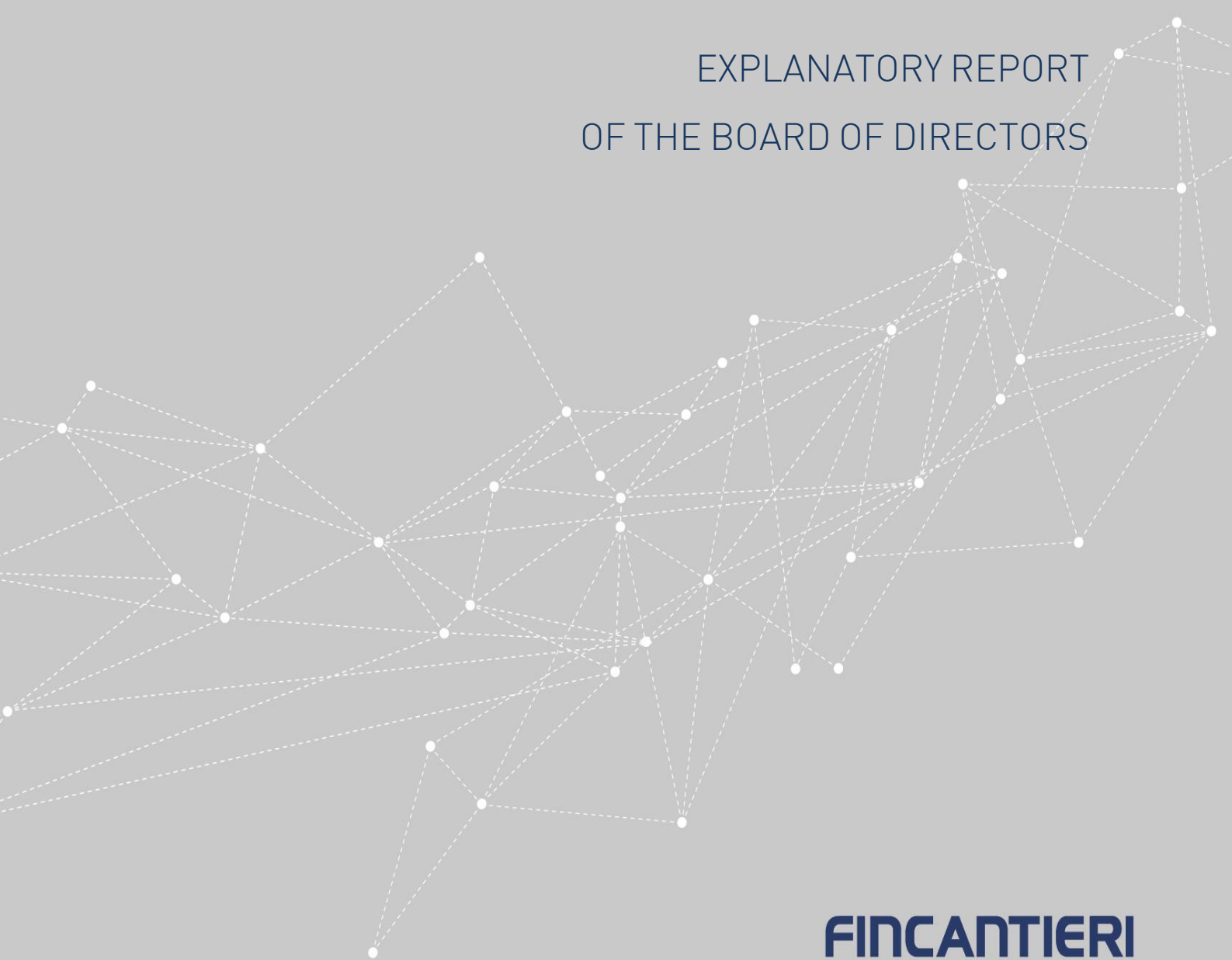


ORDINARY SHAREHOLDERS' MEETING

15 NOVEMBER 2019

EXPLANATORY REPORT
OF THE BOARD OF DIRECTORS



FINCANTIERI

The sea ahead



FINCANTIERI S.p.A.
Registered Office in Trieste, Via Genova n.1
Share Capital EUR 862.980.725,70 - fully paid up
VAT No. 00629440322
Tax Code and Companies Registry (Venezia Giulia) No. 00397130584
Trieste Economic and Administrative Index No. 89063

Explanatory Report drafted pursuant to article 125-ter of the Italian Legislative Decree dated 24 February 1998, no. 58

AGENDA

Mutual early termination of the engagement of External Statutory Auditor granted to the firm PricewaterhouseCoopers S.p.A. and appointment of a new External Statutory Auditor for audit engagement for the term 2020 – 2028. Determination of the relevant fee. Inherent and consequent resolutions.

Dear Shareholders,

As you are well aware of, the engagement of External Statutory Auditor of FINCANTIERI S.p.A. ("FINCANTIERI" or the "Company") currently in place has been granted to PricewaterhouseCoopers S.p.A. ("PwC") by the Ordinary Shareholders' Meeting of the Company held on 28 February 2014 and is now going to expire with the approval of the Financial Statements relating to financial year 2021.

PwC has been appointed as firm acting as External Statutory Auditor for Cassa Depositi e Prestiti S.p.A. ("CDP"), the indirect controlling Shareholder of Fincantieri, through Fintecna S.p.A. The above mentioned engagement will expire for CDP at the Shareholders' Meeting that will be called for the approval of the Financial Statements relating to financial year 2019.

In view of such expiration, CDP has started – during 2018 – the necessary activities to proceed with the selection procedures able to identify a new External Statutory Auditor. The decision to anticipate by one year the selection procedure as compared to the natural expiration of the engagement of External Statutory Auditor (i.e. the approval of the 2019 Financial Statements) has been conceived first of all taking into account the need to comply with the new limits introduced by the EU Regulation no. 537/2014 dated 16 April 2014 as a guarantee of the independence of the External Statutory Auditor, that prevent public-interest entities ("PIE") – as both CDP and the Fincantieri are – from granting, in the financial year immediately preceding the commencement of the new auditing period, certain types of engagements to the subject which is then appointed as new External Statutory Auditor (so-called *cooling-in* period).

In such scenario, CDP has valued the opportunity to structure, with the involvement of the committees deputed to internal control and auditing (i.e. the Board of Internal Statutory Auditors) of CDP itself and of the subsidiaries taking part to the "CDP Group" (such term referring to, exclusively for the purposes of the appointment of an External Statutory Auditor, all the subsidiaries which fall within the consolidation area of CDP), a single tender proceeding (the "Single Proceeding") aiming at, where possible and taking into account the interest of each subsidiary, identifying a single External Statutory Auditor for the CDP Group.

CDP has therefore required the companies of the CDP Group to evaluate the opportunity of adhering to the Single Proceeding for the appointment of the new External Statutory Auditor, starting from financial year 2020.

The Board of Internal Statutory Auditors of Fincantieri, after previous consultations with the Boards of Internal Statutory Auditors of the subsidiaries of the Fincantieri making part of the consolidation area, has expressed itself in favour of the Company's participation in the Single Selection Proceeding, and has informed the Board of Directors of Fincantieri which, in July 2018, considering the participation to the tender aiming to the appointment of a single External Statutory Auditor for the CDP Group as compliant with the interest of Fincantieri and of its subsidiaries, also in consideration of its functionality to the purpose of achieving a significant reduction of the auditing costs, has approved the appointment of CDP as coordinator of the above-mentioned Single Proceeding through the formalisation of a specific engagement to itself and its subsidiaries.

Consequently, CDP has called for a specific European tender using the restricted procedure for the selection of a single External Statutory Auditor for its Group.

The results of the above-described procedure, which culminated with the final shortlisting of the first two classified auditing firms which are, respectively, Deloitte & Touche S.p.A. ("Deloitte") and EY S.p.A. ("EY"), have been illustrated by the commission to the Board of Internal Statutory Auditors during January 2019. Subsequently, on 19 March 2019, the Shareholders' Meeting of CDP has appointed the accounting firm Deloitte as External Statutory Auditor for the 2020-2028 term.

On 22 February 2019, Deloitte sent the Company a proposal for the engagement of an External Statutory Auditor for Fincantieri S.p.A., together with the Compliance Certificate of the Non-Financial Statement, and the table of engagements of the Fincantieri group companies, on the basis of which some assessments have been conducted relating to the completeness of the services and the assessment of the hours and fees applied, as requested by CDP on completion of the tender procedure.

Fincantieri requested PwC the availability to reach – starting from approval of the Financial Statements, by the Shareholders' Meeting, that will close on 31 December 2019, subsequent to the issuing of the auditing reports concerning the financial statements and the consolidated Financial Statements as at 31 December 2019 – the mutual early termination of the engagement of External Statutory Auditor granted by the Ordinary Shareholders' Meeting on 28 February 2014, as well as of other auditing engagements subsequently granted by Fincantieri as a supplementation of the latter and the auditing engagement granted by the subsidiaries, in compliance with what provided for by article 13 of the Italian Legislative Decree dated 27 January 2010, no. 39 ("Italian Legislative Decree n. 39/2010") and by article 7 of the Italian Ministerial Decree dated 28 December 2012, no. 261 ("Italian Ministerial Decree n. 261/2012").

On 10 September 2019, PwC has communicated its availability to mutually terminate its engagement of External Statutory Auditor currently in place, notwithstanding that, in compliance with what provided for under the above-mentioned article 7, paragraph 3, of the Italian Ministerial Decree n. 261/2012, such termination will be effective starting from the approval of the Financial Statements that will end on 31 December 2019, and is conditioned to the resolution of the Shareholders' Meeting of the Company and to the granting of the new engagement of External Statutory Auditor to the External Auditor of the CDP Group, which has been identified as the auditing firm Deloitte. For the purpose of confirming the above-mentioned terms Fincantieri and PwC have reached a final agreement for the mutual early termination of the above-mentioned engagement at the terms described above.

The Board of Internal Statutory Auditors of Fincantieri has therefore drafted the document attached to this Report, finding that it is possible for Fincantieri, in accordance with the law in force, to either keep the audit engagement with PwC until its expiry or to terminate the agreement, based on the combined provisions of Articles 4 and 7 of Ministerial Decree No. 261/2012, and grant the engagement to Deloitte, which has already been appointed by the Parent Company.

Pursuant to article 7, paragraph 2, of Ministerial Decree no. 261/2012, the Board of Internal Statutory Auditors also issued its positive opinion on the mutual early termination of the engagement with PwC and the formalisation of the engagement of External Statutory Auditor of Fincantieri S.p.A for financial years from 2020 to 2028 to the accounting firm Deloitte, finding that for the reasons stated in the attached opinion, aligning the auditing of the group is of interest to the Company.

* * * * *

The above stated, we submit to your approval the following proposed resolution:

"The Ordinary Shareholders' Meeting of Fincantieri S.p.A.,

- *having examined the Explanatory Report of the Board of Directors issued pursuant to article 125-ter of the Italian Legislative Decree dated 24 February 1998, no. 58;*
- *having acknowledged the agreement of mutual early termination of the engagement of External Statutory Auditor undersigned by Fincantieri S.p.A. and PricewaterhouseCoopers S.p.A., effective from the approval of the financial statements year ended 31 December 2019 by the Shareholders' Meeting, after the auditing reports are issued on the financial statements and consolidated financial statements ended at 31 December 2019, and in any case effective on the condition that the new engagement of External Statutory Auditor is formalised by the Shareholders' Meeting with the same auditor appointed by the Shareholders' Meeting of Cassa Depositi e Prestiti S.p.A.;*
- *taking into account the positive opinion of the Board of Internal Statutory Auditors of the Company in relation to the mutual early termination of the engagement with PricewaterhouseCoopers S.p.A. and the coeval proposal for the conferral of the engagement of External Statutory Auditor for nine financial years, and more specifically those ending from 31 December 2020 to 31 December 2028, to Deloitte & Touche S.p.A., consistent with the economic conditions in the bid submitted to Fincantieri S.p.A. by Deloitte & Touche S.p.A.;*
- *taking into account that, pursuant to article 13, paragraph 1, of the Italian Legislative Decree dated 27 January 2010, no. 39, the competence to resolve on the mutual early termination of the current engagement of the External Statutory Auditor and the conferring of the engagement of External Statutory Auditor and the determination of the relevant compensation for the entire duration of the charge and to possible criteria for the alignment of such compensation during the engagement period, is pertaining to the Ordinary Shareholders' Meeting upon motivated proposal of the Board of Internal Statutory Auditor;*

resolves

1. *to approve, pursuant to the Italian Legislative Decree dated 27 January 2010, no. 39, and the Italian Ministerial Decree dated 28 December 2012, no. 261, the mutual early termination of the engagement of External Statutory Auditor granted to the auditing firm PricewaterhouseCoopers S.p.A. by the Ordinary Shareholders' Meeting of Fincantieri S.p.A. on 28 February 2014, consistent with the reasoned opinion by the Board of Internal Statutory Auditors, starting from the approval of the Financial Statements, by the Shareholders' Meeting, that will close at 31 December 2019, subsequent to the issuing of the auditing reports on the financial statements and of the consolidated Financial Statements as at 31 December 2019 and in any case with effectiveness subordinated to the formalisation, by the Shareholders' Meeting, of the new engagement of*

External Statutory Auditor at the same auditor appointed by the Shareholders' Meeting of Cassa Depositi e Prestiti S.p.A.;

2. *to grant the engagement of External Statutory Auditor of Fincantieri S.p.A., for the financial years 2020-2028, to the auditing firm Deloitte & Touche S.p.A., as pursuant to the motivated proposal of the Board of Internal Statutory Auditor, and to determine, for the entire duration of the engagement, an annual overall remuneration of EUR 281.7/thousand, corresponding to 3,933 hours, plus VAT, CONSOB contribution and ISTAT index, for the services, at the terms and conditions specifically indicated in the above-mentioned reasoned opinion of the Board of Internal Statutory Auditors;*
3. *to grant the engagement related to the Compliance Certificate of the Non-Financial Statement of Fincantieri S.p.A., for the financial years 2020-2028, to the auditing firm Deloitte & Touche S.p.A., consistent with the reasoned opinion of the Board of Internal Statutory Auditors, and to set, for the entire term of the engagement, a total annual remuneration of EUR 31.0/thousand, plus VAT, CONSOB contribution and ISTAT index, for the services, at the terms and conditions specifically indicated in the above-mentioned reasoned opinion of the Board of Internal Statutory Auditors;*
4. *to grant to the Board of Directors and on their behalf to the Chairman of the Board of Directors and to the Managing Director, also severally and with power to sub-delegate, the widest possible powers necessary for drafting and executing all the acts and documents and, more in general, for complying with all the formalities for the termination of the engagement of External Statutory Auditor currently granted to PricewaterhouseCoopers S.p.A. and the formalisation of the new engagement of External Statutory Auditor to Deloitte & Touche S.p.A. ”.*

Trieste, 26 September 2019

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

OPINION OF THE BOARD OF INTERNAL STATUTORY AUDITORS ON THE MUTUAL EARLY TERMINATION OF THE CURRENT ENGAGEMENT OF EXTERNAL STATUTORY AUDITOR AND THE PROPOSAL TO GRANT A NEW APPOINTMENT OF EXTERNAL STATUTORY AUDITOR OF THE COMPANY FOR THE 2020-2028 PERIOD TO THE SHAREHOLDERS' MEETING

On 8 June 2018, Cassa Depositi e Prestiti S.p.A. ("CDP" or "Parent Company"), considering the expiry of the engagement of External Statutory Auditor granted by CDP to PricewaterhouseCoopers S.p.A. ("PwC"), with the approval of the financial statements as at 31 December 2019, through its own internal bodies and in agreement with its Board of Internal Statutory Auditors launched, in June 2018, the process for selecting a new External Statutory Auditor for the 2020-2028 nine-year period.

The Parent Company has assessed whether to launch this selection process earlier than the expiry of the engagement with PwC considering:

- the complexity of the procedure for selecting the External Statutory Auditor and the breadth of the steps required by the Italian Public Procurement Code to which it is subject;
- the need to eliminate or reduce as far as possible the risk of cases of incompatible activities assigned in the year before the period under audit ("the cooling in period");
- the possibility of allowing the External Statutory Auditor which shall be appointed to take over the new role and the complexity deriving therefrom seamlessly.

Considering the forthcoming expiry of the engagement of External Statutory Auditor granted by numerous subsidiaries of CDP, as well as the willingness to use, insofar as possible, for better efficiency and streamlining of costs, a single External Statutory Auditor for the CDP Group, a Single Proceeding for the tender has been extended by CDP to all subsidiaries directly or indirectly controlled and fully consolidated ("CDP Group").

Given the above, Fincantieri S.p.A. received a notice with which it has been requested to assess whether or not to join said Single Proceeding for the tender. Regarding this request, the Board of Directors of Fincantieri S.p.A.:

(i) having found that this process would fulfil a need to have a single External Statutory Auditor for the group which would allow it to achieve significant benefits in terms of effectiveness, efficiency and

streamlining of costs in auditing and better coordination of information flows towards the parent company, thus improving supervision;

(ii) having acknowledged that the engagement with PwC, the current External Statutory Auditor, was granted by the Shareholders' Meeting of Fincantieri S.p.A. held on 28 February 2014 until the approval of the financial statements for the financial year ending at 31 December 2021;

(iii) having shared CDP's proposal with its Board of Internal Statutory Auditors (also in its capacity as the Committee for Internal Control and Audit) and with other relevant bodies;

(iv) having acknowledged that the proposed procedure safeguarded the independent decision-making power of Fincantieri S.p.A.'s bodies, allowed for the participation of numerous entities and admitted only participants meeting the professional, organisational, technical and economic criteria necessary to meet all the needs of Fincantieri S.p.A. and its subsidiaries both in regard to complexity and geographic diversification;

resolved, on 26 July 2018, to join the Single Proceeding, appointing CDP as an agent with representation powers to carry out the Single Proceeding.

1. The Single Proceeding

The entire Single Proceeding was carried out in compliance with the rules laid down in the Italian Public Procurement Code to which CDP is subject and in compliance with the principle of independent decision-making power of the companies participating in the tender and their supervisory bodies. Considering the nature of the service to be awarded, the tender process chosen, among those admitted by the Italian Public Procurement Code, was the European tender using the restricted procedure (Article 61 of Legislative Decree No. 50/2016), which was favourably accepted by all the companies of the CDP Group for the following reasons:

- the confidentiality assured on the tender documentation, transmitted only to the bidders who passed the pre-selection phase through the letter of invitation;

- the efficiency of the Selection Committee (the “Committee”) called upon to carry out the preliminary assessment of the bids received by entities possessing the minimum requirements for eligibility to participate in the tender.

The latter, selected and also shared with the Board of Internal Statutory Auditors of Fincantieri S.p.A, were selected on the balance of two distinct needs:

- firstly, to ensure participation in the Single Proceeding by as many entities as possible in compliance with Regulation (EU) No. 537/2014 (the “**Regulation**”) on specific requirements regarding statutory audit of public-interest entities (PIE);
- to admit participants in possession of the professional, technical, organisational and economic criteria necessary to meet the needs of each CDP Group company participating in the Single Proceeding.

More specifically, the single tender proceeding was broken down in numerous stages, with the main stages as follows:

- (i) sharing with the Parent Company CDP and other CDP Group companies of the “*Linee guida gara revisore unico Gruppo CDP novennio 2020-2028*” [“*Tender Guidelines for the Single External Statutory Auditor of the CDP Group for the 2020-2028 nine-year period*”] (the “Guidelines”), containing, among other things: *(a)* the primary rules for the establishing and regulating the Single Proceeding; *(b)* the criteria for the appointment of the Committee; *(c)* services covered by the tender; *(d)* the criteria for classifying entities admitted to participate in the Single Proceeding; and *(e)* the criteria for the evaluation of the technical and economic bids;
- (ii) publication in the Official Journal of the European Union (OJEU) on 14 August 2018 of the invitation to tender concerning the restricted procedure for the engagement of an External Statutory Auditor for the CDP Group for the 2020-2028 period;
- (iii) the pre-qualification stage consisting in *(a)* submission of expressions of interest by those concerned; and *(b)* verification as to whether the requirements for participating in the Single Proceeding are met. All auditing firms that expressed their interest passed this stage, and are as

follows: Deloitte & Touche S.p.A., KPMG S.p.A. and EY S.p.A. (jointly referred to as the “Participants”);

- (iv) transmission to the Participants of the Letter of Invitation, including the Technical Specifications, containing, *inter alia*, the detailed description of services subject to the tender and the procedures to be followed by the Bidders to submit the tender documentation;
- (v) receipt of technical and economic bids submitted by the Participants;
- (vi) the appointment of the Committee, in accordance with the Guidelines, made up of five members, more specifically: *(a)* an independent Chairman, with significant experience and skills in statutory auditing; *(b)* two members selected among managers and top-tier executives of CDP; *(c)* two members selected by the subsidiary companies, one selected by Fincantieri S.p.A. and the other by companies operating in the sectors of electricity transmission and dispatching and gas transport and distribution;
- (vii) assessment by the Committee of the technical bids submitted by the Participants and assignment of the related scores;
- (viii) assignment of scores to the economic bids submitted by the Participants;
- (ix) drafting of the ranking based on the technical and economic scores assigned to each Participant;
- (x) sharing the results of the tender with the Board of Internal Statutory Auditors of CDP and with control bodies of other Group companies, including the Board of Internal Statutory Auditors of Fincantieri S.p.A.;
- (xi) final award and identification of the two short-listed bidders, ranked in the following order: Deloitte & Touche S.p.A. and EY S.p.A.

1.1 Requirements for Participation in the Single Proceeding

Participation in the Single Proceeding was reserved for economic operators in possession of the following general requirements, of professional competence, economic-financial capacity and technical-professional capacity:

- registration in the register of external statutory auditors of the Ministry of Economy and Finance;

- in the financial year ended in 2017, attainment of a turnover from the statutory audit of annual and/or consolidated financial statements equal to at least EUR 9,000,000;
- performance of statutory audits of annual and/or consolidated financial statements, having regard to the 2015-2017 three-year period, of at least two listed companies included in the EURO-STOXX 600 Index;
- performance of statutory audits of annual and/or consolidated financial statements, in the 2015-2017 three-year period, of at least one Italian bank with a budget surplus of no less than EUR 8 billion.

1.2 Services Covered by the Tender

The Participants were asked to submit a bid for the provision of auditing services and audit-related services, identified on the basis of the indications provided by each company participating in the tender procedure having appointed CDP as an agent with representation powers.

1.3 Criteria for Evaluating the Bids

The criterion for awarding the tender referred to in the Single Proceeding was the most economically advantageous bid within the meaning of Article 95 of Legislative Decree No. 50/2016 (Italian Public Procurement Code).

The score assigned to each Participant, equal to a maximum of 100 points, was divided between the technical score (maximum 70 points) and economic score (maximum 30 points), in accordance with the criteria set out below.

➤ Technical score: max 70 points

For the purposes of assigning the technical score, the following evaluation parameters were established:

- added value of previous experience: maximum 20 points;
- quantity and mix of work teams: maximum 15 points;
- level of professionalism and experience of the work team: maximum 25 points;
- efficiency, comprehensiveness and specificity of the work methodology: maximum 10 points.

➤ Economic score: max 30 points

The Single Proceeding pursued, among others, the objective of allowing the CDP Group companies to save on fees for auditing and audit-related services compared to those recorded in 2017.

To this end, the asking price was equal to the amount of auditing fees paid in 2017 by the CDP Group, decreased by 10%; the Participants were then asked to apply a discount on that asking price (discount offered), also applicable for additional services (specific and otherwise). Within the scope of the Single Proceeding, a mechanism for additional discounts was provided, to be implemented in proportion to the number and economic scale of the auditing tasks entrusted by each CDP Group company independently choosing to assign the task to the same auditor appointed by the by Shareholders' Meeting of the Parent Company.

2. Bid Evaluation

2.1 Technical Bids

The ranking of the technical scores assigned by the Committee was as follows (in descending order):

- EY S.p.A.: 70.000
- Deloitte & Touche S.p.A.: 69.190
- KPMG S.p.A.: 68.413

2.2 Economic Bids

The scores obtained by the Participants on the basis of their economic bids were as follows (in descending order):

- Deloitte & Touche S.p.A.: 30 (discount offered: 12.150%)
- KPMG S.p.A.: 29.276 (discount offered: 11.200%)
- EY S.p.A.: 28.530 (discount offered: 10.277%)

2.3 Final Ranking

Upon completion of the Single Proceeding, the following were the short-listed as successful bidders, in order of ranking (the "Successful Bidders"):

1. Deloitte & Touche S.p.A. with an overall score of 99.190;
2. EY S.p.A., with an overall score of 98.530.

2.4 Content of economic bid submitted by Deloitte & Touche S.p.A. to Fincantieri S.p.A.

Following the award, Deloitte & Touche S.p.A. submitted its proposal for auditing directly to Fincantieri S.p.A., which the Board of Internal Statutory Auditors and the Internal Audit department have checked to ensure that the proposed conditions were consistent, also in relation to the hours and rates proposed, with the bid made in the Single Proceeding referring to Fincantieri Company S.p.A. and its subsidiaries.

A summary is provided below on the economic content of the bid received by Fincantieri S.p.A. in relation to auditing services and audit-related services that, compared with the current costs, leads to an overall saving on an annual basis of about EUR 90,000, equal to 22% less than the current expenditure; the saved amounts to approximately 25% if all the subsidiaries of Fincantieri S.p.A. included in the tender are considered:

FINCANTIERI SPA (EUR/thousands)	PwC year 2018		Deloitte & Touche S.p.A.		Fee comparison
	Hours*	Fees	Hours	Fees	
Auditing of financial statements , including: - assessing the consistency of the management report and corporate governance information with the financial statements and compliance of the report with law - assessing that company accounts are duly held and the proper entry of management events in the accounting records - activities required for the submission of tax returns	3,100	257.4	1,968	140.9	-116.5
Auditing of consolidated financial statements , including the reporting package	350	31.3	787	56.4	25.1
Auditing of the half-year consolidated financial statements alone	600	60.6	1,178	84.4	23.8
Total Auditing	4,050		3,933		
Compliance certificate for the Non-Financial Statements		53.5		31.0	-22.5

Total proposed fee	402.8	312.7	-90.1	-22%
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(*) Hours proposed 2013-2021

These effects do not include the additional benefit that may result from the above-mentioned mechanism for additional discounts that could reach a further discount of 6% if the engagement of External Statutory Auditor is granted to Deloitte & Touche S.p.A. by the majority of the CDP Group companies.

With reference to the fees requested, it is also necessary to consider that the following:

- reimbursement may not be requested for any contributions to pensions or out-of-pocket or flat rates (including those incurred for any auditing specialists engaged to in relation to specific aspects of the financial statements), other than those provided under specific statutory provisions (i.e., Consob contribution, VAT, etc.);
- remuneration may not be requested for additional or ancillary services with respect to auditing or audit-related services (optional);
- Any additional services (additional statutory auditing or audit-related services) compared to those included in the individual contracts to be concluded with Fincantieri S.p.A. shall be provided at the same average hourly rate as the services provided under the Single Proceeding;
- if the engagement of External Statutory Auditor is not granted to the same auditing company by all the companies of the Group, the remuneration requested from CDP or subsidiaries in turn required to draw up consolidated financial statements (in relation to the audit of the relevant consolidated financial statements requiring the review of the work performed by any secondary auditor) may not exceed 25% of the fees offered by the main auditor in the Single Proceeding for the audit of the subsidiary;
- the fees provided in the individual bids should refer to the rates in force at the date of each of them; the adjustment shall have effect from 1 July of the year following the year of commencement of each engagement on the basis of the following:

- a. for the companies with registered office in Italy, the total variation of the ISTAT index regarding the cost of living (consumer price index for the families of blue- and white-collar workers) with respect to the year of the engagement;
 - b. for companies having their registered office abroad, the index applicable in accordance with market practice and the law of the country in which the subsidiary is situated;
- pursuant to Consob Communication No. DAC/RM/96003556 of 18 April 1996, the remuneration for the engagement will be adjusted in the event of exceptional and/or unpredictable circumstances.

3. Assessments of the Board of Internal Statutory Auditors

The Board of Internal Statutory Auditors of Fincantieri S.p.A. has always been kept up to date with the outcome of each stage of the Single Proceeding and met to share the progress and outcome with the Board of Internal Statutory Auditors of CDP together with the board of internal statutory auditors of the other companies of the CDP Group.

More specifically, the outcome of the tender was examined by the Board of Internal Statutory Auditors of Fincantieri S.p.A. together with the supervisory bodies and relevant bodies of other CDP Group companies participating in the Single Proceeding, during the joint meeting of the Board of Internal Statutory Auditors of CDP and other Group Companies on 16 January 2019.

The Board of Internal Statutory Auditors of Fincantieri S.p.A. has been able to assess that the bids submitted within the tender procedure were high-level, without significant differences in terms of quality and quantity of the services proposed and received a similar technical valuation; therefore, the price element was decisive for the final ranking, making the bid of Deloitte & Touche S.p.A. the best in terms of price versus quality.

Given the foregoing, and considered:

- the granting by CDP, at the ordinary shareholders' meeting of 19 March 2019, of the engagement of External Statutory Auditor to Deloitte & Touche S.p.A.;
- the reasons for which Fincantieri S.p.A. joined the Single Proceeding for the tender;

the company, having shared the determination in question with the Board of Internal Statutory Auditors, asked PwC whether they were willing to agree to a mutual termination, with effect from the 2020 financial year, of the engagement of External Statutory Auditor granted to it by the Shareholders' Meeting of Fincantieri of 28 February 2014.

By letter dated 10 September 2019, PwC notified Fincantieri of its willingness to mutually terminate the agreement for audit services currently in effect. The mutual termination agreement shall be effective from the date of approval of the financial statements for the financial year ended at 31 December 2019, subject to the following two conditions: (i) the Shareholders' Meeting of Fincantieri S.p.A. appoints the new External Statutory Auditor; and (ii) said new statutory auditor is the same as that appointed by CDP S.p.A. (Deloitte & Touche S.p.A.).

* * * * *

In light of the foregoing, the Board of Internal Statutory Auditors:

- having found that the Single Proceeding was carried out in compliance with criteria and shared methods;
- having assessed and shared the findings of the Single Proceeding for selecting a single External Statutory Auditor for the CDP Group, which led to the selection of Deloitte & Touche S.p.A., ranked first;
- having found that the bid received by Fincantieri S.p.A. From Deloitte & Touche S.p.A. was based on the same technical and economic conditions submitted at the Single Proceeding;
- having found that one of the main objectives pursued in joining the Single Proceeding was to achieve a decrease in costs for Fincantieri S.p.A. for auditing services and ensure an optimal balance between cost and quality;
- having considered Articles 4 and 7 of Ministerial Decree No. 261 of 28 December 2012 regarding the termination for cause of mutual termination of the engagement of External Statutory Auditor;

- having considered that the Shareholders' Meeting of CDP, held on 19 March 2019, appointed Deloitte & Touche S.p.A. as the External Statutory Auditor for the 2020-2028 period;
- having acknowledged that the current auditor is willing to agree to a mutual early termination of the engagement of External Statutory Auditor on condition that Deloitte & Touche S.p.A. is appointed as the new auditor;
- having considered that, due to the procedure extensively described above, an alternative to granting the engagement to Deloitte & Touche S.p.A. as sole external statutory auditor for the CDP Group is keeping the current external statutory auditor PwC until the appointment expires;
- having considered that the engagement granted to Deloitte & Touche S.p.A., in its capacity as External Statutory Auditor of the Parent Company CDP, would make it possible to achieve all the objectives, which are as follows:
 - o providing a complete, accurate and timely report to all stakeholders;
 - o improved effectiveness and efficiency of the audit process;
 - o better fluidity and coordination of information flows;
 - o greater consistency with the laws in force, considering the other and more extensive cases of liability – in the case of multiple auditors – enacted by Legislative Decree No. 135/2016 and Regulation (EU) No. 537/2014;

and pursued through the accession by Fincantieri to the Single Proceeding for the selection of the new External Statutory Auditor for the CDP Group;

- having found that based on the comparison between the fees proposed by Deloitte & Touche S.p.A. and the corresponding PwC fees Deloitte & Touche S.p.A. would ensure savings in the amount of EUR 90,100, i.e., 22%;
- having found that the technical score achieved by Deloitte & Touche S.p.A. was slightly less than the maximum score achievable (69.190 out of 70);

- having considered that the total hours necessary to carry out activities related to the engagement of External Statutory Auditor, indicated by Deloitte & Touche S.p.A., equal to 3933, are substantially comparable to those currently worked by PwC, equal to 4050, and the different allocation of these hours on assessment work necessary to provide an opinion on the separate and consolidated financial statements, respectively, is reasonably justified by the different combination of resources and implementation time, in addition to the current organisation of the Group;
- having considered that in compliance with the current regulatory framework, Fincantieri may choose between keeping the engagement of External Statutory Auditor granted to PwC until its expiry or terminate the engagement by mutual agreement with the latter (based on the combined provisions of Articles 4 and 7 of Ministerial Decree No. 261/2012) and grant the engagement to Deloitte & Touche, which is already responsible for the audit of the Parent Company. EY, in its capacity as second successful bidder in the outcome of the Single Proceeding, is therefore precluded from receiving the engagement, for the reasons stated above;
- having acknowledged the willingness of the current External Statutory Auditor and sharing the underlying reasons of the proposal for mutual early termination of the engagement granted to PwC in case the Shareholders' Meeting decides to engage Deloitte & Touche S.p.A. as External Statutory Auditor;

ISSUES

a favourable opinion the mutual early termination of the engagement of External Statutory Auditor granted to the auditing company PwC by the Shareholders' Meeting of Fincantieri S.p.A. on 28 February 2014;

PROPOSES

granting the engagement of External Statutory Auditor of the separate and consolidated financial statements of Fincantieri S.p.A. as well as the other services listed in the proposal above for the term of nine financial years and, more specifically, for the financial years ending from 31 December 2020 to 31

December 2028 to Deloitte & Touche S.p.A., in accordance with the economic conditions contained in the bid submitted to Fincantieri S.p.A. by Deloitte & Touche S.p.A. and summarised above.

The Board of Internal Statutory Auditors also states that the above proposal was not influenced by third parties and that in accordance with the Article 16, paragraph 6, of Regulation (EU) No. 537/2014, no clause was applied restricting the choice to certain categories or lists of statutory auditors or auditing firms.

Trieste, 19 September 2019

Mr. Gianluca Ferrero (Chairman of the Board of Internal Statutory Auditors)

Ms. Fioranna Negri

Mr. Roberto Spada

TRIESTE, 29 January 2019

PROTOCOL NO. CO-AUD-10/2019

OUR FILE NO.

REGISTERED LETTER DELIVERED BY HAND

YOUR FILE NO.

PricewaterhouseCoopers S.p.A.
Via Poscolle, 43

33100 - Udine (UD)

Early termination of the statutory audit engagement

Dear Sirs,

we refer to the engagement conferred on you by the Shareholders' Meeting of FINCANTIERI S.p.A. on 28 February 2014 for the statutory audit for the period 2013-2021 and its subsequent extension, approved by the Board of Directors of the company on 5 May 2014.

To this regard, we inform you that CDP and the companies of the CDP Group, in view of the imminent expiry of the engagement previously conferred on PricewaterhouseCoopers S.p.A. ("PwC") for the nine-year period 2011-2019 - also based on the instructions of the respective Audit Committees (hereinafter also referred to as the "CCIRC", which is an acronym that also refers to the Supervisory Body in relation to companies that do not fall within the definitions of Articles 16 and 19 of Legislative Decree No. 39/2010) - have jointly decided to launch a single tender procedure aimed, as far as possible, at identifying - in compliance with the provisions of Regulation (EU) no. 537 of 16 April 2014 (hereinafter the "Regulation"), Legislative Decree no. 39 of 17 January 2010 as amended by Legislative Decree 135/2016 in implementation of Directive 2014/56/EU (hereinafter the "Legislative Decree 39/2010") and Legislative Decree no. 50 of 18 April 2016 - a single group auditor.

This single tender procedure addresses the need to preserve, as far as possible, the principle of a single auditor within the CDP Group (currently implemented), which was recognised as a market practice in the previous regulatory system and can also be implemented following recent regulatory changes in the field of statutory audit (in particular, the Regulation and Legislative Decree 39/2010).

FINCANTIERI S.p.A. has autonomously decided to adhere to this tender procedure by giving CDP a specific disclosed agency.

The objectives pursued by CDP and its subsidiaries, including FINCANTIERI S.p.A., include to ensure, to the extent that Group companies select the same auditor:

- a. full, accurate and timely disclosure to all stakeholders;
- b. improved effectiveness and efficiency of the audit process;
- c. better fluidity and coordination of information flows;
- d. the most economically competitive bids in terms of the value of the tender as a whole;
- e. greater consistency with the current regulatory framework, in consideration of the different and broader types of responsibility - in the event of more auditors - introduced into our legal system by Legislative Decree 135/2016 and the Regulation.

In light of the foregoing and following the recent contacts, we hereby ask you to confirm your willingness to proceed with the consensual termination, as of the financial year 2020, of i) the engagement conferred by the above-mentioned Shareholders' Meeting of 28 February 2014 for the statutory audit of the Company for the financial years 2013-2021, ii) the engagement for the statutory audit conferred by the subsidiaries, and iii) the engagement for the limited audit of the consolidated non-financial declaration for the financial years 2017 to 2021.

We kindly ask you to acknowledge receipt of this letter.

Kind regards

FINCANTIERI S.p.A.

The Chief Executive Officer
Giuseppe Bono
[Signature]

Fincantieri SpA
Via Genova 1
34121 Trieste TS

Udine, 10 September 2019

Re: Communication relating to our proposal for the engagement of a statutory auditor by the Shareholders' Meeting of Fincantieri SpA on 28 February 2014 for the statutory audit of the financial statements for the period 2013 - 2021 (hereinafter the "audit appointment")

Dear Sirs,

we refer to your communication of 29 January 2019, whereby you informed us that your company Fincantieri SpA (hereinafter the "Company") has adhered to the single tender procedure launched by Cassa Depositi e Prestiti SpA (hereinafter "CDP") aimed, as far as possible, at identifying a single Group auditor.

In the above mentioned communication, we were asked to adhere to the proposal for early consensual termination, as from the date of approval of the financial statements for the year ending 31 December 2019, following the issue of the audit reports on the consolidated financial statements for the year ending 31 December 2019, of the audit engagement conferred on us by your company's Shareholders' Meeting concerning the statutory audit of the company for the years 2013 - 2021.

We hereby confirm that we are willing to accept your proposal for the consensual termination of the audit engagement, in accordance with the terms and timing provided for in the attached Agreement for the consensual termination of the Contract.

As specified in this Agreement, it is understood that the consensual termination referred to in Legislative Decree No. 39 of 27 January 2010, as well as in the Regulation subsequently adopted by the Ministerial Decree of the Ministry of the Economy and Finance No. 261 of 28 December 2012, will take effect only from the date of approval of the financial statements for the year ending 31 December 2019 and on condition that, on that date:

- i. the resolution of the Shareholders' Meeting of the Company concerning the appointment of the new auditor will have been adopted;
- ii. the resolution of the Shareholders' Meeting concerning the appointment of the new auditor provides for the conferment of the audit engagement to the same new auditor chosen by the Shareholders' Meeting of the parent company Cassa Depositi e Prestiti SpA

As a confirmation of the above, we send you two duly signed copies of the termination agreement, attached to this communication, which you are kindly requested to return to us for acceptance.

Kind regards
PricewaterhouseCoopers SpA

[Signature]
Maria Cristina Landro
(Partner)

TERMINATION AGREEMENT OF THE CONTRACT BETWEEN

Fincantieri SpA, with registered office in Trieste, Via Genova 1, Tax Code 00397130584, in the person of Giuseppe Bono, legal representative *pro tempore* (hereinafter the "**Company**")

AND

PricewaterhouseCoopers SpA, with registered office in Milan, Via Monte Rosa 91, Tax Code 12979880155, in the person of Maria Cristina Landra, in charge of the statutory audit of the Company for the nine-year period 2013 - 2021, (hereinafter the "**Auditor**")

Jointly the "**Parties**"

WHEREAS

- by a contract signed on 28 February 2014 and its subsequent extension, approved by the Company's Board of Directors on 5 May 2014, the Company appointed the Auditor to carry out the statutory audit for the nine-year period 2013 - 2021 (hereinafter the "**Contract**");
- the Contract was effective as from the 2013 financial year and had a term of nine years; consequently, the natural expiry date was provided to fall on the date of approval of the financial statements as at 31 December 2021 by the Shareholders' Meeting;
- by invitation to tender published in the Official Journal, 5th Special Series - Public Contracts, No. 98 of 24 August 2018, Cassa Depositi e Prestiti SpA has launched the "*European restricted tender procedure for the assignment of audit activities for the CDP Group - nine-year period 2020-2028*", concerning "*the assignment of Audit Services and Related Audit Services for CDP and the Group companies listed in the Annex or in the tender specifications*" (hereinafter the "**Tender**");
- the Tender was awarded by awarding decision on 23 January 2019 to the audit firm Deloitte & Touche SpA and EY SpA;
- the Company, having taken part in the above tender, by granting Cassa Depositi e Prestiti SpA a specific disclosed agency, requested the Auditor if it was willing to proceed with the consensual termination of the Contract, the subsequent extensions and the audit engagements conferred by the subsidiaries of Fincantieri SpA as from the date of approval of the financial statements for the year ending 31 December 2019 and therefore as of the issue of the audit reports on the consolidated financial statements for the year ending 31 December 2019, with the consequent early termination of the engagements for the statutory audit for the years 2013 - 2021;
- the Auditor, by signing this consensual termination agreement, accepts the proposed consensual termination of the existing Agreement, provided that such consensual termination shall have effect and shall be conditional upon the prior resolution of the meeting and the appointment of the new auditor, as provided for in Article 3 of this agreement.

* * *

Article 1 Recitals

1. The recitals shall form an integral part of this consensual termination agreement and shall, for all intents and purposes, be deemed to be a covenant.

Article 2 Consensual Termination

1. By signing this agreement, the Parties expressly state that the Contract shall be considered terminated by mutual consent as of the date of approval of the financial statements by the Shareholders' Meeting, ending on 31 December 2019, and therefore as of the issue of the audit reports on the consolidated financial statements as of 31 December 2019, with the consequent early termination of the engagement for the statutory audit for the years 2013 - 2021; all this, subject to the conditions set out in Article 3 below. The Auditor, subject to the occurrence of the following conditions as per Article 3 below, undertakes to terminate by mutual consent the audit engagements conferred by the subsidiaries of Fincantieri SpA as from the date of approval of the financial statements for the year ending 31 December 2019.

2. The Parties mutually acknowledge that the termination referred to in paragraph 1 is without consideration.
3. The Auditor, for its part, expressly states to waive any claim and title in relation to the part of the Contract that will remain unfulfilled following the completion of the consensual termination, it being understood that the Company shall have to pay to PwC the fees for the services provided, as the entity in charge of the statutory audit, until the date of completion of this termination agreement.

Article 3
Conditions Precedent

1. The Parties mutually acknowledge that this consensual termination agreement shall only take effect if, on the date of approval of the financial statements for the year ending 31 December 2019, following the issue of the audit reports on the consolidated financial statements for the year ending 31 December 2019, the following two conditions have been met at the same time: (i) the Company will have adopted the resolution of the Shareholders' Meeting relating to the appointment of the new auditor; and (ii) the resolution of the Shareholders' Meeting relating to the appointment of the new auditor will have provided for the conferment of the audit engagement to the same new auditor chosen by the Shareholders' Meeting of the parent company Cassa Depositi e Prestiti SpA.

Article 4
Confidentiality

1. The Parties state to terminate by mutual consent the Audit Contract referred to in the recitals, pursuant to Article 13, paragraph 4, of Legislative Decree 39/2010, as well as Article 7 of the Decree of the Ministry of Economy and Finance 261/2012, with the exception of the clauses relating to confidentiality and indemnity obligations, as well as the clause relating to jurisdiction, provided in the Audit Contract, which are specifically confirmed with the signing of this agreement.

Udine, 10 September 2019

PricewaterhouseCoopers SpA
[Signature]

Maria Cristina Landro
(Partner)

As acceptance

Fincantieri SpA
[Signature]

Date

Signature of the legal representative of Fincantieri SpA