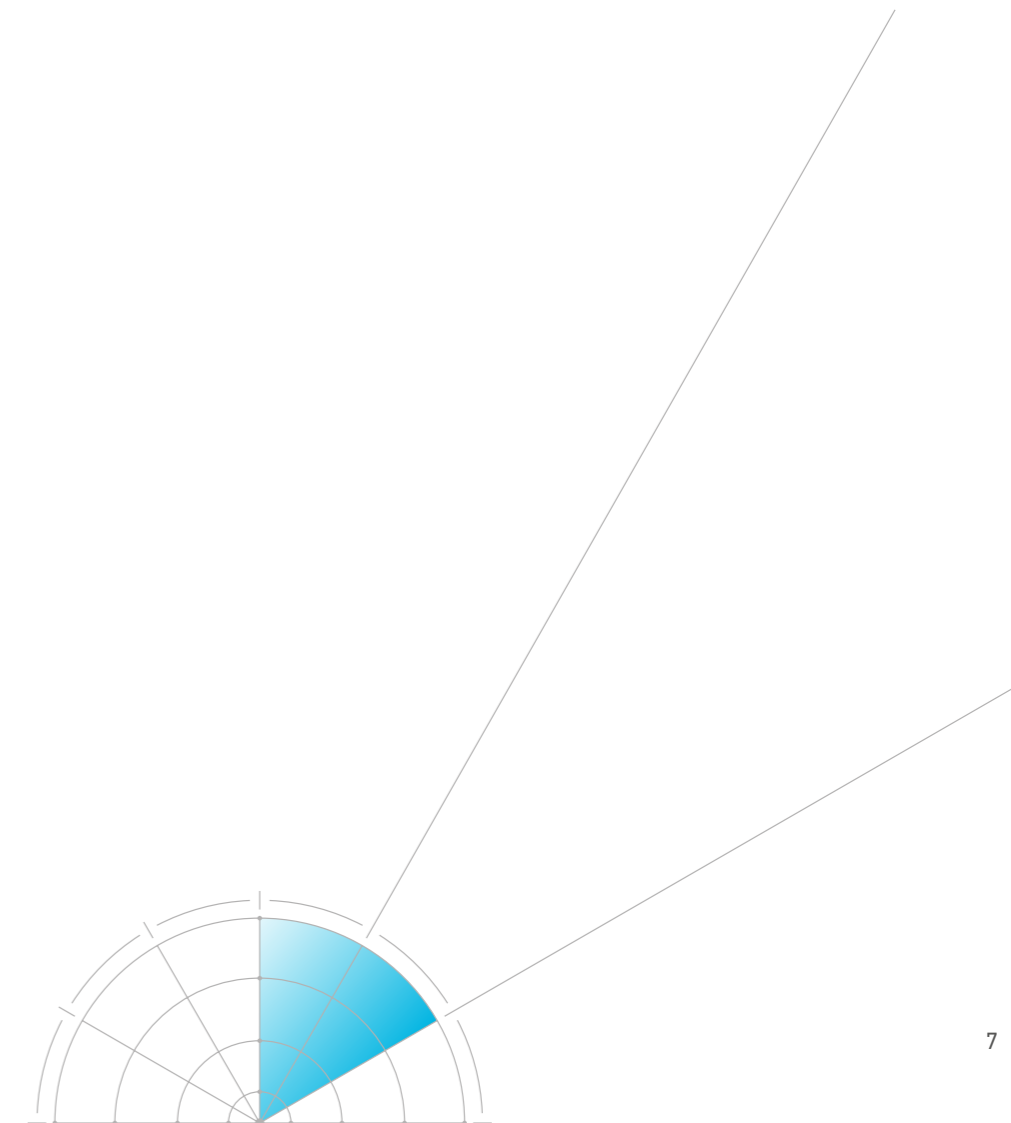
As provided for by the "Procedure for the preparation of the Remuneration Policy and for the assessment of the consistency of the remuneration paid", this category includes Executives with Strategic Responsibilities; in addition, Key Executives and the key resources may also fall within this perimeter

TSR

The return for an investor calculated by taking into account both the changes in the share price over a given period and the dividends distributed over the same period, assuming that these dividends are reinvested at the time of detachment in the Company's own shares

TUF

Legislative Decree no. 58 of 24 February 1998 (and subsequent amendments and additions), containing the "Consolidated Law on Financial Intermediation"



Letter from the Chairman of the Board of Directors and from the Chairman of the Shareholders' Remuneration Committee

Dear shareholders,

2020 was a particularly complex and challenging year for the entire global socio-economic system, due to the devastating impacts that the pandemic caused to individuals, families, healthcare facilities, the productive sectors as a whole, the world of education, risking to undermine hope and confidence in the future in everyone of us.

Fincantieri, even in these difficult times, has deployed through its people not only the ability to withstand a crisis as sudden as it was unexpected, but also exceptional flexibility in reorganising its activities in order to restart, in safety, in an ever-changing context, demonstrating a great sense of social responsibility, rigour and competence in safeguarding the health of employees and preserving the economic solidity acquired and the company's commitments.

In a critical year like 2020, the recognition given to Fincantieri for its Sustainability Report seems even more significant than the 2020 edition of the Balance Sheet Oscar, the award promoted and organised by FERPI (Italian Public Relations Federation) which for over fifty years has recognised the most virtuous companies in financial reporting and in the care of stakeholders relations and has always been a point of reference for the professional community in the economic-financial sector and in communication with the markets.

Without prejudice to the necessary premise set out above, the Remuneration Policy report that we present to you illustrates the Board of Statutory Auditors of Fincantieri for the year 2021 and the remuneration paid to the Directors, members of the Board of Statutory Auditors, General Manager, Executives with Strategic Responsibilities and other Key Executives of the Company in the year 2020.

The above document, defined in accordance with the governance model adopted by the Company and the recommendations of the Corporate Governance Code, was approved by the Board of Directors on 25 February 2021 on the proposal of the Remuneration Committee.

Fincantieri's Remuneration Policy aims to attract, motivate and retain key resources and talents in an increasingly competitive global market and to align and encourage management in the pursuit and achievement of the Company's strategic targets. With this in mind, the Remuneration Committee, with the competent and ongoing support of the Company's Human Resources and Industrial Relations Department, has consistently promoted and developed the Company's Remuneration Policy aimed at:

1. increasingly promoting the variable component of management remuneration over the fixed component and, in particular, the medium/long-term component over the short-term one;
2. monitoring the remuneration position of the Company's management with respect to the market trend, with the aim of pursuing, through a plan of targeted and progressive remuneration interventions, the alignment of the fixed component of remuneration with market averages;
3. promoting and supporting the link between remuneration, risk and sustainability of performance, in line with the growing expectations of shareholders and investors, increasingly strengthening the trust, reputation and appreciation of stakeholders.

With reference to the first point, in accordance with the provisions of the Corporate Governance Code, following the introduction of the medium-long term variable component (LTI Plan 2016-2018 and LTI Plan 2019-2021) Fincantieri immediately recorded a more consistent balance of the pay-mix and a positive trend that has witnessed, also in the financial year 2020, a significant increase in the percentage of the medium-long term

variable component compared to the fixed component recorded in the previous financial year.

In this context, it should be noted that:

- FY 2020 saw the start of Cycle 2 (2020-2022) of the 2019-2021 LTI Plan;
- 31 December 2019 marked the end of the performance period of Cycle 2 (2017-2019) of the 2016-2018 LTI Plan. The Board of Directors, on the proposal of the Remuneration Committee and after consulting the Board of Statutory Auditors, summarised the economic results and other targets of the above Plan and determined the number of shares to be awarded to each beneficiary of it in relation to the degree of achievement of the targets. In accordance with the provisions of the Plan Regulations, the shares were allocated to each beneficiary on 30 July 2020.

In addition, in consideration of the fact that the 3rd and final cycle (2021-2023) of the 2019-2021 LTI Plan will be activated during the financial year 2021, the Board of Directors of Fincantieri, on the proposal of the Remuneration Committee, evaluating positively the contribution of the instrument in terms of focus on strategic targets, retention and motivation of management, approved the launch of the LTI Plan relating to the three-year period 2022 - 2024, prepared in continuity with the two previous Plans, which will be submitted for approval to the Shareholder's Meeting on 8 April 2021.

With reference to the second point on remuneration positioning, in 2020 a project was launched with the support of the consultancy Mercer aimed at assessing the Company's Remuneration Policy applied to the Chief Executive Officer and other managerial roles, in order to verify their remuneration positioning compared to a panel of Italian and foreign companies identified for this purpose.

As detailed in this Report, it has emerged that the position of the Chief Executive Officer, with reference to the fixed component of remuneration only, is lower than the market median (-3%). The competitiveness of the offer decreases slightly if the annual short-term incentive (MBO) is introduced, thus placing it below the median (-6%); if, moreover, the medium-long term incentive (LTI Plans) is considered, the competitiveness gap with respect to the market median increases (-18%).

With reference, on the other hand, to the other managerial roles (Executives with Strategic Responsibilities and Key Executives), the average overall positioning referred only to fixed remuneration is slightly lower than the market median (-2%). The above positioning improves significantly if, in addition to fixed remuneration, the various variable components of remuneration are also considered. In particular, introducing the short-term annual incentive (MBO), the percentage compared to the median is around +3%, to rise further to 29% above the median considering also the medium-long term component (LTI Plans). On the basis of the above evidence, a multi-annual plan to review individual remuneration packages may be implemented, if necessary, in order to gradually adjust remuneration which is not yet in line with market levels. In addition, a more incisive Remuneration Policy could be launched for key resources, including for retention purposes, to bring remuneration levels into line with those of companies comparable in size, complexity and international presence. With regard to the third point, in consideration of the growing expectations of the financial community for sustainable development and in line with the Sustainability Plan, Fincantieri, in continuity with the previous LTI Plans, has confirmed in the LTI Plan 2022 - 2024, submitted for approval to the Shareholder's Meeting of 8 April 2021, in addition to the already consolidated performance targets of an economic-financial nature (EBITDA) and linked to shareholder performance (Total Shareholder Return), also the target linked to the Sustainability Plan. Similarly, Fincantieri's commitment and sensitivity to the above issues is also reflected in the MBO 2020 Plan,

in which the percentage of assignment of targets related to sustainability issues has been significantly increased, from 13%

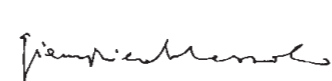
in FY 2019 to 23% in FY 2020.

Dear Shareholders, in the light of the above, the Remuneration Policy that we are submitting for your approval confirms Fincantieri's constant commitment to pursuing an increasingly balanced pay-mix in the remuneration package of executives, linking the variable component to clear, predetermined and measurable performance targets, including in terms of sustainability. For these reasons, we believe that the Remuneration Policy set out in this Report is consistent with the objectives pursued, i.e. to attract, retain and adequately remunerate the company's key resources, in order to ensure the creation of value for shareholders over the medium to long term. We would like to take this opportunity to thank you in advance for your votes and suggestions at the next Annual Shareholder's Meeting.

Paola Muratorio
THE CHAIRMAN
OF THE REMUNERATION COMMITTEE



Giampiero Massolo
THE CHAIRMAN
OF THE BOARD OF DIRECTORS



Introduction

This Report, drafted in accordance with applicable regulatory provisions and the Corporate Governance Code, taking into account the recent recommendations of the Italian Corporate Governance Committee on remuneration², was approved by the Board of Directors on 25 February 2021 on the proposal of the Remuneration Committee. In compliance with the provisions of Art. 123-ter of the Consolidated Law on Finance, the Report is divided into two sections:

- the **first section** illustrates the Policy adopted by Fincantieri regarding 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 the other Key Executives, with reference to the financial year 2021 and until the approval of a new Remuneration Policy, and the procedures used for the adoption and implementation of that Policy; in accordance with the provisions of Art. 123-ter of the Consolidated Law on Finance (TUF), this section is subject to the binding vote of the Shareholder's Meeting called to approve the annual accounts as of 31 December 2020;
- the **second section** provides detailed information on the remuneration paid to the above-mentioned persons and to the members of the Board of Statutory Auditors in the financial year 2020; in accordance with the provisions of Art. 123-ter of the Consolidated Law on Finance (TUF), this section is subject to the advisory vote of the Shareholder's Meeting convened to approve the annual accounts as at 31 December 2020.

This Report is available to the public at Fincantieri's registered office (Via Genova, 1 - Trieste), on the Company's website (www.fincantieri.com) and on the authorised storage mechanism called eMarket STORAGE (www.emarketstorage.com).

Section I

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

1.1 Procedures for the adoption and implementation of Remuneration Policy

1.1.1 Bodies and subjects involved in the preparation, approval and implementation of the Policy

The Remuneration Policy of Fincantieri is approved annually by the Board of Directors of the Company on the proposal of the Remuneration Committee.

This Policy, in the firm conviction of its role as an essential lever to ensure the implementation of the corporate strategy, is aimed at: (i) attracting, motivating and retaining the most suitable resources to successfully manage the company; (ii) encouraging the achievement of strategic targets; (iii) aligning the interests of Top Management with the priority objective of creating sustainable value for shareholders in the medium/long term, focusing attention and commitment on strategic and specific targets such as those related to sustainability and (iv) promoting the company's mission and values.

The same aims of the Policy, with particular reference to motivating persons, adherence to the Company's mission and values, the pursuit of targets and the creation of value in a sustainable manner, were also pursued

² Letter from the Chairman of the Italian Corporate Governance Committee to the Chairman of the administrative bodies of Italian listed companies dated 19 December 2019.

by the Company with regard to the bulk of employees, taking due account of the particular working conditions that, following the development of the COVID-19 pandemic, characterised 2020. During the year, the company implemented a series of articulated actions aimed at making its people safe and minimising the impact of the health emergency as much as possible, including specific income support initiatives for its employees, such as, for example, the insurance coverage taken out for its resources, specifically designed for the COVID-19 health emergency, the extension of the terms for the use of welfare benefits provided for by current national and company agreements, the widespread application of smart working, and the company's decision to implement the recruitment plan necessary for the development of production plans, and to implement a targeted meritocratic policy for the most deserving people.

The corporate body responsible for the proper implementation of the Remuneration Policy is the Board of Directors, which is supported by the Remuneration Committee, which has propositional and advisory functions in this regard and periodically evaluates the adequacy, overall consistency and concrete application of the Remuneration Policy of the relevant people in accordance with the recommendations of the Corporate Governance Code and the provisions of the Remuneration Committee Regulations.

Management of the Remuneration Policy for the General Manager, Executives with Strategic Responsibilities and other Key Executives is delegated to the Chief Executive Officer, with the support of the Company's Human Resources and Industrial Relations Department. The verification of the level of achievement of quantitative and qualitative performance targets and the consequent determination of the sums of money due to those concerned is carried out after the approval of the annual accounts, subject to verification by the Chief Executive Officer.

1.2 Remuneration Committee: composition, operating procedures, tasks and activities performed

The composition, duties and operating procedures of the Remuneration Committee are governed by specific Regulations approved by the Board of Directors.

As required by the Regulations, the Remuneration Committee comprises four non-executive Directors, the majority of whom are independent: Paola Muratorio (independent), who serves as Chairman, Barbara Alemanni (independent), Elisabetta Oliveri (independent) and Fabrizio Palermo. All members have appropriate knowledge and experience in financial or remuneration policy matters.

Under the Regulation, the Remuneration Committee meets periodically at a frequency appropriate to the proper performance of its functions. Meetings are convened by the Chairman of the Committee or, when requested, by at least two of its members, for the discussion of specific topics they deem particularly important. The Committee is validly convened in the presence of the majority of the members in office and decides by an absolute majority of those present. In the event of a tie, the vote of the Chairman of the Committee will take precedence.

The Chairman of the Committee may invite to individual meetings the Chairman of the Board, the Chief Executive Officer, the other Directors and, by notifying the Chief Executive Officer, the representatives of the relevant company departments and the Secretary of the Board, if the latter does not act as Secretary of the Committee; the members of the Board of Statutory Auditors may also attend the meetings. The head of the Department of Human Resources and Industrial Relations usually attends the meetings. No director attends Committee meetings at which proposals are made to the Board of Directors regarding his own remuneration.

The Remuneration Committee, in accordance with the Corporate Governance Code and its Regulations, performs the following propositional and advisory functions with regard to remuneration:

- assists the Board in developing Policy;
- presents proposals or expresses opinions to the Board on the remuneration of executive Directors and other Directors who hold special offices, and on the setting of performance targets for the variable component of this remuneration;
- supports the Board in verifying the consistency of the remuneration paid with the principles and criteria defined by the Policy;

- monitors on annual basis, or on a different basis established by the Board, the effective application of the approved Policy, verifying, in particular, the effective achievement of the performance targets relating to the variable component of the remuneration of executive Directors or other Directors with specific duties;
- periodically assesses the adequacy and overall consistency of the Remuneration Policy for Directors and Top Management;
- assesses the outcome of the vote of the Shareholder's Meeting on the Remuneration Policy.

In the exercise of these functions and within the scope of its responsibilities, the Committee prepares and submits to the Board of Directors proposals relating to medium/long-term incentive systems for Top Management, including share-based remuneration plans, and monitors their application.

The Committee is also assigned the functions of Committee responsible for Related Party Transactions in the case of resolutions on remuneration.

The Committee: (i) has the right to access, through the Committee Secretariat, the information and the Company Functions necessary for the performance of its duties; (ii) in order to perform its duties, may avail itself of external consultants through the Company structures, provided that they are adequately bound to confidentiality and (iii) if it deems it necessary, prepares an annual budget for the activities within its competence to be proposed to the Board of Directors.

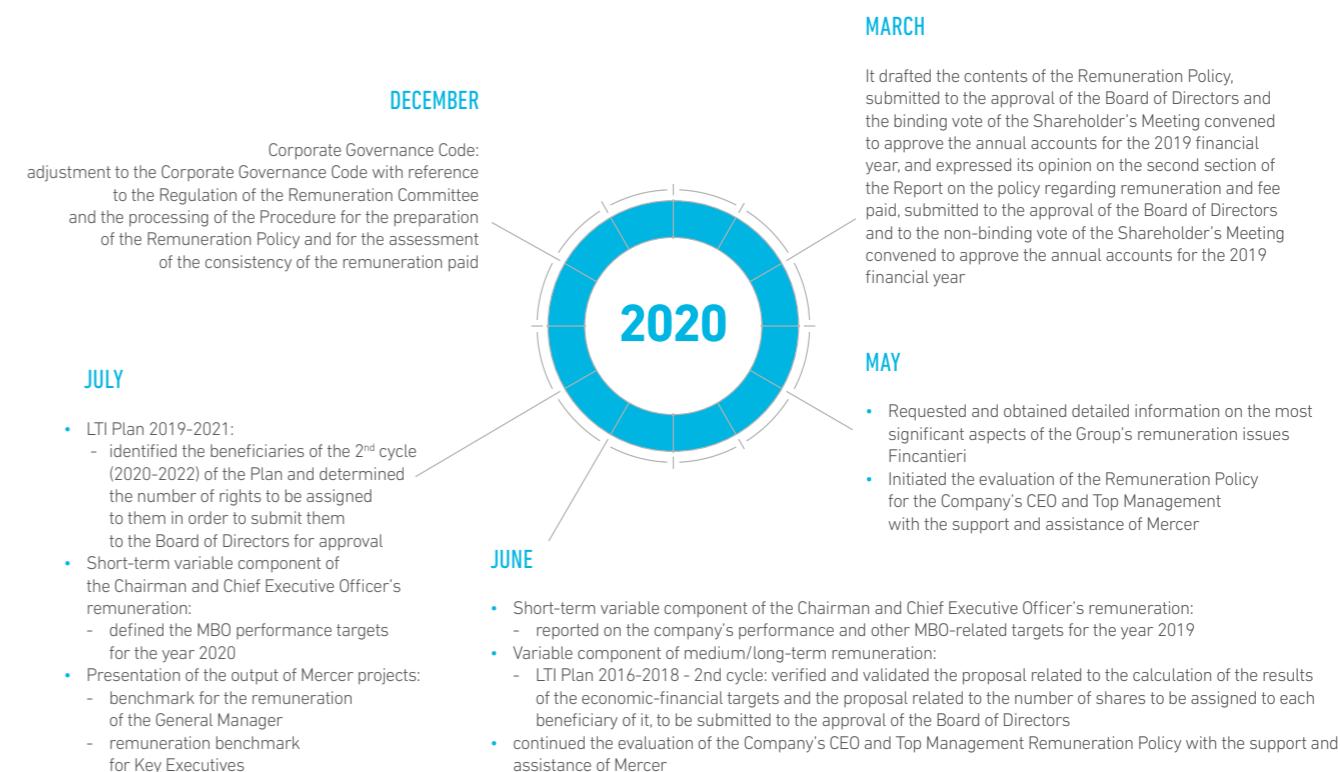
During 2020, the Remuneration Committee held 8 meetings, in the scope of which it:

- drafted the contents of the Remuneration Policy, submitted to the approval of the Board of Directors and to the advisory vote of the Shareholder's Meeting convened to approve the annual accounts for the 2019 financial year and expressed its opinion on the second section of the Report on remuneration paid;
- with respect to the short-term variable component of the Chairman and Chief Executive Officer's remuneration, reported on the Company's performance and other MBO-related goals for 2019 and established MBO-related performance goals for 2020;
- with reference to the medium/long-term variable component of remuneration:
 - LTI Plan 2016-2018: verified and validated the proposal relating to the finalisation of the results of the economic-financial targets and the proposal relating to the number of shares to be assigned to each beneficiary of it, to be submitted for approval to the Board of Directors, in relation to the 2nd cycle (2017-2019) of the above-mentioned Plan;
 - LTI Plan 2019-2021: identified the beneficiaries of the 2nd cycle of the Plan and determined the number of rights to be allocated to them in order to submit it to the Board of Directors for approval;
- carried out an in-depth analysis and evaluation of the Remuneration Policy of the Chief Executive Officer and Top Management of the Company with the support and assistance of Mercer, as described in point 2.1 below;
- was engaged in the activity of analysis and adaptation of the Corporate Governance Code, with particular reference to the amendments to the Regulations of the Remuneration Committee and the drafting of the Procedure for the preparation of the Remuneration Policy and the assessment of the consistency of the remuneration paid.

In addition, in the early months of 2021, the Committee formulated the proposal of this Remuneration Policy to be submitted to the Board of Directors for approval and a binding vote at the Annual Shareholder's Meeting of Shareholders convened to approve the financial year 2020 annual accounts and provided its opinion on the second section of this Report on remuneration paid in financial year 2020.

The cycle of activities carried out by the Committee in the year 2020 is outlined below:

SIGNIFICANT EVENTS IN 2020



1.3 Independent experts involved in the preparation of the Remuneration Policy and guidelines for the use, as a reference, of the remuneration policies of other companies

This 2021 Policy, in continuity with the 2020 Policy, makes use of the benchmark analyses conducted by Mercer, with the aim of aligning the Policy with the most widespread market practices of the companies of reference, in order to continue the process of monitoring and possible alignment of the remuneration packages of Executive Directors, Executives with Strategic Responsibilities and Key Executives, promoting, where such remuneration is not aligned with market levels, a gradual adjustment of them. This analysis was reviewed by the Remuneration Committee, which agreed with the targets and methods.

2. Characteristics of the Remuneration Policy

2.1 Targets pursued with the Remuneration Policy, principles underlying it and changes with respect to the Policy adopted for the financial year 2020

The Company's Remuneration Policy is defined consistently with the adopted governance model and the recommendations of the Corporate Governance Code, with the target of (i) contributing to the pursuit of the Company's strategy; (ii) promoting the long-term interests and (iii) supporting the sustainability of the Company. In line with these targets, the Remuneration Policy aims to attract, motivate and retain management with high professional qualities, capable of successfully and profitably managing the Company, and to align the interests of such management with the priority objective of creating value for the Company's shareholders, in the medium-long term, ensuring that remuneration is based on results actually achieved.

For this purpose, the Company refers to market practices in terms of remuneration policies, so as to ensure an adequate level of competitiveness in the employment market.

With the aim of pursuing an ever greater consistency of remuneration with market values, in 2020, the Company, with the support of Mercer, updated the assessment of the weight of Top Management positions to verify their remuneration positioning with respect to the reference market and evaluated the remuneration package of the Chief Executive Officer against a panel of Italian and foreign companies identified for this purpose³.

The analysis showed that the position of the Chief Executive Officer, with reference only to the fixed component of remuneration, is below the market median (-3%). The competitiveness of the offer decreases slightly if the annual short-term incentive (MBO) is introduced, thus placing it below the median (-6%); if, moreover, the medium-long term incentive (LTI Plans) is considered, the competitiveness gap with respect to the market median increases (-18%).

With reference, on the other hand, to the other managerial roles (Executives with Strategic Responsibilities and Key Executives), the analysis showed that the average overall positioning, referring only to fixed remuneration, is slightly lower than the market median (-2%). This positioning improves if, in addition to fixed remuneration, the various variable components of remuneration are also considered. In particular, introducing the short-term annual incentive (MBO), the percentage compared to the median is around +3%, to rise further to 29% above the median considering also the medium-long term component (LTI Plans). Where necessary, a multi-year plan for the revision of individual remuneration packages may be implemented, aimed at a gradual adjustment of remuneration not yet in line with market levels. In addition, a more incisive Remuneration Policy could be launched for key resources, including for retention purposes, to bring remuneration levels into line with those of companies comparable in size, complexity and international presence.

The Remuneration Policy and the LTI Plan 2019-2021, approved by the Shareholder's Meeting on May 11, 2018 in continuity with the LTI Plan 2016-2018, confirm Fincantieri's desire to encourage its management through effective remuneration tools, capable of attracting, motivating and retaining the Company's Top Management and key resources, increasingly promoting variable components of remuneration over fixed ones, thus aligning the interests of management with those of shareholders in the medium and long term. In addition, in view of the growing expectations of the financial community for sustainable development, the above LTI Plan 2019-2021 includes a sustainability index in addition to the economic and financial performance targets and linked to share performance.

In order to strengthen the link between remuneration and the medium and long-term interests of the Company, the Remuneration Policy stipulates that:

- i. there is an adequate balance between fixed and variable components and, within the latter, between short-term and medium/long-term variable components;
- ii. the fixed component is sufficient to remunerate the performance of the person concerned in the event that the variable component is not paid due to the failure to achieve the performance targets;
- iii. a significant part of the remuneration of the people concerned derives from three-year incentive plans;
- iv. the remuneration of these Plans is paid subject to the achievement of performance targets, which also have a three-year duration;
- v. these targets are predetermined, measurable and indicative of the Company's operating efficiency, and its ability to remunerate the capital invested and create value for its shareholders in the medium and long term;
- vi. the Company has the right to request the return, in whole or in part, of the variable components (sums or shares) of the remuneration paid (or to withhold the components subject to deferment) by virtue of the claw back clauses as defined in the glossary attached to this Report.

³ The integrated panel used is composed of the following Italian and foreign companies: Huntington, Eni, Tenaris, Salini Impregilo, Enel, Ferrari, Rolls-Royce, Saipem, Prysmian, Maire Tecnimont, Brembo, Balfour Beatty, Alstom, Wartsila, Saab, Vallourec, Leonardo, Tecnica Reunidas, Kongsberg Gruppen.

The Remuneration Policy applied to the above individuals is therefore aimed at strengthening sustainable performance and the achievement of the Company's strategic priorities.

In accordance with the recommendations of the Corporate Governance Code, the remuneration of non-executive Directors is linked to the commitment required of each of them, taking into account their participation in one or more Committees established within the Board of Directors, and does not include any variable component.

2.2 Changes made to the Remuneration Policy for the financial year 2021 compared to the financial year 2020

The Remuneration Policy for the financial year 2021, [with the exception of the introduction of the new medium-long term incentive plan for the three-year period 2022-2024, the analysis of which was addressed in the early months of 2021 in order to ensure continuity with a view to retention of the Company's key resources] does not envisage significant changes compared to that of the financial year 2020. The above also in consideration of the fact that the Policy for the year 2020 obtained an almost unanimous approval of the same by the Shareholder's Meeting, equal to 98.22%.



2.3 Remuneration structure: fixed and variable components and performance targets on the basis of which the variable components are assigned and information on the link between the change in results and the change in remuneration

The remuneration of the Chief Executive Officer, the Chairman, the General Manager, the Executives with Strategic Responsibilities and the other Key Executives is defined in such a way as to align their interests with the pursuit of the priority objective of creating value for shareholders in the medium-long term. In addition, as shown in the following Tables, the pay-mix, following the introduction of the medium-long term variable component (with reference to both the 2016-2018 LTI Plan and the 2019-2021 LTI Plan), confirms the increasing trend of the variable part. The above pay-mix is therefore balanced in relation to the Company's strategic targets and risk management Policy, taking into account the sector in which it operates and the characteristics of the activity actually carried out; for positions of greater responsibility, variable components are preferred to fixed components and in line with market best practices.

Below is the graphical representation of the pay-mix:

TABLE 1 - LTI PAY-MIX PLAN 2016-2018

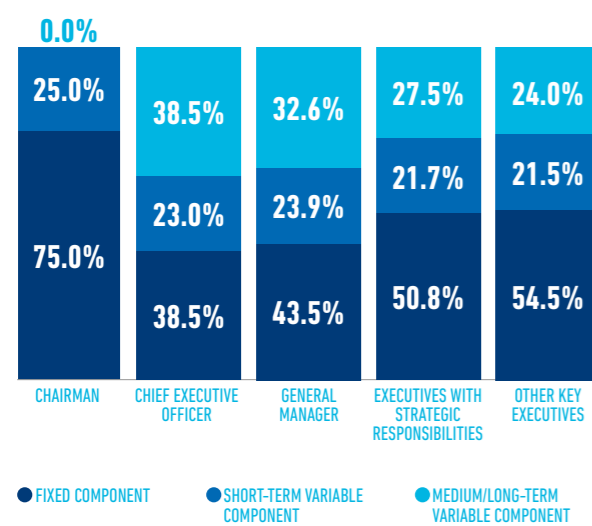
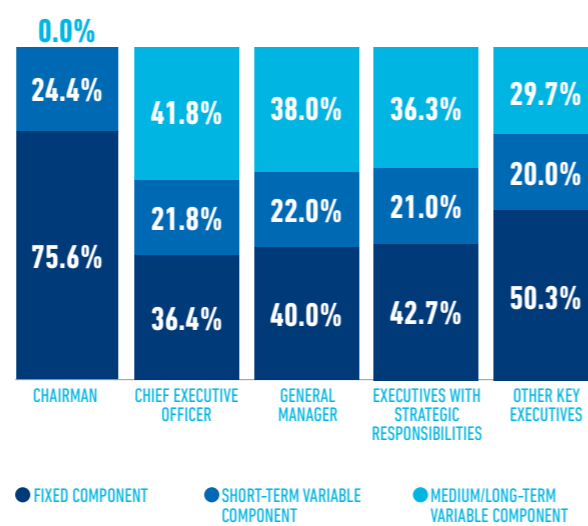


TABLE 2 - LTI PAY-MIX PLAN 2019-2021



In the graphs above, the values of the variable components have been calculated as follows:

- short-term variable component: the annual values of the incentives obtainable on achievement of the target are indicated;
- medium-long term variable component: Table 1 shows the value of the incentive in terms of the number of shares obtainable in the event of achievement of all on-target objectives 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 obtainable in the event of achievement of all on-target objectives in the third three-year cycle of the 2019-2021 LTI Plan. These incentives were quantified by taking as a reference the value of the shares at the time of grant, assuming that the beneficiaries participate in all three cycles of each Plan and that they continue to participate after the end of the three cycles of each Plan. As a result of the above, the above people receive a remuneration package structured as follows:

INSTITUTION	PURPOSE	POPULATION INVOLVED
Fixed remuneration	It remunerates the role and, in particular, the responsibilities assigned to the recipients, taking into account, among other things, experience, the quality of the contribution made to the achievement of company results and the level of excellence with respect to the functions assigned.	<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)	It remunerates the results achieved in the short term and is aimed at translating the strategies of the business plan into a series of annual individual and corporate targets, capable of having a decisive impact on the performance of the executives involved.	<ul style="list-style-type: none"> • Chairman • Chief Executive Officer • General Manager • Executives with Strategic Responsibilities • Other Key Executives
Medium/long-term component (Performance Share Plan)	It remunerates the results achieved in the medium to long term and is designed to improve the alignment of the interests of beneficiaries with those of shareholders and to support the retention capacity of key resources.	<p>Recipients are identified individually by the Board of Directors, after consultation with the Remuneration Committee, from the following individuals:</p> <ul style="list-style-type: none"> • Chief Executive Officer and, in addition, on the proposal of the Chief Executive Officer, among the following persons: • General Manager • Other Key Executives

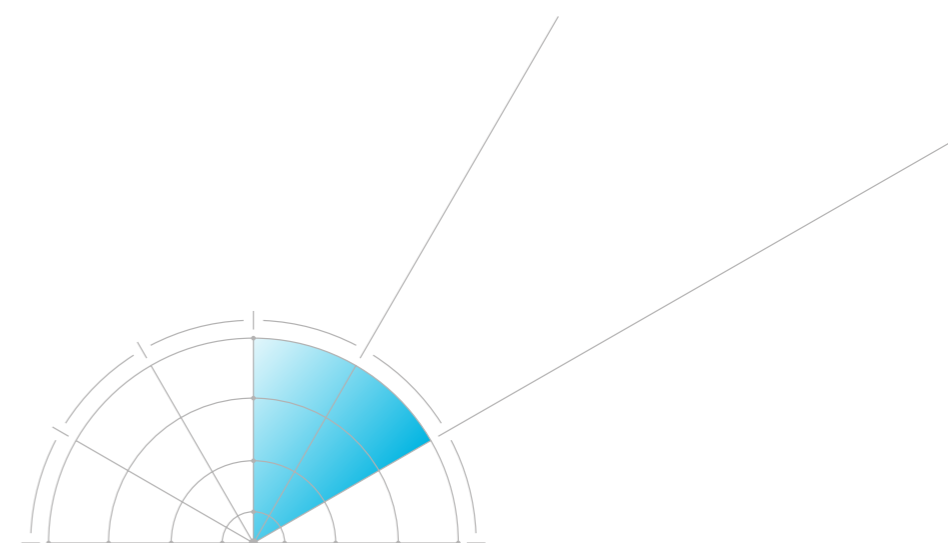
2.3.1 Fixed component

The fixed component of remuneration is adapted to the role, the commitment required and the relative responsibilities and is sufficient to remunerate work performance even in the event of non-payment or partial payment of the variable components and where applicable. It is determined by taking into consideration the level of experience acquired by the individual, the professional contribution he makes to the achievement of company results and the level of excellence with respect to the functions assigned.

The fixed component is also such as to guarantee adequate competitiveness compared to the remuneration levels recognised by the market for the specific position.

In line with the recommendations of the Corporate Governance Code and with the purposes described in para 2.1 above, the Policy stipulates that the fixed component of remuneration consists of:

- for the **Chief Executive Officer**:
 - the remuneration approved by the Shareholder's Meeting for the office of member of the Board of Directors, under Art. 2389, paragraph 1 of the Civil Code;
 - the remuneration approved by the Board of Directors, under Art. 2389, paragraph 3, of the Civil Code, on the proposal of the Remuneration Committee, having heard the opinion of the Board of Statutory Auditors, for the office of Chief Executive Officer;



- for the **Chairman of the Board of Directors**:
 - the remuneration approved by the Shareholder's Meeting for the Chairman, under Art. 2389, paragraph 1 of the Civil Code;
 - the remuneration approved by the Board of Directors, under Art. 2389, paragraph 3 of the Civil Code, on the proposal of the Remuneration Committee, having heard the opinion of the Board of Statutory Auditors, in view of the extent and nature of the specific powers conferred;
- for **non-executive Directors**:
 - the remuneration approved by the Shareholder's Meeting for the office of member of the Board of Directors, under Art. 2389, paragraph 1, of the Civil Code;
 - the amounts approved by the Board of Directors on 18 April 2019, after consultation with the Board of Statutory Auditors, for the chairs and members of the Board's Internal Committees;
- for the **Board of Statutory Auditors**:
 - the remuneration approved by the Shareholder's Meeting of 9 June 2020 for the office of Chairman and Board of Statutory Auditors Member, under Art. 2402, paragraph 1 of the Civil Code.
- for the **General Manager, Executive with Strategic Responsibilities** and other **Key Executives**:
 - the fixed gross annual salary provided for in the individual contract signed, in accordance with the provisions of the collective regulation applied. These executives are also entitled to the allowances due for travel, both domestic and international, in line with the provisions of the national collective employment agreement for executives and the supplementary company agreements.

2.3.2 Variable component

It is designed to remunerate management and executive Directors for results achieved in the short and medium to long term. The direct correlation between the results achieved and the payment of incentives makes it possible, on the one hand, to take into account the results of the Company and the Group and, on the other, to strengthen the principle of meritocracy, differentiating the contribution of each individual and motivating resources at the same time.

The pay-mix relating to the variable portion of remuneration consists of:

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

Variable remuneration uses different incentive programs and tools depending on the population involved and the period of time considered, so as to mitigate the assumption of risk by management and provide incentives for the creation of sustainable value for shareholders in the medium-long term. The recipients of short-term variable remuneration are: the Chief Executive Officer, the Chairman, the General Manager, Executives with Strategic Responsibilities and other Key Executives. The recipients of medium/long-term remuneration are identified individually by the Board of Directors, having consulted the Remuneration Committee, insofar as it is responsible, with regard to the Chairman and the Chief Executive Officer, and 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 provisions of the regulations relating to the LTI Plans.

- **Short-term component**

The use of a short-term variable incentive plan on annual basis (MBO) is designed to translate business plan strategies into a series of annual targets. The MBO can have a decisive impact on the performance of the executives involved.

The targets, identified in line with the business plan, are predetermined and measurable and are assigned annually by means of sheets communicated to the individual recipients.

Based on the level of achievement of targets, the executives involved receive a bonus consisting of a predefined percentage of their base salary which, depending on the MBO band they belong to, ranges from a minimum of 35% for achieving on-target objectives (increasable up to 38.2% in the case of over performance) to a maximum of 55% for achieving on-target objectives (increasable up to 59.25% in the case of over performance).

The short-term incentive for the Chief Executive Officer is 60% of the annual fixed component, relative to the target and in any case not more than 65%, in the event of over performance. The short-term incentive for the Chairman is approved in a fixed amount by the Board of Directors, on the recommendation of the Remuneration Committee.

For the General Manager, the MBO percentage is 55% of his base salary for achieving on-target objectives, increasable up to 59.25% in the event of over performance.

For all of the above roles, the minimum performance for any single target required for bonus payment is 80% of the target value.

MBO is subject to Claw-back clauses (as defined in the glossary of this Report).

- **Medium/long-term component**

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

- to improve the alignment of the interests of the beneficiaries with those of the shareholders, linking the remuneration of management to specific multi-year performance targets, the achievement of which is closely linked to the improvement of the Company's performance, the growth of its value in the medium-long term and the combination of the Company's economic and financial performance with sustainability targets;
- to support the retention of key resources, aligning the Company's Remuneration Policy to the best market practices, which typically provide for medium-long term incentive tools.

In particular, this component provides for the free assignment, to each of the beneficiaries identified in accordance with the regulations of the LTI Plans, of rights to receive free shares of the Company without nominal value at the end of a given performance period and on a subordinate basis:

- the achievement of performance targets; and
- the other conditions laid down in the regulations governing the LTI Plans.

There are currently two LTI Plans in place: the 2016-2018 LTI Plan and the 2019-2021 LTI Plan, the details of which are set out in (a) and (b) below:

a) The **2016-2018 LTI Plan** has the following elements:

- is based on the assignment to beneficiaries of Fincantieri shares without nominal value according to the achievement of specific performance targets;
- consists of three cycles, each lasting three years;
- there is a three-year performance period for each of the three cycles (2016-2018 for Cycle 1; 2017-2019 for Cycle 2; 2018-2020 for Cycle 3);
- there is a minimum three-year vesting period;
- performance targets are set, both of an economic and financial nature (EBITDA, with a weight of 70%), and linked to the performance of the stock (TSR with respect to both the FTSE Italia All Share Modified index, with a weight of 10%, and an International Peer Group, with a weight of 20%), the achievement of which

determines the allocation of shares to each beneficiary at the end of the performance period, subject to compliance with all the other conditions set out in the Plan regulations. These targets are identified by the Board of Directors, after consultation with the Remuneration Committee;

- there is a lock-up period during which, except in the case of exceptions authorised by the Board of Directors, after consulting the Remuneration Committee, beneficiaries who are members of the Board of Directors, the General Manager and Executives with Strategic Responsibilities are required to hold and not dispose in any way of a portion of the shares granted under the Plan (equal to 20% of the shares granted under the Plan, less any shares required to meet tax obligations arising from the delivery of such shares) for a period of three years (in the case of permanent employment relationships) or until the end of their term of office or contract (in the case of directorships or fixed-term employment relationships);
- there is a maximum limit on the number of shares that may be granted under the Plan to each beneficiary, obtained by multiplying the number of shares that may be granted at the grant date based on the degree of achievement of the performance targets by four times the market price of the shares at the grant date.

The performance period of Cycle 2 (2017-2019) of the 2016-2018 Plan ended on 31 December 2019. At its meeting on June 11, 2020, the Board of Directors, having consulted with the Remuneration Committee, on the proposal of the Chief Executive Officer, summarised the business results and other targets of the 2nd cycle of the 2016-2018 LTI Plan and determined the number of shares to be awarded to each beneficiary of it in relation to the degree of achievement of the targets and the percentage of incentive awarded to each. In accordance with the provisions of the regulations governing the Plan, the grant of rights to each beneficiary occurred on 3 July 2020. Fincantieri has been supported by BNP Paribas Securities Services in carrying out the administrative and banking services relating to the sale of the rights.

b) The **2019-2021 LTI Plan**, which essentially follows the same structure as the previous Plan, features the following elements:

- it is based on the assignment to beneficiaries of Fincantieri shares without nominal value according to the achievement of specific performance targets;
- it consists of three cycles, each lasting three years;
- there is a three-year performance period for each of the three cycles (2019-2021 for Cycle 1; 2020-2022 for Cycle 2; 2021-2023 for Cycle 3);
- there is a minimum three-year vesting period;
- performance targets are envisaged, both of an economic-financial nature (EBITDA, with a weight of 70%), and linked to share performance (TSR with respect to both the FTSE Italia All Share Modified index, with a weight of 5%, and an International Peer Group, with a weight of 10%), and, as a novelty with respect to the previous Plan, linked to a sustainability index (obtaining a specific rating from international agencies in the sector, the achievement of a specific rating by international industry agencies, also in conjunction with the achievement of the sustainability targets set out in the Corporate Sustainability Plan for the reference period, with a weight of 15%), the achievement of which is subject to the assignment of shares to each beneficiary at the end of the performance period, without prejudice to compliance with all the other conditions set out in the Plan regulations. These targets are identified by the Board of Directors, after consultation with the Remuneration Committee;
- there is a lock-up period during which, subject to exceptions authorised by the Board of Directors, after consulting the Remuneration Committee, beneficiaries who are members of the Board of Directors, the General Manager or Executives with Strategic Responsibilities are required to hold and not to dispose in any way of a portion of the shares granted under the Plan (equal to 20% of the shares granted under the Plan, less any shares required to meet tax obligations arising 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 directorships or fixed-term employment contracts).

In addition, considering that the 3rd and final cycle (2021-2023) of the 2019-2021 LTI Plan will be activated during the financial year 2021, Fincantieri's Board of Directors, on the proposal of the Remuneration Committee, evaluating positively the tool's contribution in terms of focusing on strategic targets, retention and motivation of management, approved the launch of the LTI Plan relating to the three-year period 2022 - 2024, prepared in continuity with the two previous Plans, which will be submitted for approval to the Shareholder's Meeting on 8 April 2021. The Plan is substantially the same as the previous Plan and features the following elements:

- it is based on the assignment to beneficiaries of Fincantieri shares without nominal value according to the achievement of specific performance targets;
- it consists of three cycles, each lasting three years;
- there is a three-year performance period for each of the three cycles (2022-2024 for cycle 1; 2023-2025 for cycle 2; 2024-2026 for cycle 3);
- there is a minimum three-year vesting period;
- performance targets are envisaged both of an economic-financial nature (EBITDA, with a weight of 55%),



and linked to share performance (TSR with respect to both the FTSE Italia All Share Modified index, with a weight of 10%, and an International Peer Group with a weight of 15%) and linked to a Sustainability Index (the achievement of a specific rating by international rating agencies together with the achievement of the sustainability targets set out in the Corporate Sustainability Plan during the reference period, with a weight of 20%), the achievement of which determines the allocation of shares to each beneficiary at the end of the performance period, subject to compliance with all the other conditions set out in the Plan regulations. These targets are identified by the Board of Directors, after consultation with the Remuneration Committee;

- there is a lock-up period during which, subject to exceptions authorised by the Board of Directors, after consultation with the Remuneration Committee, beneficiaries who are members of the Board of Directors, the General Manager or Executives with Strategic Responsibilities are required to hold and not dispose in any way of a portion of the shares granted under the Plan (equal to 51% of the shares granted under the Plan, after deducting any shares necessary to satisfy tax obligations arising from the delivery of such shares) for a period of at least two years.

For further details on the description of the targets, their weight, the calculation methods used to determine them and any (adjusted) elements, reference is made to the information documents governing the respective Plans referred to above, published on the Company's website.

- **Pay-mix of variable components**

On the basis of the above, with regard to the variable components of remuneration, the pay-mix of the Chief Executive Officer, the Chairman, the General Manager, the Executives with Strategic Responsibilities and the other Key Executives is composed as follows:

- for the **Chief Executive Officer:**

- MBO with annual targets that are both quantitative, of an economic-financial nature, and qualitative, linked to the achievement of specific results, such as: EBITDA Margin (weight 50%), Orders (weight 30%), Sustainability Index (weight 10%) and specific projects and organisational development (weight 10%)⁴.
- The on-target percentage was set by the Board of Directors, on the proposal of the Remuneration Committee and subject to the opinion of the Board of Statutory Auditors, at 60% of the fixed annual component, which can be raised to 65% in the event of over performance. The incentive accrued is paid subject to verification by the Board of Directors, after consulting the Remuneration Committee, that the targets set following approval of the annual accounts for the year in question have been achieved and in accordance with the provisions of the relevant Plan.
- LTI Plan 2016-2018 with multi-year targets, economic and financial in nature and linked to share performance. At the time of the grant of rights to receive free shares of the Company under the 2016-2018 LTI Plan, the number of such rights is equal to 100% of the fixed component of remuneration in the event of on-target performance, which can be increased up to 130% in the event of over performance. The counter value of the rights attributable is subject to the limits of the above-mentioned cap. The incentive accrued is awarded after the Board of Directors, having consulted the Remuneration Committee, has verified that the targets set after the approval of the annual accounts for the last financial year of reference for each cycle of the Plan have been achieved, and the existence of all the other conditions set out in the regulations of the LTI 2016-2018 Plan and is therefore paid in accordance with the provisions of the same regulations.

- LTI Plan 2019-2021 with multi-year targets, both economic and financial in nature and linked to share performance and a sustainability index. The allocation of the number of rights to receive free shares in the Company, in respect of the 2019-2021 LTI Plan, equal to 115% of the fixed component of remuneration in the event of on-target performance, increasable up to 172.5% in the event of over performance, will be subject to subsequent approval by the Board of Directors. The accrued incentive is awarded subject to verification by the Board of Directors, having consulted with the Remuneration Committee, of the achievement of the targets set subsequently to the approval of the annual accounts for the last financial year of reference for each cycle of the Plan, and the existence of all the other conditions set out in the regulations of the 2019-2021 LTI Plan and is then paid in accordance with the provisions of the same regulations.

- for the **Chairman:**

- a short-term variable incentive plan with annual targets (MBO), in relation to the powers granted, such as: Sustainability and Risk Management (weight 25%), Fincantieri Audit Plan (weight 20%), Institutional Relations (weight 35%) and Corporate Security (weight 20%)⁵. The amount is defined as a fixed sum by the Board of Directors, on the proposal of the Remuneration Committee and subject to the opinion of the Board of Statutory Auditors and is paid following a specific resolution in relation to the achievement of the annual targets set.

- for the **General Manager, Executives with Strategic Responsibilities** and other **Key Executives:**

- MBO plan with annual quantitative, economic-financial and qualitative targets, both corporate and individual, that take into account the role held: EBITDA (20% weighting), Free Cash Flow (10% weighting), Sustainability (20% weighting) and additional role and segment targets for the remaining weight⁶. The on-target amount for the short-term variable component of the General Manager's remuneration (MBO) is 55% of the fixed component of remuneration, which may be increased to 59.25% in the event of over performance. The maximum on-target amount for the short-term variable component of remuneration (MBO) of Executives with Strategic Responsibilities and other Key Executives varies, depending on the MBO band to which they belong, from a minimum of 35% to a maximum of 55% of base salary; in the event of over performance, these percentages will range, depending on the MBO band to which they belong, from a minimum of 38.2% to a maximum of 59.25%. The incentive accrued is assigned and paid after verification by the Chief Executive Officer of the degree of achievement of the targets set following approval of the annual accounts for the financial year in question and in accordance with the provisions of the relevant Plan.
- LTI Plan 2016-2018 with multi-year targets both of an economic-financial nature and linked to share performance. The accrued incentive is awarded after the Board of Directors, having consulted, within the scope of its responsibilities, with the Remuneration Committee, has verified the achievement of the targets set after the approval of the annual accounts for the last year of each cycle of the Plan and the occurrence of all other conditions set out in the Plan regulations, and is then paid in accordance with those regulations. Within the limits of the cap provided for in the Plan regulations, the amount of the incentive is equal to the following percentage of the fixed component of remuneration linked to the recipient's band, determined by the Board of Directors, having consulted the Remuneration Committee at the proposal of the Chief Executive Officer, on the basis of the impact of the relevant position on company results:

- for the **General Manager:** 75% in the case of on-target objectives, increasable to 97.5% in the case of over performance;

⁴ The targets and related weights refer to the 2020 MBO Plan. In principle, and subject to possible reshaping, similar targets will be taken as reference in the definition of the 2021 targets, without prejudice to the prevalence in terms of percentage weight of the targets linked to the business.

⁵ The targets and related weights refer to the 2020 MBO Plan. In principle, and subject to possible reshaping, similar targets will be used as a reference for setting the 2021 targets.
⁶ The targets and related weights refer to the 2020 MBO Plan. In principle, and subject to possible reshaping, similar targets will be used as a reference for setting the 2021 targets.

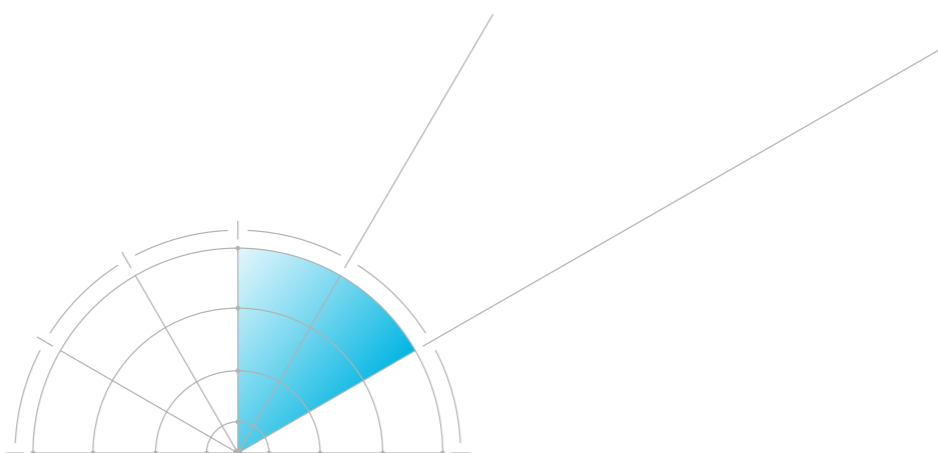
- for **Executives with Strategic Responsibilities** and other **Key Executives** it varies depending on the band to which they belong from a minimum of 33% to a maximum of 60% in the case of on-target objectives; in the case of over performance these percentages will range from a minimum of 43% to a maximum of 78% depending on the band to which they belong.
- LTI Plan 2019-2021 with multi-year targets, both economic and financial in nature, linked to share performance and linked to a sustainability index. The accrued incentive is awarded subject to verification by the Board of Directors, having consulted with the Remuneration Committee, on the proposal of the Chief Executive Officer, of the achievement of the targets set following the approval of the annual accounts for the last financial year of reference for each cycle of the Plan, and the existence of all the other conditions set out in the regulations of the 2019-2021 LTI Plan and is then paid in accordance with the provisions of the same regulations. The amount of the incentive is equal to the following percentage of the fixed component of remuneration linked to the recipient's bracket, determined by the Board of Directors, having consulted the Remuneration Committee at the proposal of the Chief Executive Officer, on the basis of the impact of the relative position on the company results:
- for the **General Manager**: 95% in the case of on-target objectives, increasable to 142.5% in the case of over performance;
 - for **Executives with Strategic Responsibilities** and other **Key Executives** depending on the band they belong to, the percentages range from a minimum of 33% to a maximum of 85% in the case of on-target objectives; in the case of over performance, these percentages range, depending on the band they belong to, from a minimum of 49.5% to a maximum of 127.5%.

For all detailed aspects, reference is made to the contents of the Information Documents of the 2016-2018 LTI Plan and the 2019-2021 LTI Plan, prepared under Art. 114-*bis* of the TUF and Art. 84-*bis* of the Issuer Regulations and published by the Company.

• Extraordinary remuneration

Exceptionally and extraordinarily, with reference to the context of the Remuneration Policy and in order to attract key figures from the market or to motivate and retain the best resources, specific benefits may be granted at the time of hiring or during the employment relationship.

These benefits, envisaged only for selected high-profile managerial figures, may consist of (a) entry bonuses linked to economic losses deriving from the termination of the previous employment relationship that prejudice the entry/hiring of the new key resource (such as, for example, the recognition of short/medium-term incentives, etc.); (b) retention bonuses linked to the commitment to maintain an employment relationship with the company for a given period; (c) variable components guaranteed only for the first year of employment; (d) success fees linked to operations and/or results and/or the hiring of new key resources. (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, disposals, acquisitions, mergers, reorganization or efficiency-boosting processes), of such importance as to have a substantial impact on the value and volume of the Company's business and/or its profitability and, as such, not capable of finding an



adequate match in the ordinary variable remuneration systems, so as to justify such further disbursement. These benefits are envisaged in an amount not exceeding the amount of the short-term variable component, to an extent consistent with the most common market practices on the matter, in accordance with the provisions of Art. 123-*ter*, paragraph 3-*bis* of the TUF.

These extraordinary components of remuneration, when intended for the Chairman or the Chief Executive Officer, are subject to a resolution of the Board of Directors, on the recommendation of the Remuneration Committee. For the General Manager, Executives with Strategic Responsibilities and other Key Executives, disbursement is referred to the evaluations of the Chief Executive Officer.

The above was also defined 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, Executives with Strategic Responsibilities and other Key Executives are granted the use of a company car for mixed use and the relative fuel within predetermined limits and, if necessary, as an alternative to a hotel, the use of accommodation for long stays and in any case limited in time, according to economic criteria.

2.3.4 Criteria used to assess the performance targets underlying the allocation of variable components of remuneration and information aimed at highlighting the consistency of the Remuneration Policy with the pursuit of the Company's long-term interests and the risk management policy

The performance targets indicated in the Remuneration Policy for the payment of the variable component of remuneration are identified taking into account the specific activities carried out by the Company and the related risk profiles.

In particular, the payment of the variable component of the short-term incentive plan is linked to the achievement of predefined economic and financial performance targets referred to the annual budget. The comparison of the actual figures with the targets assigned determines the amount of the variable remuneration component to be paid.

The payment of the medium/long-term variable component, on the other hand, aimed at creating value for all shareholders in the medium/long term, is linked to the achievement of predefined economic and financial performance targets referred to the business plan and/or phases thereof or, if share-based, linked to the performance of the stock and/or the economic return for shareholders in the medium/long term.

The 2019-2021 Plan includes a sustainability index in addition to targets of an economic-financial nature and linked to the performance of the stock.

2.3.5 Deferred payment systems, including deferral periods and the criteria used to determine these periods and ex-post correction mechanisms

A vesting period of at least three years and a lock-up period is envisaged for the medium/long-term variable component, unless an exception is authorised by the Board of Directors, after consulting the Remuneration Committee, as indicated in point 2.3.2 above.

Claw-back clauses apply to all variable components of remuneration. (as defined in the glossary attached to this Report).

2.3.6 Severance Policy in the event of termination of office or termination of the employment relationship

There are no specific individual arrangements for Directors in the event of termination of office.

For the General Manager and Executives with Strategic Responsibilities, specific individual agreements may be envisaged;

such benefits may not, however, exceed the maximum limits envisaged by the National Collective Employment Agreement in force for Executives of Companies producing Goods and Services; the fixed components of remuneration and the average short-term incentive referred to the last three financial years are used to determine the amount of the monthly payments.

Under Art. 2125 of the Civil Code, specific remuneration may also be envisaged for cases in which it is necessary to conclude non-competition agreements for members of the Board of Directors, the General Manager, Executives with Strategic Responsibilities and other Key Executives.

The above takes place in compliance with the provisions of Art. 123-ter of the TUF.

2.3.7 Information on the presence of insurance, or social security or pension coverages, other than compulsory

Specific insurance coverages are provided for the Chairman and Chief Executive Officer.

The General Manager, Executives with Strategic Responsibilities and other Key Executives, and other Executives of the Company, enjoy more favourable treatments than that established by the CCNL (National Collective Agreement) for their category in terms of insurance, social security and supplementary pension coverage.

2.3.8 Remuneration Policy followed with reference to: (i) to Independent Directors, (ii) to participation in Committees and (iii) to the performance of special assignments

The remuneration of Independent Directors is the same as that described in paragraph 2.3.1. above with reference to Non-Executive Directors.

For Directors who participate in Committees within the Board of Directors, the Remuneration Policy stipulates that they receive for their participation in each Committee an additional remuneration determined by the Board of Directors, on the proposal of the Remuneration Committee, as indicated 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

First Part Items making up remuneration

With respect to financial year 2020 in this part of Section II of the Report, we explain the following: (i) by name, the remuneration due to people who, during the course of the financial year, held - even for a fraction of a year - the position of Director, Board of Statutory Auditors Member, General Manager and (ii) overall, the remuneration due to Key Executives/Executives with Strategic Responsibilities. The same items are also summarised in the tables in the second part of this section.

1. Board of Directors

1.1 Chairman of the Board

Throughout the year 2020, the position of Chairman of the Board of Directors was held by Ambassador Giampiero Massolo. The remuneration due to Ambassador Massolo, relating to financial year 2020 (1 January - 31 December 2020), is as follows:

- Fixed component: an amount equal to EUR 310,000, on annual basis, of which:
 - EUR 50,000, on annual basis, as remuneration approved by the Shareholder's Meeting of 5 April 2019, for the position of Chairman of the Board of Directors, under Art. 2389, paragraph 1 of the Civil Code; this amount will be paid in 2021;
 - 260,000 EUR, on annual basis, as the remuneration approved by the Board of Directors on July 20, 2016, under Art. 2389, Section 3, of the Civil Code, on a proposal by the Remuneration Committee, and after hearing the opinion of the Board of Statutory Auditors, in view of the scope and nature of the specific powers granted; this amount was paid in 2020.

In 2019-2020, the Chairman's remuneration remained unchanged, i.e., EUR 310,000 as annual fixed remuneration and EUR 120,000 as short-term incentive (MBO) where the average remuneration related to employees increased from EUR 40,200 in financial year 2019 to EUR 40,870 in financial year 2020. Compared to the same period, revenues and income stood at EUR 5.8 billion in FY 2019 and EUR 5.9 billion in FY 2020, while the total workload increased from EUR 32.7 billion in FY 2019 to EUR 35.7 billion in FY 2020.

- Short-term variable component:
 - 2020 MBO Plan: as defined by the Board of Directors on 20 July 2016 and subsequently confirmed on 30 July 2020, on the proposal of the Remuneration Committee and subject to the opinion of the Board of Statutory Auditors, the short-term variable component is EUR 100,000, with adjustment up to a maximum of EUR 120,000 in the event of over performance; verification of the achievement of the targets and determination of the actual incentive accrued will be carried out by the Board of Directors during 2021, on the proposal of the Remuneration Committee, based on the results of the 2020 annual accounts and specific reports. Any amount will be disbursed in 2021.

The fees actually paid to Ambassador Massolo during financial year 2020 are:

- Fixed component: an amount equal to EUR 307,397.26 of which:
 - EUR 10,410.96, as remuneration, pro rata temporis (1 January - 5 April 2019) resolved by the Shareholder's Meeting of 19 May 2016 for the position of Chairman of the Board of Directors, under Art. 2389, paragraph 1 of the Civil Code;
 - EUR 36,986.30, as remuneration, pro rata temporis (6 April - 31 December 2019), approved by the Shareholder's Meeting of 5 April 2019, for the position of Chairman of the Board of Directors, under Art. 2389, paragraph 1 of the Civil Code;
 - EUR 260,000, as remuneration, relating to the financial year 2020, approved by the Board of Directors on 20 July 2016, under Art. 2389, paragraph 3 of the Civil Code, on the proposal of the Remuneration Committee, and after hearing the opinion of the Board of Statutory Auditors, by virtue of the extent and nature of the specific powers conferred.
- Short-term variable component:
 - 2019 MBO Plan: as defined by the Board of Directors on 20 July 2016 on the proposal of the Remuneration Committee and subject to the opinion of the Board of Statutory Auditors, the short-term variable component had been set at an amount equal to EUR 100,000, with adjustment up to a maximum of EUR 120,000 in the event of over performance; the Board of Directors of 11 June 2020, on the proposal of the Remuneration Committee, ascertained that the specific conditions of over performance had been fully achieved, consequently determining the payment of the amount of EUR 120,000 in 2020.
 - Benefits in kind: the use of a company car for mixed use and related fuel, supplementary health care, insurance coverages and other minor benefits, for a total value of EUR 2,099.76, calculated on a taxable basis.

No treatment is provided in the event of termination of office.

1.2 Chief Executive Officer

Throughout the year 2020, the position of Chief Executive Officer was held by Giuseppe Bono.

Bono's remuneration for financial year 2020 (1 January - 31 December 2020) is as follows:

- Fixed component: an amount equal to EUR 973,000, on annual basis, of which:
 - EUR 50,000, as remuneration, on annual basis, resolved by the Shareholder's Meeting of 5 April 2019 for the office of member of the Board of Directors, under Art. 2389, paragraph 1 of the Civil Code; this amount will be paid in 2021;
 - EUR 923,000, on annual basis, as remuneration approved by the Board of Directors on July 20, 2016, under Art. 2389, Section 3, of the Civil Code, on a proposal by the Remuneration Committee and the prior opinion of the Board of Statutory Auditors, for the position of Chief Executive Officer; this amount was paid in 2020.

In 2019-2020, the CEO's remuneration remained unchanged, i.e. EUR 973,000 as fixed remuneration and EUR 632,450 as short-term incentive (MBO) where the average remuneration related to employees increased from EUR 40,200 in financial year 2019 to EUR 40,870 in financial year 2020.

Compared to the same period, revenues and income stood at EUR 5.8 billion in FY 2019 and EUR 5.9 billion in FY 2020, while the total workload increased from EUR 32.7 billion in FY 2019 to EUR 35.7 billion in FY 2020.

- Short-term variable component:
 - MBO 2020 Plan: as defined by the Board of Directors on 20 July 2016 and subsequently confirmed on 30 July 2020 on the proposal of the Remuneration Committee and subject to the opinion of the Board of Statutory Auditors, the short-term variable component, is equal to EUR 583,800 (corresponding to 60% of the annual fixed component), on achievement of the target, with adjustment up to a maximum of

EUR 632,450 (corresponding to 65% of the annual fixed component) in the event of over performance. The verification of the achievement of the targets and the determination of the actual incentive accrued will be carried out by the Board of Directors, on the proposal of the Remuneration Committee, during 2021 on the basis of the results of the 2020 annual accounts and specific reports. Any amount will be paid in 2021.

- Medium/long-term variable component:
 - 2019-2021 LTI Plan: on May 11, 2018, the Shareholder's Meeting approved the 2019-2021 LTI Plan on the proposal of the Board of Directors; with reference to the second cycle (2020-2022) of the above Plan, the Board of Directors, on the proposal of the Remuneration Committee, having heard the opinion of the Board of Statutory Auditors, on 30 July 2020, provided for the free assignment of 2,742,973 rights to receive Fincantieri ordinary shares, in the event that all on-target objectives are achieved and subject to the occurrence of the conditions set out in the Plan Regulations. In the event of over performance, this number of rights may be increased by up to 50%. The eventual allocation of the first cycle will take place in 2023.

The actual fees paid to Bono during financial year 2020 are:

- Fixed component⁷: an amount equal to EUR 967,013.70, of which:
 - EUR 7,027.40, as remuneration, pro rata temporis (1 January - 5 April 2019), approved by the Shareholder's Meeting of 19 May 2016 for the office of member of the Board of Directors, under Art. 2389, paragraph 1 of the Civil Code;
 - EUR 36,986.30 as remuneration, pro rata temporis (6 April - 31 December 2019), approved by the Shareholder's Meeting of 5 April 2019 for the position of member of the Board of Directors, under Art. 2389, paragraph 1 of the Civil Code,
 - EUR 923,000, by way of remuneration, relating to the financial year 2020, as resolved by the Board of Directors on 20 July 2016, under Art. 2389, paragraph 3 of the Civil Code, on the proposal of the Remuneration Committee and subject to the opinion of the Board of Statutory Auditors, for the position of Chief Executive Officer.
- Short-term variable component:
 - 2019 MBO Plan: as defined by the Board of Directors on 20 July 2016, on the proposal of the Remuneration Committee and subject to the opinion of the Board of Statutory Auditors, the short-term variable component, is equal to EUR 583,800, on achievement of the target, with adjustment up to a maximum of EUR 632,450 in the event of over performance; the Board of Directors of 11 June 2020, on the proposal of the Remuneration Committee, ascertained that the specific conditions for over performance had been fully achieved, consequently determining the payment of the amount of EUR 632,450 in 2020.
- Long-term variable component:
 - LTI Plan 2016-2018: The performance period of the 2nd cycle (2017-2019) of the above Plan ended on 31 December 2019. The Board of Directors, on the proposal of the Remuneration Committee, having consulted the Board of Statutory Auditors, finalized the business results and other targets of the 2nd cycle of the LTI Plan 2016-2018 and determined the number of shares to be granted to each beneficiary of it in relation to the degree of achievement of the targets. In accordance with the provisions of the regulations governing the Plan, the grant of rights to each beneficiary occurred on 3 July 2020.

As a result of the above, the Board of Directors, on the proposal of the Remuneration Committee and having heard the opinion of the Board of Statutory Auditors, resolved to assign to the Chief Executive Officer a total number of 1,111,583 ordinary Fincantieri shares, gross of withholding taxes.

⁷ It should be noted that the total of EUR 967,013.70 does not include the fees for other positions held by Mr. Bono in subsidiaries and affiliates, as they are paid directly in favour of Fincantieri

- Benefits in kind: the use of a company car for mixed use and related fuel, supplementary health care, insurance coverage and other minor benefits, for a total value of EUR 2,126.76, calculated on a taxable basis.
- Accommodation: during his stay in Trieste, as an alternative to the hotel, Bono has the availability of accommodation, according to economic criteria.

No treatment is provided in the event of termination of office.

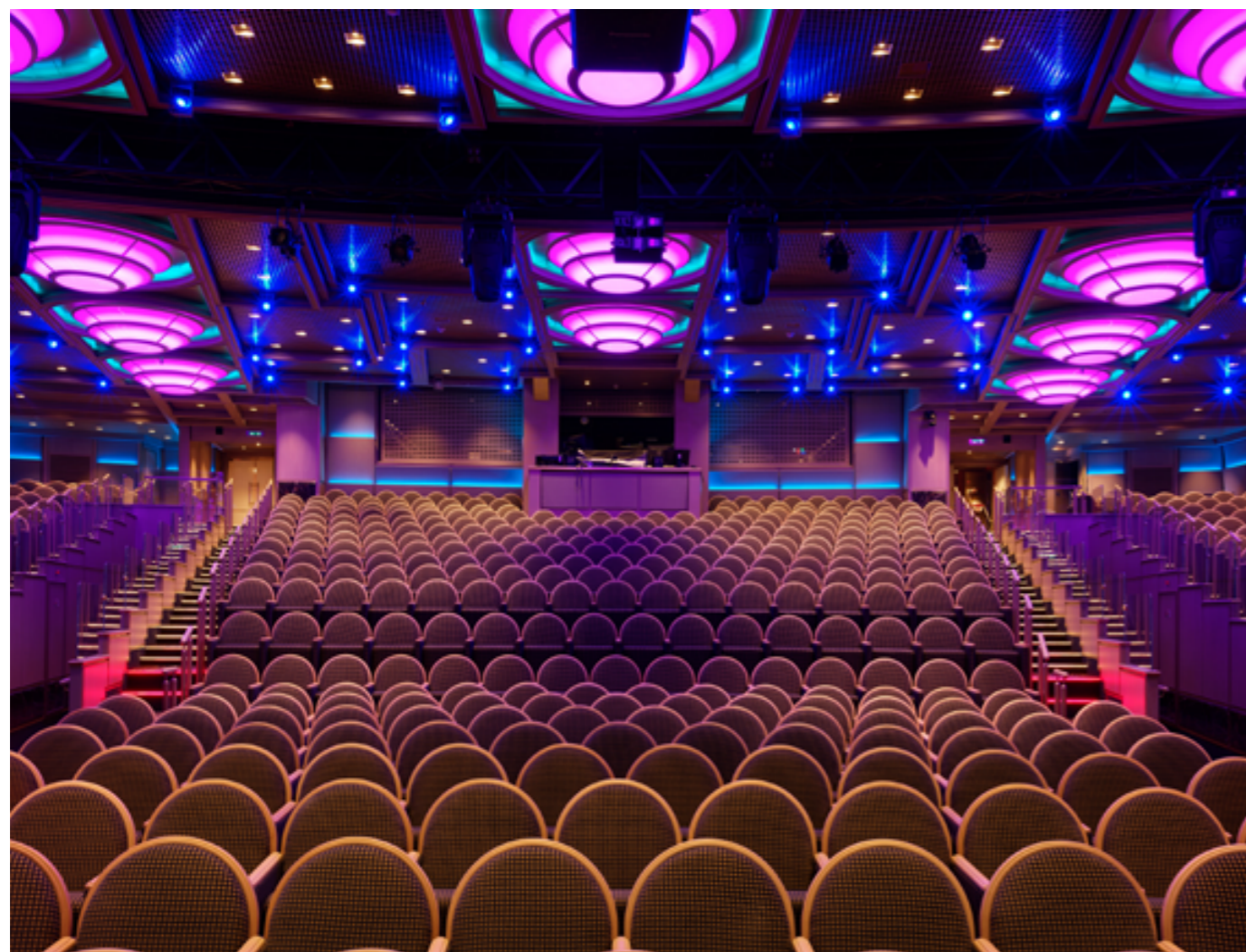
1.3 Other members of the Board of Directors

The Board of Directors, appointed by the Shareholder's Meeting of Shareholders on 5 April 2019 for the three-year period 2019-2021, was in office for the full year 2020.

In addition to the Directors Ambassador Giampiero Massolo and Giuseppe Bono, the following Directors:

- Barbara Alemanni (independent), Massimiliano Cesare (independent), Luca Errico (independent), Paola Muratorio (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 Internal Committees, their members and determined their respective remuneration.



Specifically, throughout financial year 2020, these Internal Committees are composed as follows:

- Audit and Risk Management Committee, consisting of: Massimiliano Cesare (Chairman), Barbara Alemanni, Federica Seganti and Federica Santini. This Committee also serves as the Committee for Transactions with Related Parties and, if this Committee analyses Highly Significant Transactions, Santini is replaced by Paola Muratorio;
- Remuneration Committee, consisting of: Paola Muratorio (Chairman), Barbara Alemanni, Elisabetta Oliveri and Fabrizio Palermo;
- Appointments Committee, consisting of: Federica Seganti (Chairman), Massimiliano Cesare, Luca Errico and Fabrizio Palermo;
- Sustainability Committee, consisting of: Elisabetta Oliveri (Chairman), Luca Errico, Paola Muratorio and Federica Santini.

On 5 April 2019, the Shareholder's Meeting approved remuneration for all Directors of EUR 50,000 on annual basis. In financial year 2019-2020, the remuneration of the members of the Board of Directors remained unchanged, while the average remuneration related to employees increased from EUR 40,200 in financial year 2019 to EUR 40,870 in financial year 2020.

Compared to the same period, revenues and income stood at EUR 5.8 billion in FY 2019 and EUR 5.9 billion in FY 2020, while the total workload increased from EUR 32.7 billion in FY 2019 to EUR 35.7 billion in FY 2020.

The approved remuneration for the above members of the Board of Directors, for the year 2020, consists only of a fixed portion that will be paid during the year 2021.

Specifically:

- With reference to Director Barbara Alemanni, the remuneration for the year 2020 is EUR 100,000, of which:
 - EUR 50,000 by way of remuneration, on annual basis, resolved by the Shareholder's Meeting of 5 April 2019, for the position of member of the Board of Directors;
 - EUR 25,000 as remuneration, on annual basis, for the office of member of the Internal Control and Risk Management Committee;
 - EUR 25,000 as remuneration, on annual basis, for the office of member of the Remuneration Committee.
- With reference to the Director Massimiliano Cesare, the remuneration for the year 2020 is equal to EUR 110,000, of which:
 - EUR 50,000 by way of remuneration, on annual basis, resolved by the Shareholder's Meeting of 5 April 2019, for the position of member of the Board of Directors;
 - EUR 35,000 as remuneration, on annual basis, for the office of Chairman of the Internal Control and Risk Management Committee;
 - EUR 25,000 as remuneration, on annual basis, for the office of member of the Appointments Committee.
- With reference to the Director Luca Errico, the remuneration for the year 2020 is equal to EUR 100,000, of which:
 - EUR 50,000 by way of remuneration, on annual basis, resolved by the Shareholder's Meeting of 5 April 2019, for the position of member of the Board of Directors;
 - EUR 25,000 as remuneration, on annual basis, for the office of member of the Appointments Committee;
 - EUR 25,000 as remuneration, on annual basis, for the office of member of the Sustainability Committee.
- With reference to Director Paola Muratorio, the remuneration for the year 2020 is EUR 110,000, of which:
 - EUR 50,000 by way of remuneration, on annual basis, resolved by the Shareholder's Meeting of 5 April 2019, for the position of member of the Board of Directors;
 - EUR 35,000 as remuneration, on annual basis, for the office of Chairman of the Remuneration Committee;
 - EUR 25,000 as remuneration, on annual basis, for the office of member of the Sustainability Committee.
- With reference to the Director Elisabetta Oliveri, the remuneration for the year 2020 is equal to EUR 110,000, of which:

- EUR 50,000 by way of remuneration, on annual basis, resolved by the Shareholder's Meeting of 5 April 2019, for the position of member of the Board of Directors;
- EUR 35,000 as remuneration, on annual basis, for the office of Chairman of the Sustainability Committee.
- EUR 25,000 as remuneration, on annual basis, for the office of member of the Remuneration Committee;
- With reference to the Director Fabrizio Palermo, the remuneration for the year 2020 is EUR 100,000, of which:
 - EUR 50,000 by way of remuneration, on annual basis, resolved by the Shareholder's Meeting of 5 April 2019, for the position of member of the Board of Directors;
 - EUR 25,000 as remuneration, on annual basis, for the office of member of the Remuneration Committee;
 - EUR 25,000 as remuneration, on annual basis, for the office of member of the Appointments Committee.
- With reference to Director Federica Santini, the remuneration for the year 2020 is 100,000 EUR, of which:
 - EUR 50,000 by way of remuneration, on annual basis, resolved by the Shareholder's Meeting of 5 April 2019, for the position of member of the Board of Directors;
 - EUR 25,000 as remuneration, on annual basis, for the office of member of the Internal Control and Risk Management Committee;
 - EUR 25,000 as remuneration, on annual basis, for the office of member of the Sustainability Committee.
- With reference to Director Federica Seganti, the remuneration for the year 2020 is EUR 110,000, of which:
 - EUR 50,000 by way of remuneration, on annual basis, resolved by the Shareholder's Meeting of 5 April 2019, for the position of member of the Board of Directors;
 - EUR 25,000 as remuneration, on annual basis, for the office of member of the Internal Control and Risk Management Committee;
 - EUR 35,000 as remuneration, on annual basis, for the office of Chairman of the Appointments Committee.

There is no remuneration in the event of termination of office.

1.4 Members of the Board of Directors' Internal Committees

On 18 April 2019, the Board of Directors approved additional remuneration for the members of the Internal Committees in the amount of EUR 35,000 for the Chairman and EUR 25,000 for the other regular members. The 2020 remuneration for committee chairs and members was explained in the previous section.

2. Board of Statutory Auditors

The Board of Statutory Auditors, appointed by the Shareholder's Meeting of 19 May 2017, was composed of the Full Members Gianluca Ferrero (Chairman), Fioranna Vittoria Negri and Roberto Spada. The remuneration approved for the members of the Board of Statutory Auditors by the Shareholder's Meeting held on 19 May 2017 is as follows:

- EUR 37,000, on annual basis, for the Chairman; and
- EUR 26,000, on annual basis, for each of the Full Members.

These financial year 2019 amounts were disbursed in financial year 2020; financial year 2020 amounts will be disbursed in financial year 2021.

For the period from 1 January to 9 June 2020, Fioranna Vittoria Negri and Roberto Spada served as members of the Board of Statutory Auditors. Gianluca Ferrero served as Chairman for the entire financial year 2020 (1 January - 31 December 2020).

The approved remuneration for these members consists solely of a fixed portion to be paid during the financial year 2021.

Specifically:

- with reference to Board of Statutory Auditors Member Fioranna Vittoria Negri, the remuneration for the year 2020, pro rata temporis (1 January - 9 June 2020), is equal to EUR 11,437.16;
- with reference to Board of Statutory Auditors Member Roberto Spada, the remuneration for the year 2020, pro rata temporis (1 January - 9 June 2020), is equal to EUR 11,437.16;

On 9 June 2020, the Shareholder's Meeting appointed the new members of the Board of Statutory Auditors for the three-year period 2020-2022, which consists of the Full Members Gianluca Ferrero (Chairman), Rossella Tosini and Pasquale De Falco.

The remuneration approved for the members for the Board of Statutory Auditors by the Shareholders' Meeting of 9 June 2020 is as follows:

- EUR 37,000, on annual basis, for the Chairman; and
- EUR 26,000, on annual basis, for each of the Full Members.

Specifically:

- with reference to Rossella Tosini, the remuneration, pro rata temporis (10 June - 31 December 2020), it is EUR 14,562.84;
- with reference to Pasquale De Falco, the remuneration, pro rata temporis (10 June - 31 December 2020), it is EUR 14,562.84.

With regard to Gianluca Ferrero (Chairman) who held office through the year 2020, the remuneration for the year 2020, on annual basis, is EUR 37,000.

3. General Management Department

The position of General Manager of the Company was held until July 29, 2020 by Alberto Maestrini and, as of 30 July 2020, by Fabio Gallia.

The remuneration of Alberto Maestrini is composed as follows:

- Fixed component: the amount of EUR 235,687.22, for the period 1 January - 29 July 2020, was paid in 2020.
- Short-term variable component:
 - 2019 MBO Plan: an amount, relating to the 2019 financial year, of EUR 217,298.85 was disbursed (corresponding to 59.25% of the annual fixed component for the reference year). The review of the achievement of the 2019 Plan targets was carried out by the Chief Executive Officer, based on the financial year 2019 annual accounts and specific reports. The payment of the incentive was subject to exceeding an access threshold linked to the achievement of the strategic target, determined by the Board of Directors, identified in the achievement of the target related to the EBITDA Margin, i.e. the ratio between EBITDA and Group Revenues in the reference year (year 2019), not lower than 80% of what was forecast in the 2019 Budget. Failure to meet this threshold would have resulted in the cancellation of the entire incentive.



- Medium/long-term variable component:
 - LTI Plan 2016-2018: the performance period of the 2nd cycle (2017-2019) of this Plan ended on 31 December 2019. The Board of Directors, having consulted with the Remuneration Committee, to the extent of its competence, and on the proposal of the Chief Executive Officer, summarised the business results and other targets of the 2nd cycle of the 2016-2018 LTI Plan and determined the number of shares to be granted to each beneficiary of it in relation to the degree of achievement of the targets. In accordance with the provisions of the Plan Regulations, the grant of rights to each beneficiary occurred on 3 July 2020. Following the above, the Board of Directors, on the proposal of the Remuneration Committee and having heard the opinion of the Board of Statutory Auditors, resolved to assign the General Manager a total of 267,720 ordinary Fincantieri shares, gross of withholdings by law.
 - Benefits in kind: the use of the company car for mixed use and related fuel, supplementary health care, insurance coverage and other minor benefits, for a total value of EUR 21,494.30, pro rata temporis, (1 January - 29 July 2020) calculated on a taxable basis.

Fabio Gallia's⁸ remuneration, for the period July 30 through 31 December 2020, consists of the following:

- Fixed component: the amount of EUR 222,436.00, referring to the above period, was paid in 2020.
 - 2020 MBO Plan: the accrued incentive will be paid during 2021 once the related process has been completed and, in particular, after the Shareholder's Meeting called to approve the 2020 annual accounts. The amount of MBO to be paid is EUR 130,000.
- Benefits in kind: the use of the company car for mixed use and related fuel, supplementary health care, insurance coverage and other minor benefits, for a total value of EUR 9,868.92, pro rata temporis (30 July - 31 December 2020), calculated on a taxable basis.

4. Key Executives/Executives with Strategic Responsibilities

During 2020, managerial changes, in terms of hires/terminations and entrants/exits from the role for the year in question, resulted in the total presence, during the year or part of the year, of 23 Key Executives, including 9 Executives with Strategic Responsibilities.

The remuneration of Key Executives is shown at an aggregate level and, within this aggregate, the remuneration of Executives with Strategic Responsibilities is specified, again in aggregate terms, as none of the Executives with Strategic Responsibilities received total remuneration in excess of the highest total remuneration received by the members of the Board of Directors, the Board of Statutory Auditors and the General Manager.

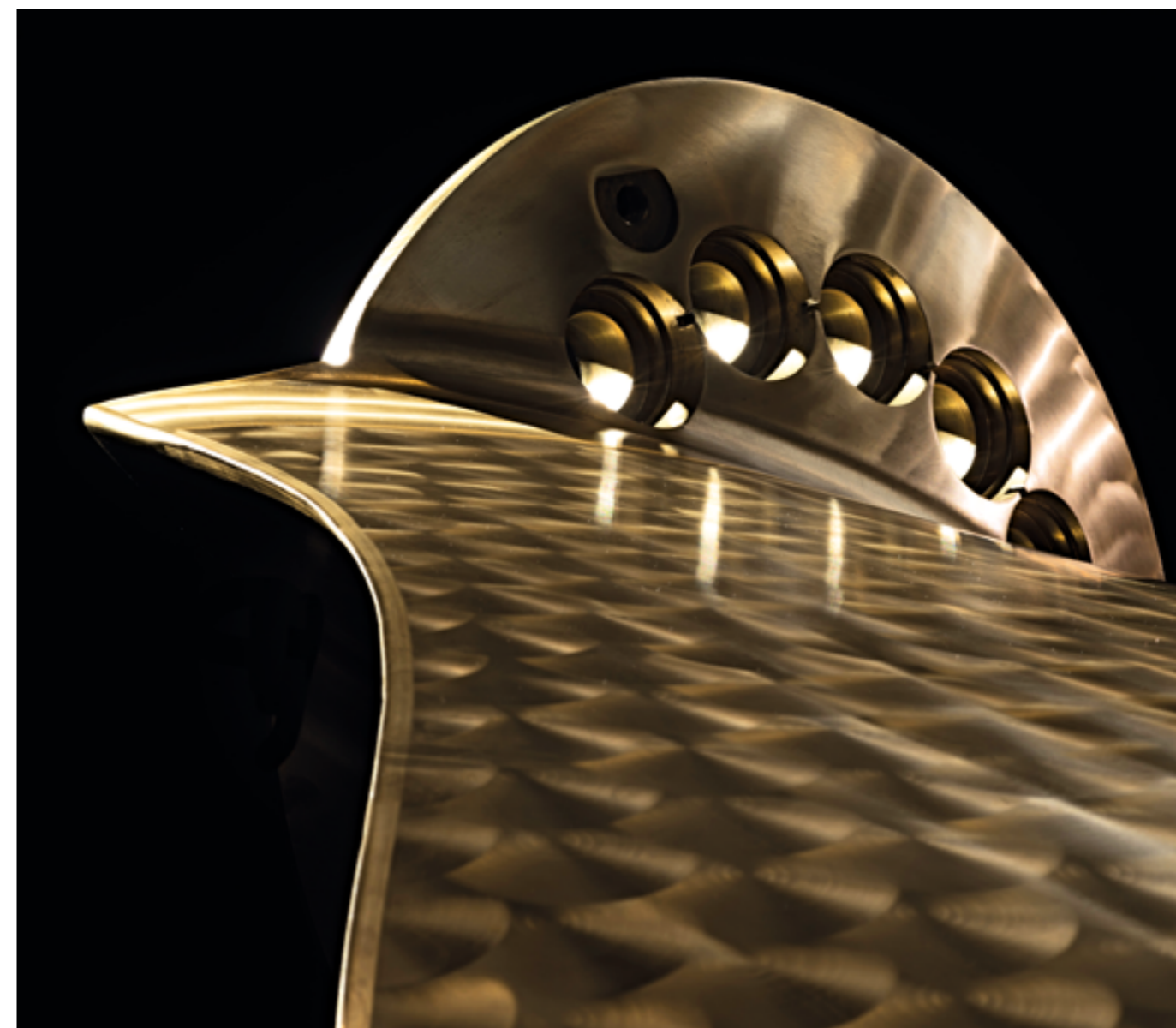
The following is an aggregate description of each of the items comprising the remuneration of Key Executives, with details for Executives with Strategic Responsibilities, during financial year 2020:

- Fixed component: EUR 5,259,506.42 as gross annual remuneration, of which EUR 2,221,846.48 for Executives with Strategic Responsibilities; these amounts were paid in 2020.
- Short-term variable component:
 - 2019 MBO Plan: a total amount of EUR 1,738,380.80 was disbursed, corresponding to a percentage between 35%, in the case of on-target performance, and 59.25% in the case of over performance (of which EUR 673,925.38 related to Executives with Strategic Responsibilities), relating to the 2019 financial year. Verification of the achievement of the targets under the 2019 MBO Plan was carried out by the Chief Executive Officer, based on the financial year 2019 annual accounts and specific reports. The payment of the incentive was subject to exceeding an access threshold linked to the achievement of the strategic

target, determined by the Board of Directors, identified in the achievement of the target related to the EBITDA Margin, i.e. the ratio between EBITDA and Group Revenues in the reference year (year 2019), not less than 80% of what was forecast in the 2019 Budget. Failure to meet this threshold would have resulted in the cancellation of the entire incentive.

- 2020 MBO Plan: any incentive accrued will be paid during 2021, once the process of calculating the assigned targets has been completed, following the Shareholder's Meeting convened to approve the 2020 annual accounts. Assuming full achievement of all targets, the maximum amount of MBO payable in 2021 is EUR 1,950,717.05, of which EUR 972,677.85 relates to Executives with Strategic Responsibilities.

- Medium/long-term variable component:
 - LTI Plan 2016-2018: the performance period of the 2nd cycle (2017-2019) of this Plan ended on 31 December 2019. The Board of Directors, having consulted with the Remuneration Committee, to the extent of its competence, and on the proposal of the Chief Executive Officer, summarised the business results and other targets of the 2nd cycle of the 2016-2018 LTI Plan and determined the number of shares to be allocated to each beneficiary of it in relation to the degree of achievement of the targets and the



⁸ As Gallia assumed the role of General Manager during 2020, a comparison of his remuneration with the average remuneration of employees, and a comparison of the Company's performance (Revenues and income and overall workload) may be provided when the next Policy Report is prepared.

percentage of incentive allocated to each. In accordance with the provisions of the Plan Regulations, the grant of rights to each beneficiary occurred on 3 July 2020. Following the above, the Board of Directors, on the proposal of the Remuneration Committee and having heard the opinion of the Board of Statutory Auditors, resolved to assign a total number of 1,136,306 ordinary Fincantieri shares, gross of withholding by law, of which 403,207 related to Executives with Strategic Responsibilities.

- 2019-2021 LTI Plan: on May 11, 2018, the Shareholder's Meeting approved the 2019-2021 LTI Plan on the proposal of the Board of Directors; with reference to the second cycle (2020-2022) of the above Plan, the Board of Directors, on the proposal of the Remuneration Committee, having heard the opinion of the Board of Statutory Auditors, on 30 July 2020, provided for the free assignment of no. 5,247,540 rights to receive ordinary Fincantieri shares (of which 2,838,027) for Executives with Strategic Responsibilities, in the event of achievement of all the on-target objectives and subject to the occurrence of the conditions set out in the Plan Regulations. In the event of over performance, this number of rights may be increased by up to 50%. The eventual allocation of the first cycle will take place in 2023.

- Extraordinary remuneration:

- In line with the provisions of paragraph 2.3.2 Section I of this document - which provides for the possibility for the Company to recognise, on an exceptional and extraordinary basis, 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 benefits during the recruitment phase or during the employment relationship - in 2020 an amount of EUR 210,000 was paid as an entry bonus to Executives with Strategic Responsibilities, in order to make the recruitment offer more attractive and appealing.

- Benefits in kind:

- these include a company car for mixed use and the relative fuel, in some cases the use of accommodation for long stays and in any case limited in time, insurance, social security and pension coverage, and additional and more favourable benefits in addition to those provided for by the national collective employment agreement for the category applied, for a total value, according to a taxability criterion, of EUR 488,369.13 (of which EUR 198,683.71 for Executives with Strategic Responsibilities).

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

A specific agreement is in place with the current General Manager and three Executives with Strategic Responsibilities which provides for an indemnity in the event of early termination of the relationship, corresponding to 36 gross monthly salaries, including thirteenth month's salary, in the event of dismissal other than for just cause, resignation for just cause or consensual termination of the relationship.



Second Part

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 2020 financial year

The amounts shown in this table and in the related notes follow both the accrual and cash flow principles, in accordance with current regulations.

FIRST NAME AND SURNAME	POSITION ¹	PERIOD FOR WHICH THE POSITION HAS BEEN HELD	END OF TERM	VARIABLE REMUNERATION NON EQUITY										
				FIXED REMUNERATION	REMUNERATION FOR PARTICIPATION IN COMMITTEES	BONUSES AND OTHER INCENTIVES	PROFIT SHARING	BENEFITS IN KIND	OTHER REMUNERATION	TOTAL	FAIR VALUE REMUNERATION ²	SEVERANCE/ PENSION BENEFITS		
Giampiero Massolo	Chairman of the Board of Directors	01.01.2020 31.12.2020	Meeting to approve 2021 Financial Statements	Remuneration from Fincantieri	310,000.00 ³	-	120,000.00 ⁴	-	2,099.76	-	432,099.76	-	-	-
				Remuneration from subsidiaries and affiliates	-	-	-	-	-	-	-	-		
				Total	310,000.00	-	120,000.00	-	2,099.76	-	432,099.76	-	-	
Giuseppe Bono	CEO	01.01.2020 31.12.2020	Meeting to approve 2021 Financial Statements	Remuneration from Fincantieri	973,000.00 ⁵	-	632,450.00 ⁴	-	2,126.76	-	1,607,576.76	1,100,259	-	-
				Remuneration from subsidiaries and affiliates	- ⁷	-	-	-	-	-	-	-		
				Total	973,000.00	-	632,450.00	-	2,126.76	-	1,607,576.76	1,100,259	-	
Massimiliano Cesare	Director/Chairman of the ICRMC/Member of the AC	01.01.2020 31.12.2020	Meeting to approve 2021 Financial Statements	Remuneration from Fincantieri	50,000.00 ⁸	60,000.00 ⁹	-	-	-	-	110,000.00	-	-	
				Remuneration from subsidiaries and affiliates	-	-	-	-	-	-	-	-		
				Total	50,000.00	60,000.00	-	-	-	110,000.00	-	-		
Paola Muratorio	Director/Chairman of the RC/Member of the SC	01.01.2020 31.12.2020	Meeting to approve 2021 Financial Statements	Remuneration from Fincantieri	50,000.00 ⁸	60,000.00 ¹⁰	-	-	-	-	110,000.00	-	-	
				Remuneration from subsidiaries and affiliates	-	-	-	-	-	-	-	-		
				Total	50,000.00	60,000.00	-	-	-	110,000.00	-	-		
Fabrizio Palermo	Director/Member of the RC/Member of the AC	01.01.2020 31.12.2020	Meeting to approve 2021 Financial Statements	Remuneration from Fincantieri	50,000.00 ⁸	50,000.00 ¹¹	-	-	-	-	100,000.00	-	-	
				Remuneration from subsidiaries and affiliates	-	-	-	-	-	-	-	-		
				Total	50,000.00	50,000.00	-	-	-	100,000.00	-	-		
Barbara Alemanni	Director/Member of the ICRMC/Member of the RC	01.01.2020 31.12.2020	Meeting to approve 2021 Financial Statements	Remuneration from Fincantieri	50,000.00 ⁸	50,000.00 ¹²	-	-	-	-	100,000.00	-	-	
				Remuneration from subsidiaries and affiliates	-	-	-	-	-	-	-	-		
				Total	50,000.00	50,000.00	-	-	-	100,000.00	-	-		
Luca Errico	Director/Member of the AC/Member of the SC	01.01.2020 31.12.2020	Meeting to approve 2021 Financial Statements	Remuneration from Fincantieri	50,000.00 ⁸	50,000.00 ¹³	-	-	-	-	100,000.00	-	-	
				Remuneration from subsidiaries and affiliates	-	-	-	-	-	-	-	-		
				Total	50,000.00	50,000.00	-	-	-	100,000.00	-	-		
Elisabetta Oliveri	Director/Member of the RC/Chairman of the SC	01.01.2020 31.12.2020	Meeting to approve 2021 Financial Statements	Remuneration from Fincantieri	50,000.00 ⁸	60,000.00 ¹⁴	-	-	-	-	110,000.00	-	-	
				Remuneration from subsidiaries and affiliates	-	-	-	-	-	-	-	-		
				Total	50,000.00	60,000.00	-	-	-	110,000.00	-	-		
Federica Santini	Director/Member of the SC/Member of the ICRMC	01.01.2020 31.12.2020	Meeting to approve 2021 Financial Statements	Remuneration from Fincantieri	50,000.00 ⁸	50,000.00 ¹⁵	-	-	-	-	100,000.00	-	-	
				Remuneration from subsidiaries and affiliates	-	-	-	-	-	-	-	-		
				Total	50,000.00	50,000.00	-	-	-	100,000.00	-	-		
Federica Seganti	Director/Member of the ICRMC/Chairman of the AC	01.01.2020 31.12.2020	Meeting to approve 2021 Financial Statements	Remuneration from Fincantieri	50,000.00 ⁸	60,000.00 ¹⁶	-	-	-	-	110,000.00	-	-	
				Remuneration from subsidiaries and affiliates	-	-	-	-	-	-	-	-		
				Total	50,000.00	60,000.00	-	-	-	110,000.00	-	-		

FIRST NAME AND SURNAME	POSITION ¹	PERIOD FOR WHICH THE POSITION HAS BEEN HELD	END OF TERM	VARIABLE REMUNERATION NON EQUITY										
				FIXED REMUNERATION	REMUNERATION FOR PARTICIPATION IN COMMITTEES	BONUSES AND OTHER INCENTIVES	PROFIT SHARING	BENEFITS IN KIND	OTHER REMUNERATION	TOTAL	FAIR VALUE REMUNERATION ²	SEVERANCE/ PENSION BENEFITS		
Alberto Maestrini	General Manager	01.01.2020 29.07.2020	-	Remuneration from Fincantieri	235,687.22 ¹⁷	-	- ¹⁸	-	21,494.30	-	257,181.52	130,465	-	-
				Remuneration from subsidiaries and affiliates	-	-	-	-	-	-	-	-		
				Total	235,687.22	-	-	-	21,494.30	-	257,181.52	130,465	-	
Fabio Gallia	General Manager	30.07.2020 31.12.2020	-	Remuneration from Fincantieri	222,436.00 ¹⁹	-	130,000.00 ²⁰	-	9,868.92	-	362,304.92	-	-	
				Remuneration from subsidiaries and affiliates	-	-	-	-	-	-	-	-		
				Total	222,436.00	-	130,000.00	-	9,868.92	-	362,304.92	-	-	
Gianluca Ferrero	Chairman of the Board of Statutory Auditors	01.01.2020 31.12.2020	Meeting to approve 2021 Financial Statements	Remuneration from Fincantieri	37,000.00 ²¹	-	-	-	-	-	37,000.00	-	-	
				Remuneration from subsidiaries and affiliates	-	-	-	-	-	-	-	-		
				Total	37,000.00	-	-	-	-	-	37,000.00	-	-	
Fioranna Vittoria Negri	Full Member of the Board of Statutory Auditors	01.01.2020 09.06.2020	Meeting to approve 2021 Financial Statements	Remuneration from Fincantieri	11,437.16 ²²	-	-	-	-	-	11,437.16	-	-	
				Remuneration from subsidiaries and affiliates	-	-	-	-	-	-	-	-		
				Total	11,437.16	-	-	-	-	-	11,437.16	-	-	
Roberto Spada	Full Member of the Board of Statutory Auditors	01.01.2020 09.06.2020	Meeting to approve 2021 Financial Statements	Remuneration from Fincantieri	11,437.16 ²²	-	-	-	-	-	11,437.16	-	-	
				Remuneration from subsidiaries and affiliates	-	-	-	-	-	-	-	-		
				Total	11,437.16	-	-	-	-	-	11,437.16	-	-	
Rossella Tosini	Full Member of the Board of Statutory Auditors	10.06.2020 31.12.2020	Meeting to approve 2022 Financial Statements	Remuneration from Fincantieri	14,562.84 ²³	-	-	-	-	-	14,562.84	-	-	
				Remuneration from subsidiaries and affiliates	-	-	-	-	-	-	-	-		
				Total	14,562.84	-	-	-	-	-	14,562.84	-	-	
Pasquale De Falco	Full Member of the Board of Statutory Auditors	10.06.2020 31.12.2020	Meeting to approve 2022 Financial Statements	Remuneration from Fincantieri	14,562.84 ²³	-	-	-	-	-	14,562.84	-	-	
				Remuneration from subsidiaries and affiliates	-	-	-	-	-	-	-	-		
				Total	14,562.84	-	-	-	-	-	14,562.84	-	-	
Key Executives		01.01.2020 31.12.2020		Remuneration from Fincantieri	5,259,506.42 ²⁴	-	1,950,717.05 ²⁵	-	488,369.13 ²⁶	210,000.00 ²⁷	7,908,592.60	2,528,368 ²⁸	-	
				Remuneration from subsidiaries and affiliates	-	-	-	-	-	-	-	-		
				Total	5,259,506.42	-	1,950,717.05	-	488,369.13	210,000.00	7,908,592.60	2,528,368	-	

¹ The following abbreviations have been adopted in the body of the Tables above in relation to the company organs and positions held in Fincantieri: CEO (means the Chief Executive Officer); BoD (means the Board of Directors); ICRMC (means the Internal Control and Risk Management Committee); AC (means the Appointments Committee); RC (means the Remuneration Committee); SC (means the Sustainability Committee); BoSA (means the Board of Statutory Auditors); GM (means the General Manager); KE (means the Key Executives); ESR (means the Executives with Strategic Responsibilities).
² It should be noted that the amounts shown result from the sum of the Fair Values of the relevant years within the three-year duration of the third cycle (2018-2020) of the 2016-2018 LTI Plan and the first cycle (2019-2021) and the second cycle (2020-2022) of the 2019-2021 LTI Plan.
³ The President's fixed remuneration will consist of: (i) EUR 30,000, as remuneration for the office of Chairman of the Board of Directors, approved by the Shareholder's Meeting of 5 April 2019, under Article 2389, paragraph 1 of the Civil Code, relating to the 2020 financial year, on an annual basis; this amount will be disbursed in 2021; (ii) EUR 260,000, by way of remuneration, accrued in the 2020 financial year, resolved by the Board of Directors on 20 July 2016, under Article 2389, paragraph 3 of the Civil Code, as subsequently confirmed on 30 July 2020, on the proposal of the RC, and after hearing the opinion of the SC, by virtue of the extent and nature of the specific powers conferred; this amount was disbursed in 2020. In addition, it should be noted that the following emoluments were paid during 2020: (i) EUR 10,410.9%, as remuneration, pro rata temporis, (1 January - 5 April 2019), for the office of Chairman of the Board of Directors, resolved by the Shareholder's Meeting of 19 May 2016, under Article 2389, paragraph 1 of the Civil Code, (ii) EUR 36,986.30, as remuneration, pro rata temporis, resolved by the Shareholder's Meeting of 5 April 2019 (6 April - 31 December 2019), for the office of Chairman of the Board of Directors, under Article 2389, paragraph 1 of the Civil Code.
⁴ The amount refers to the 2020 MBO Plan and amounts to EUR 100,000 per target, with an adjustment up to a maximum of EUR 120,000, in the event of over-performance, as indicated in the Table; the amount will eventually be recognised during 2021, subject to verification of the achievement of the performance targets assigned. In addition, with reference to the 2019 MBO Plan, on 11 June 2020, the Board of Directors, on the proposal of the RC, ascertained the full achievement of the specific conditions of over performance, consequently determining the payment of the amount of EUR 120,000, which was paid in 2020.
⁵ The CEO's fixed remuneration will consist of: (i) EUR 50,000, as remuneration for the office of Chairman of the Board of Directors, approved by the Shareholder's Meeting of 5 April 2019, under Article 2389, paragraph 1 of the Civil Code, relating to the 2020 financial year, on an annual basis; this amount will be disbursed in 2021; (ii) EUR 923,000, by way of remuneration, accrued in the 2020 financial year, resolved by the Board of Directors on 20 July 2016, under Article 2389, paragraph 3 of the Civil Code, as subsequently confirmed on 30 July 2020, on the proposal of the RC, and after hearing the opinion of the SC, by virtue of the extent and nature of the specific powers conferred; this amount was disbursed in 2020. In addition, it should be noted that the following emoluments were paid during 2020: (i) EUR 7,027.40, as remuneration, pro rata temporis (1 January - 5 April 2019), for the office of member of the Board of Directors, resolved by the Shareholder's Meeting of 19 May 2016, under Article 2389, paragraph 1 of the Civil Code, (ii) EUR 36,986.30, as remuneration, pro rata temporis, resolved by the Shareholder's Meeting of 5 April 2019 (6 April - 31 December 2019), for the office of member of the Board of Directors, under Article 2389, paragraph 1 of the Civil Code. Finally, it should be noted that the total of EUR 973,000 does not include remuneration for other positions held by Bono in subsidiaries and affiliates, as these were paid directly to Fincantieri.
⁶ With reference to the BoD of 20 July 2016, as subsequently confirmed on 30 July 2020, on the proposal of the RC, the short-term variable member of the for the year 2020, is equal to EUR 583,800, on achievement of the target, with adjustment up to a maximum of EUR 632,450 in the event of over performance, as per the Table; the disbursement of this amount will possibly take place during the financial year 2021, subject to verification of the achievement of the performance targets assigned. In addition, the BoD, with reference to the 2019 MBO Plan, on 11 June 2020, on the proposal of the RC, ascertained the full achievement of the specific conditions of over performance, consequently determining the payment of the amount of EUR 632,450 which was paid in 2020.
⁷ It should be noted that remuneration relating to positions held in subsidiaries and affiliates during 2020 is not included in the remuneration received by Mr. Bono, as it was paid directly to Fincantieri (see Note 5).
⁸ This amount, on an annual basis, approved by the Shareholder's Meeting on 5 April 2019, relating to the 2020 financial year, will be paid during the 2021 financial year.
⁹ This amount, related to financial year 2020, consists of: (i) EUR 35,000, on an annual basis, as remuneration for serving as Chairman of the ICRMC and (ii) EUR 15,000, on an annual basis, as remuneration for serving as a member of the AC. These amounts will be disbursed during financial year 2021.
¹⁰ This amount, related to financial year 2020, consists of: (i) EUR 35,000, on an annual basis, as remuneration for the office of Chairman of the RC and (ii) EUR 25,000, on an annual basis, as remuneration for the office of member of the CSOST. These amounts will be disbursed during financial year 2021.
¹¹ This amount, related to financial year 2020, consists of: (i) EUR 25,000, on an annual basis, as remuneration for serving as a member of the AC and (ii) EUR 25,000, on an annual basis, as remuneration for serving as a member of the RC. These amounts will be disbursed during financial year 2021.
¹² This amount, related to financial year 2020, consists of: (i) EUR 25,000, on an annual basis, as remuneration for the office of member of the ICRMC and (ii) EUR 25,000, on an annual basis, as remuneration for the office of member of the RC. These amounts will be disbursed during financial year 2021.
¹³ This amount, related to financial year 2020, consists of: (i) EUR 25,000, on an annual basis, as remuneration for the office of member of the AC and (ii) EUR 25,000, on an annual basis, as remuneration for the office of member of the CSOST. These amounts will be disbursed during financial year 2021.
¹⁴ This amount, related to financial year 2020, consists of: (i) EUR 25,000, on an annual basis, as remuneration for the office of member of the RC and (ii) EUR 35,000, on an annual basis, as remuneration for the office of Chairman of the CSOST. These amounts will be disbursed during financial year 2021.
¹⁵ This amount, related to financial year 2020, consists of: (i) EUR 25,000, on an annual basis, as remuneration for membership of the ICRMC and (ii) EUR 25,000, on an annual basis, as remuneration for membership of the CSOST. These amounts will be disbursed during financial year 2021.
¹⁶ This amount, related to financial year 2020, consists of: (i) EUR 25,000, on an annual basis, as remuneration for serving as a member of the ICRMC and (ii) EUR 35,000, on an annual basis, as remuneration for serving as Chairman of the AC. These amounts will be disbursed during financial year 2021.
¹⁷ The amount of the fixed component, referring to the period 1 January - 29 July 2020, was paid in the same year.
¹⁸ The review of the achievement of the 2019 Plan targets was carried out by the Chief Executive Officer, based on the 2019 budget and specific reports.
¹⁹ The amount of the fixed component, referring to the period 30 July - 31 December 2020, was paid in the same year.
²⁰ The amount relates to the 2020 MBO Plan and is equal to EUR 300,000 and will be recognised during 2021.
²¹ It should be noted that the remuneration of the Statutory Auditors was approved by the Shareholder's Meeting on 19 May 2017.
²² This remuneration relates to the period from 1 January to 9 June 2020.
²³ This remuneration relates to the period from 10 June to 31 December 2020.
²⁴ Of which EUR 2,221,846.48 for Executives with Strategic Responsibilities. It should be noted that the amount indicated does not include the remuneration received by Key Executives for positions held on the company organs of subsidiaries, since, in line with Group policy, such remuneration is paid to Fincantieri.
²⁵ The amount relates to the 2020 MBO Plan and will possibly be recognised during 2021, subject to verification of the achievement of the performance targets assigned. Of this amount, EUR 972,677.85 relates to Executives with Strategic Responsibilities. In addition, during 2020, the total amount of EUR 1,738,380.80 (of which EUR 93,925.38 related to Executives with Strategic Responsibilities) referred to the 2019 MBO Plan was disbursed. The review of the achievement of the 2019 plan targets was carried out by the Chief Executive Officer, based on the 2019 budget and specific reports.
²⁶ Of which EUR 198,683.71 for Executives with Strategic Responsibilities.
²⁷ This amount was disbursed in the 2020 financial year in the context of Executives with Strategic Responsibilities, in line with the provisions of Section I, par. 2.3.2 of this document, as an entry bonus.
²⁸ Of which 1,206.99% 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 shown in this Table reflect the maximum amount payable; their possible disbursement during the 2021 financial year and its amount are subject to the assessment of the achievement of the underlying targets by the relevant company organs.

FIRST NAME AND SURNAME	POSITION	PLAN	BONUS FOR THE YEAR		BONUS FROM PREVIOUS YEARS		OTHER BONUSES		
			AMOUNT FOR DISBURSEMENT/ DISBURSED	DEFERRED	PERIOD OF REFERENCE	NO LONGER PAYABLE	AMOUNT FOR DISBURSEMENT/ DISBURSED	DEFERRED AGAIN	
Giampiero Massolo	Chairman of the Board of Directors	Remuneration from Fincantieri	MBO 2020	120,000.00 ²⁹	-	-	-	-	-
		Remuneration from subsidiaries and affiliates	-	-	-	-	-	-	-
		Total	-	120,000.00	-	-	-	-	-
Giuseppe Bono	Chief Executive Officer	Remuneration from Fincantieri	MBO 2020	632,450.00 ³⁰	-	-	-	-	-
		Remuneration from subsidiaries and affiliates	-	-	-	-	-	-	-
		Total	-	632,450.00	-	-	-	-	-
Fabio Gallia	General Manager	Remuneration from Fincantieri	MBO 2020	130,000.00 ³¹	-	-	-	-	-
		Remuneration from subsidiaries and affiliates	-	-	-	-	-	-	-
		Total	-	130,000.00	-	-	-	-	-
Key Executives		Remuneration from Fincantieri	MBO 2020	1,950,717.05 ³²	-	-	-	-	-
		Remuneration from subsidiaries and affiliates	-	-	-	-	-	-	-
		Total	-	1,950,717.05	-	-	-	-	-

²⁹ The amount refers to the 2020 MBO Plan and is equal to EUR 100,000 per target, with an adjustment up to a maximum of EUR 120,000 in the event of over performance; the amount will eventually be recognised during 2021, subject to verification of the achievement of the performance targets assigned.

³⁰ The amount refers to the 2020 MBO Plan and is equal to EUR 583,800 per target, with an adjustment up to a maximum of EUR 632,450 in the event of over performance; the amount will eventually be recognised during 2021, subject to verification of the achievement of the performance targets assigned.

³¹ The amount refers to the 2020 MBO Plan and is equal to EUR 130,000; the amount will be recognised during 2021.

³² The amount relates to the 2020 MBO Plan and will possibly be recognised during 2021, subject to verification of the achievement of the performance targets assigned. Of this amount, EUR 972,677.85 relates 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 following table has been prepared in accordance with Article 84-*quater*, paragraph 4, of the Issuers' Regulations and Schedule no. 7-*ter* of Annex 3A of the Issuers' Regulations. This list shows, by name, the shareholdings held by members of the Board of Directors and Board of Statutory Auditors, by the General Manager and, in aggregate form, by Executives with Strategic Responsibilities in Fincantieri and its subsidiaries³³.

FIRST NAME AND SURNAME	POSITION	PERIOD FOR WHICH THE POSITION HAS BEEN HELD	SUBSIDIARY	NO. OF SHARES HELD AT THE END OF FINANCIAL YEAR 2019	NO. OF SHARES PURCHASED ³⁴	NO. OF SHARES SOLD	NUMBER OF SHARES HELD AT THE END OF FINANCIAL YEAR 2020
Giampiero Massolo	Chairman of the Board of Directors	01.01.2020 31.12.2020	-	-	-	-	-
Giuseppe Bono	Chief Executive Officer	01.01.2020 31.12.2020	Fincantieri	1,330,481	611,444	-	1,941,925
Massimiliano Cesare	Director	01.01.2020 31.12.2020	-	-	-	-	-
Paola Muratorio	Director	01.01.2020 31.12.2020	-	-	-	-	-
Fabrizio Palermo	Director	01.01.2020 31.12.2020	-	-	-	-	-
Barbara Alemanni	Director	01.01.2020 31.12.2020	-	-	-	-	-
Luca Errico	Director	01.01.2020 31.12.2020	-	-	-	-	-
Elisabetta Oliveri	Director	01.01.2020 31.12.2020	Fincantieri	1,000	-	-	1,000
Federica Santini	Director	01.01.2020 31.12.2020	-	-	-	-	-
Federica Seganti	Director	01.01.2020 31.12.2020	-	-	-	-	-
Gianluca Ferrero	Chairman of the Board of Statutory Auditors	01.01.2020 31.12.2020	-	-	-	-	-
Roberto Spada	Full Member of the Board of Statutory Auditors	01.01.2020 09.06.2020	-	-	-	-	-
Fioranna Vittoria Negri	Full Member of the Board of Statutory Auditors	01.01.2020 09.06.2020	-	-	-	-	-
Rossella Tosini	Full Member of the Board of Statutory Auditors	10.06.2020 31.12.2020	-	-	-	-	-
Pasquale De Falco	Full Member of the Board of Statutory Auditors	10.06.2020 31.12.2020	-	-	-	-	-
Alberto Maestrini	General Manager	01.01.2020 29.07.2020	Fincantieri	257,760	147,263	-	405,023
Fabio Gallia	General Manager	30.07.2020 31.12.2020	-	-	-	-	-
Executives with Strategic Responsibilities		01.01.2019 31.12.2019	Fincantieri	675,543 ³⁵	491,986	84,068	1,083,461 ³⁶

³³ No information is disclosed about persons who ceased to hold office before the Company's shares were admitted to trading. It should be noted that, under Article 84-*quater*, paragraph 4 of the Issuers' Regulation, the Remuneration Report must indicate "the shareholdings held in the listed company and its subsidiaries by members of the management and control bodies, by General Manager and by other Executives with Strategic Responsibilities, and by spouses who are not legally separated and minor children, directly or through subsidiaries, trust companies or intermediaries, as resulting from the shareholders' register, from communications received and from other information acquired from members of the management and control bodies, General Manager and Executives with Strategic Responsibilities". Under Schedule no. 7-*ter* of Annex 3A of the Issuers' Regulations, all persons who during the year in question held, even for a fraction of a year, the position of member of the administration and control bodies, General Manager or Manager with Strategic Responsibilities are included. In this regard, the title of possession and mode of possession are also specified.

³⁴ The total number of shares purchased also includes the allocation, net of statutory deductions, arising from the 2nd cycle (2017-2019) of the 2016-2018 LTI Plan.

³⁵ The number above is the total number of shares held as at 31.12.2019 by the key management personnel identified for the 2020 financial year.

³⁶ The difference in the number of shares held at 31.12.2020 compared to 31.12.2019 is due to the turnover of the various Executives in the role of Executive with Strategic Responsibilities during the year under review.



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

FIRST NAME AND SURNAME/ POSITION	LTI PLAN 2016-2018 ³⁷	FINANCIAL INSTRUMENTS ALLOCATED IN PREVIOUS YEARS AND NOT ACCRUED DURING THE YEAR		FINANCIAL INSTRUMENTS ASSIGNED DURING THE YEAR				FINANCIAL INSTRUMENTS ACCRUED DURING THE YEAR AND NOT ATTRIBUTABLE	FINANCIAL INSTRUMENTS ACCRUED DURING THE YEAR AND ATTRIBUTABLE		FINANCIAL INSTRUMENTS FOR THE YEAR
		NUMBER AND TYPE OF FINANCIAL INSTRUMENTS ³⁸	VESTING PERIOD	NUMBER AND TYPE OF FINANCIAL INSTRUMENTS	FAIR VALUE AT GRANT DATE ³⁹	VESTING PERIOD	DATE OF ASSIGNMENT	MARKET PRICE AT THE TIME OF ALLOCATION	NUMBER AND TYPE OF FINANCIAL INSTRUMENTS	NUMBER AND TYPE OF FINANCIAL INSTRUMENTS	VALUE AT EXPIRY DATE
CEO remuneration in Fincantieri	10 November 2016 (2 nd cycle 2017-2019)	915,486 shares	About 3 years	-	-	-	-	-	1,111,583	0.6175	-
	10 November 2016 (3 rd cycle 2018-2020)	707,530 shares	About 3 years	-	-	-	-	-	-	-	259,336 ⁴⁰
General Manager remuneration in Fincantieri	10 November 2016 (2 nd cycle 2017-2019)	220,491 shares	About 3 years	-	-	-	-	-	267,720	0.6175	-
	10 November 2016 (3 rd cycle 2018-2020)	204,857 shares	About 3 years	-	-	-	-	-	-	-	-
KE+ESR remuneration at Fincantieri	10 November 2016 (2 nd cycle 2017-2019)	1,840,298 shares	About 3 years	-	-	-	-	-	1,136,306 ⁴¹	0.6175	-
	10 November 2016 (3 rd cycle 2018-2020)	1,640,654 shares	About 3 years	-	-	-	-	-	-	-	676,447 ⁴²
Total	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	1,09961	-	-	-	-	-	-	935,783 ⁴³

³⁷ Date of approval of the Plan by the Board of Directors, subsequently approved by the Shareholder's Meeting convened on 19 May 2017 to approve the annual accounts for the year ended 31 December 2016, on the proposal of the Board of Directors.

³⁸ The shares indicated correspond to the number of assignments to the target. Please note that the shares indicated in the tables attached to the Information Document relating to the LTI Plans correspond to the maximum number of shares allocated.

³⁹ The fair value relating to the first cycle 2016-2018 LTI Plan, corresponding to the maximum incentive attributable in the event of full achievement of all performance conditions, 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 relating to the second cycle (2017-2019) of the same 2016-2018 Plan, corresponding to the maximum incentive attributable in the event of full achievement of all performance conditions, was calculated on the basis of the weighted unit value of the following parameters: 30% of the reference book value for TSR (EUR 0.146) and 70% of the reference book value for EBITDA (EUR 0.735); the fair value relating to the third cycle (2018-2020) of the same 2016-2018 Plan, corresponding to the maximum incentive attributable in the event of full achievement of all performance conditions, 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).

⁴⁰ The amount relates to the year in question within the three-year duration of the entire cycle; the total fair value amount for the entire cycle is 778,007.

⁴¹ Of which 550,470 for executives with strategic responsibilities.

⁴² The amount relates to the accrual year within the three-year duration of the entire cycle; the total fair value amount for the entire cycle is 2,029,342. Of which 351,057, on an annual basis (1,053,170 for the entire cycle), for Executives with Strategic Responsibilities.

⁴³ The amount relates to the relevant year within the three-year duration of the entire cycle; the total fair value amount for the entire cycle is 2,807,349.

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

FIRST NAME AND SURNAME/ POSITION	LTI PLAN 2019-2021 ⁴⁴	FINANCIAL INSTRUMENTS ALLOCATED IN PREVIOUS YEARS AND NOT ACCRUED DURING THE YEAR		FINANCIAL INSTRUMENTS ASSIGNED DURING THE YEAR				FINANCIAL INSTRUMENTS ACCRUED DURING THE YEAR AND NOT ATTRIBUTABLE	FINANCIAL INSTRUMENTS ACCRUED DURING THE YEAR AND ATTRIBUTABLE TO		FINANCIAL INSTRUMENTS FOR THE YEAR
		NUMERO E TIPOLOGIA DI STRUMENTI FINANZIARI	VESTING PERIOD	NUMBER AND TYPE OF FINANCIAL INSTRUMENTS	FAIR VALUE AT GRANT DATE ⁴⁵	VESTING PERIOD	DATE OF ASSIGNMENT	MARKET PRICE AT THE TIME OF ALLOCATION ⁴⁶	NUMBER AND TYPE OF FINANCIAL INSTRUMENTS	NUMBER AND TYPE OF FINANCIAL INSTRUMENTS	VALUE AT EXPIRY DATE
CEO remuneration in Fincantieri	27 March 2018 (1 st cycle 2019-2021)	1,082,219 shares	About 3 years	-	-	-	-	-	-	-	351,577 ⁴⁷
	27 March 2018 (2 nd cycle 2020-2022)	-	-	2,742,973	0.5352	About 3 years	30.07.2020 ⁴⁸	0.6119	-	-	489,346 ⁴⁸
General Manager remuneration in Fincantieri	27 March 2018 (1 st cycle 2019-2021)	401,597 shares	About 3 years	-	-	-	-	-	-	-	130,465 ⁴⁹
	-	-	-	-	-	-	-	-	-	-	-
KE+ESR remuneration in Fincantieri	27 March 2018 (1 st cycle 2019-2021)	2,818,880 ⁵¹ shares	About 3 years	-	-	-	-	-	-	-	915,760 ⁵²
	27 March 2018 (2 nd cycle 2020-2022)	-	-	5,247,540 ⁵³	0.5352	About 3 years	30.07.2020 ⁴⁸	0.6119	-	-	936,161 ⁵⁴
Total	-	-	-	-	-	-	-	-	-	-	1,397,802 ⁵⁵
	-	-	-	0.5352	-	-	-	-	-	-	1,425,507 ⁵⁶
	-	-	-	-	-	-	-	-	-	-	-

⁴⁴ Date of approval of the Plan by the Board of Directors, subsequently approved by the Shareholder's Meeting convened on May 11, 2018 to approve the annual accounts for the year ended 31 December 2017, on the proposal of the Board of Directors.

⁴⁵ The fair value relating to the 2019-2021 LTI Plan, second cycle 2020-2022, corresponding to the maximum incentive attributable in the event of 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 of TSR (EUR 0.0460) and 15% of the reference book value of the Sustainability Index added to 70% of the reference book value of EBITDA (EUR 0.4892).

⁴⁶ This is the weighted average market price of the shares during the five trading days prior to the date of the Board resolution of 30 July 2020 for the second cycle (2020-2022) of the Plan.

⁴⁷ The amount relates to the relevant year within the three-year duration of the entire cycle; the total fair value amount for the entire cycle is 1,054,731.

⁴⁸ Date on which the Board of Directors approved the number of rights to be granted to recipients of the 2019-2021 Plan for the second cycle (2020-2022) of the Plan.

⁴⁹ The amount relates to the accrual year within the three-year duration of the entire cycle; the total fair value amount for the entire cycle is 1,468,039.

⁵⁰ The amount relates to the accrual year within the three-year duration of the entire cycle; the total fair value amount for the entire cycle is 391,396.

⁵¹ Of which 1,076,234 for Executives with strategic responsibilities.

⁵² The amount relates to the year in question within the three-year duration of the entire cycle; the total fair value amount for the entire cycle is 2,747,280. Of which 349,633, on an annual basis (1,048,898 for the entire cycle), for Executives with Strategic Responsibilities.

⁵³ Of which 2,838,027 for executives with strategic responsibilities.

⁵⁴ The amount relates to the relevant year within the three-year duration of the entire cycle; the total fair value amount for the entire cycle is 2,808,483. Of which 506,304, on an annual basis (1,518,912 for the entire cycle), for Executives with Strategic Responsibilities.

⁵⁵ The amount relates to the reporting year within the three-year duration of the entire cycle; the total fair value amount for the entire cycle is 4,193,407.

⁵⁶ The amount relates to the reporting year within the three-year duration of the entire cycle; the total fair value amount for the entire cycle is 4,276,522.

FINCANTIERI

Parent Company

Registered office Via Genova no. 1 – 34121 Trieste – Italy

Tel: +39 040 3193111 Fax: +39 040 3192305

fincantieri.com

Share capital Euro 862,980,725.70

Venezia Giulia Company Registry and Tax No. 00397130584

VAT No. 00629440322

Graphic design and layout

EY YELLO



FINCANTIERI