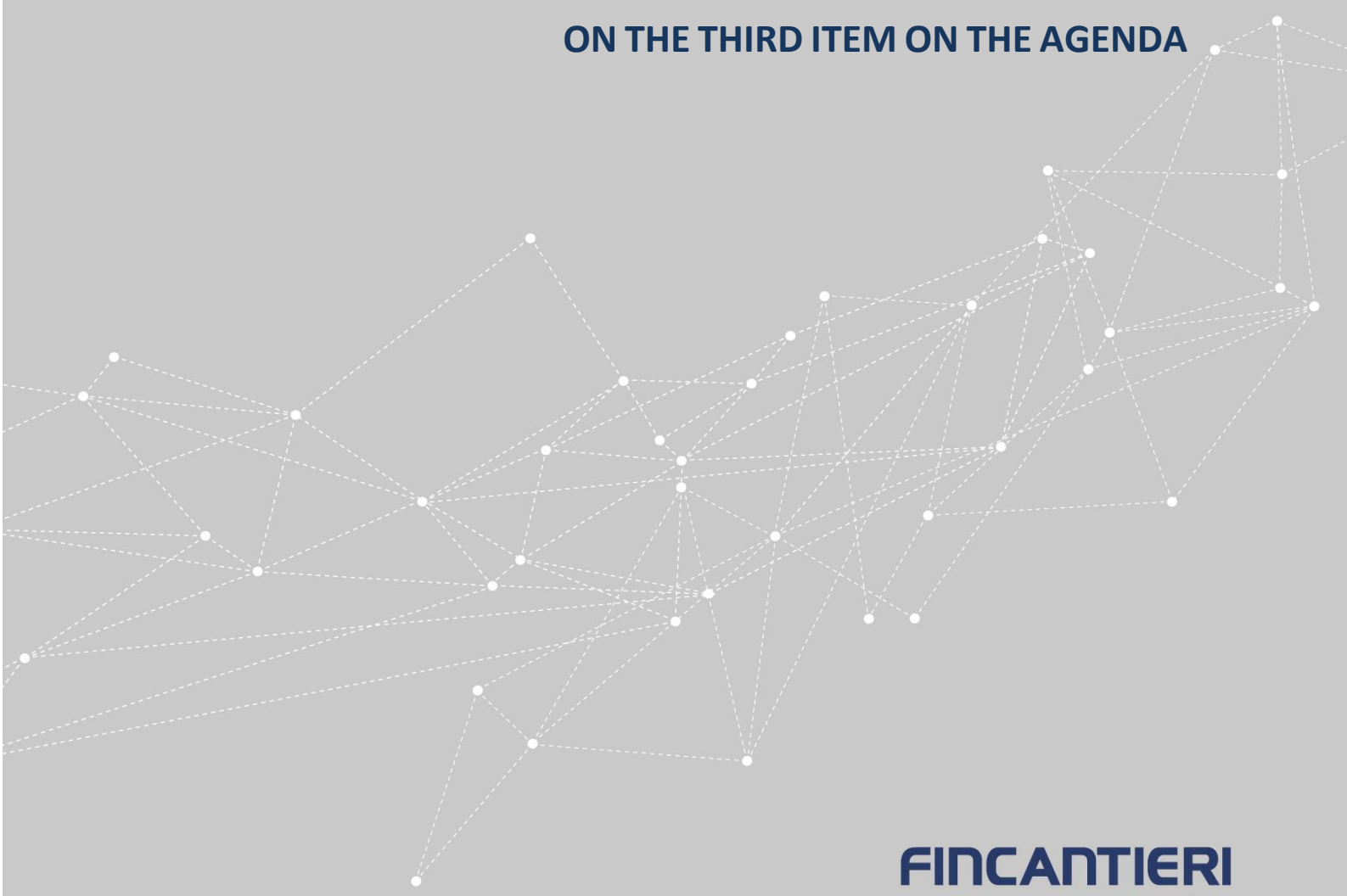


**ORDINARY SHAREHOLDERS' MEETING**

**16 MAY 2022**

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



**FINCANTIERI**  
The sea ahead



**THIRD ITEM ON THE AGENDA**

**FINCANTIERI S.p.A.**  
Registered office Via Genova 1, Trieste  
Share Capital EUR 862,980,725.70  
fully paid-up  
VAT No. 00629440322  
Tax Code and Venezia Giulia Companies' Registry No. 00397130584  
Trieste Economic and Administrative Index No. 89063

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***Explanatory report prepared in accordance with Article 125-ter of Legislative Decree No. 58 of 24 February 1998***

**THIRD ITEM ON THE AGENDA**

***Appointment of the Board of Directors. Related and consequent resolutions:***

- 3.1 Determination of the number of members of the Board of Directors.***
- 3.2 Determination of the term in office of the Board of Directors.***
- 3.3. Appointment of the members of the Board of Directors.***
- 3.4 Appointment of the Chairperson of the Board of Directors.***
- 3.5. Determination of the compensation of the members of the Board of Directors.***

Dear Shareholders,

on the occasion of the Shareholders' Meeting called to approve the financial statements for the 2021 financial year, the three-year mandate conferred by the Shareholders at the Shareholders' Meeting on 5 April 2019 on the Board of Directors currently in office will end.

You are therefore asked to take action regarding: (i) determining the number of members of the Board of Directors; (ii) determining the term in office of the Board of Directors; (iii) appointing the members of the Board of Directors; (iv) appointing the Chairperson of the Board of Directors; and (v) determining the compensation of the members of the Board of Directors.

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### ***3.1 Determination of the number of members of the Board of Directors***

Pursuant to Article 19.1 of the By-laws, the Company is governed by a Board of Directors consisting of seven to thirteen members. The number of members is determined from time to time by the Shareholders' Meeting within the limit above (Article 19.2 of the By-laws).

The outgoing Board of Directors is not making proposals in this regard, and therefore requests the Shareholders' Meeting to determine – within the limits set forth in the By-laws – the number of members of the Board of Directors, based on the proposals that may be made by the Shareholders.

### ***3.2 Determination of the term in office of the Board of Directors***

Pursuant to Article 19.9 of the By-laws, the Directors remain in office for three financial years and their term of office expires on the date of the Shareholders' Meeting called to approve the financial statements for the last financial year of their term.

The outgoing Board of Directors is not making proposals in this regard, and therefore requests the Shareholders' Meeting to determine – within the limits set forth in the By-laws – the term in office of the Board of Directors, based on the proposals that may be made by the Shareholders.

### ***3.3 Appointment of the members of the Board of Directors***

The Company's Board of Directors is appointed in accordance with Article 19 of the By-laws, to which express reference is made for matters not described below.

The Directors are appointed by means of a slate voting system. Slates may be submitted by Shareholders who, individually or with other Shareholders, hold at least 1% of the shares pursuant to the Italian Stock Exchange Regulatory Authority (CONSOB) Executive Determination No. 60 of 28 January 2022. Each Shareholder may submit or contribute to the submission of a single slate. Each person with voting rights may vote for only one slate.

#### **Preparation of the slates**

Each candidate can appear on one slate only under penalty of ineligibility.

Each slate must include at least two candidates who meet the independence requirements under law (i.e., the independence requirements for statutory auditors of listed companies set forth in Article 148, paragraph 3 of Legislative Decree No. 58/1998), must clearly indicate those candidates as such and must list one of them as the first on the slate.

To make possible the composition of the Board Committees recommended by the Corporate Governance Code approved on 30 January 2020 (the "Corporate Governance Code"), to which the Company adheres, Shareholders are asked to include in the slates an adequate number of candidates meeting the independence requirements set out in Recommendations No. 5 and 7 of that Code.

To ensure compliance with the regulations on gender balance, and therefore to ensure that at least two-fifths of the new Board of Directors is made up of members of the less represented gender, rounding up to the higher number in the event of a fraction:

- slates with three candidates must list candidates of different genders at the top two places of the slate;
- slates with more than three candidates must: (i) be composed of two-fifths of members of the less represented gender, rounding up to the higher number in the event of a fraction, and (ii) place one of the candidates of the less represented gender in one of the first two places on the slate.

#### Composition of the Board of Directors and requirements for Directors

Members of the Board of Directors must satisfy: (i) the professional requirements set out in Article 19.4 of the Company's By-laws and (ii) the reputational requirements set out in Article 147-*quinquies* of Legislative Decree No. 58 of 24 February 1998 (the "Italian Consolidated Finance Law"), which cites the reputational requirements for statutory auditors of companies with listed shares set forth in Article 148, paragraph 4 of the Italian Consolidated Finance Law (for which reference is currently made to Article 2 of Decree of the Ministry of Justice No. 162 of 30 March 2000) and in Article 19.5 of the By-laws.

Furthermore, the members of the Board of Directors must not be ineligible or barred from acting as Directors under Article 19.5 of the By-laws.

It is also noted that, pursuant to Article 2390 of the Italian Civil Code, Directors may not acquire equity stakes with unlimited liability in competing companies, engage in a competing business for themselves or on behalf of third parties, nor may they be directors or general managers in competing companies.

In compliance with Recommendation 15 of the Corporate Governance Code, the Company's Board of Directors has developed a policy on the maximum number of offices held on governance or control bodies in other listed companies or companies of significant size considered compatible with their effectively serving as a Director of the Company, also considering the commitment involved in the role held. This policy can be consulted on the Company's website at [www.fincantieri.com](http://www.fincantieri.com) in the "*Ethics & Governance – Board of Directors – Guidance on the number of offices*" section.

#### Submission of slates

Pursuant to Article 147-*ter* of the Italian Consolidated Finance Law, the slates of candidates must be filed at least 25 days before the date of the Shareholders' Meeting (i.e., by 21 April 2022).

The slates can be filed in the following ways:

- by hand delivery to the Company's registered office, Via Genova 1, 34121 Trieste, addressed to the Legal Affairs Department – Corporate Secretary during normal office hours (9:00 a.m. to 5:00 p.m. - tel. + 39 040 3192111); or
- by certified e-mail to [assemblea.fincantieri@pec.fincantieri.it](mailto:assemblea.fincantieri@pec.fincantieri.it) (subject: "Filing of Board of Directors' slates").

Ownership of the minimum number of shares required to submit slates set forth above is determined based on the shares registered in the Shareholder's name on the day the slates are filed with the Company. However, the relevant certification may be produced after the slate has been filed, provided that it is produced by the deadline for the publication of the slates, and thus at least 21 days prior to the date of the Shareholders' Meeting (i.e., by 25 April 2022), by means of a statement issued by an authorised intermediary in accordance with law.

The slates must be filed with the documentation and information required by the By-laws and law in force.

More specifically, each slate must be filed with:

- a) information on the identity of the Shareholders submitting the slate and the total percentage of shares they hold;
- b) the declarations with which the individual candidates accept their candidacy and certify, under their own responsibility, that they are not ineligible or barred and meet the requirements under the By-laws and law to serve as a Director of the Company;
- c) the curriculum vitae of each candidate containing exhaustive information on his or her personal and professional background with a list of offices held; and
- d) for candidates who are indicated as independent on the slate, the declarations in which those candidates certify, under their own responsibility, that they meet the independence requirements under applicable laws and regulations.

Shareholders are also requested to take into account the independence requirements and the number of independent directors as set out in Recommendations Nos. 7 and 5, respectively, of the Corporate Governance Code.

Since as at the date of this report Fincantieri is classified as a "large" and "concentrated ownership" company under the Corporate Governance Code, in accordance with the above-mentioned Recommendation No. 5 of the Corporate Governance Code, at least one-third of the Board of Directors must be made up of independent Directors.

Moreover, in Communication No. DEM/9017893 of 26 February 2009, the Italian Stock Exchange Regulatory Authority (CONSOB) recommended that Shareholders submitting a minority slate for the appointment of the Board of Directors file, together with the slate, a declaration "*certifying the absence of any direct or indirect connection under Article 147-ter, paragraph 3 of Legislative Decree No. 58 of 24 February 1998 and Article 144-quinquies of CONSOB Resolution No. 11971 of 14 May 1999, with shareholders who hold, individually or collectively, a controlling interest or a relative majority, where identifiable on the basis of notifications of significant shareholdings pursuant to Article 120 of Legislative Decree No. 58 of 24 February 1998 or the publication of shareholders' agreements pursuant to Article 122 of that Decree*", specifying any existing relationships, if significant, with such controlling or relative majority Shareholders, as well as the reasons why such relationships were not considered decisive for the existence of the aforementioned relationships.

It should be noted in this respect that, based on the communications pursuant to Article 120 of the Italian Consolidated Finance Law and information in the shareholders' register, the controlling

Shareholder of Fincantieri, which holds 71.32% of the share capital, is CDP Industria S.p.A., which in turn is controlled by Cassa Depositi e Prestiti S.p.A.

### Appointment procedures

Pursuant to Article 19.8 of the By-laws, Directors are elected as follows:

- a) the following Directors are taken from the slate that received the majority of the votes cast, in the order in which they are listed: (i) two-thirds of the Directors to be elected, rounding down in the event of a fraction, if the Board of Directors is composed of up to nine members; (ii) seven Directors to be elected if the Board of Directors consists of ten members; (iii) eight Directors to be elected if the Board of Directors consists of eleven members; (iv) nine Directors to be elected if the Board of Directors consists of twelve members; and (v) ten Directors to be elected if the Board of Directors consists of thirteen members;
- b) the remaining Directors are taken from the other slates, subject to applicable law protecting minority Shareholders not associated in any way, directly or indirectly, with Shareholders who submitted or voted for the slate that received the highest number of votes. Accordingly, the votes received by these slates are subsequently divided by one, two or three, depending upon the number of Directors to be elected. The quotients thus obtained will be progressively assigned to the candidates in each of those slates in the order presented. The quotients thus assigned to the candidates on the various slates will be arranged in a single decreasing ranking. Those who receive the highest quotients will be elected. If more than one candidate receives the same quotient, the candidate from the slate that has not yet elected any Director or that has elected the least number of Directors will be elected. In cases where none of those slates have yet elected a Director or all have elected the same number of Directors, the candidate of the slate that received the greatest number of votes will be elected. In the event of a tie in slate votes and where the quotients are equal, the Shareholders will vote again from among the candidates who attained the same quotients from the slates that elected the same number of Directors (or no Director) and obtained the same number of votes, according to the procedure in subparagraph e) below;
- c) if, following the application of this procedure, the minimum number of independent Directors legally required has not been elected, the quotient of votes to be attributed to each candidate drawn from the slates is calculated by dividing the number of votes received by each slate by the ranked number of each candidate, thus creating a single descending ranking; candidates who do not meet the independence requirements and who obtain the lowest quotients among the candidates taken from all of the slates will be replaced, beginning from the last, until the minimum number of independent Directors legally required has been reached, by independent candidates indicated on the same slate as the replaced candidate (following the order indicated) or by persons who meet the independence criteria and are appointed according to the procedure in subparagraph e) below. If candidates on different slates received the same quotient, the candidate to be replaced will be the candidate from the slate from which the highest number of Directors has been drawn or, if the same number of Directors were elected, the candidate from the slate that received the least number of votes or, in the event of a tie, the candidate who receives fewest votes in a special shareholder vote from among all of the

candidates with the same quotient from slates that elected the same number of Directors and received the same number of votes, according to the procedure in subparagraph e) below;

- d) if the application of the procedure described in subparagraphs a) and b) above fails to ensure compliance with laws on gender balance, the quotient of votes to be attributed to each candidate drawn from the slates is calculated by dividing the number of votes received by each slate by the ranked number of each candidate, thus creating a single descending ranking; candidates of the more represented gender who have the lowest quotients among the candidates taken from the above-mentioned slates are replaced – until the number of Directors is achieved that complies with gender balance laws and subject to the minimum required number of independent Directors – by the candidate of the less represented gender who appears (with the next lowest ranked number on the slate) on the same slate as the candidate being replaced. If candidates on more than one of the abovementioned slates received the same quotient, the candidate to be replaced will be the candidate from the slate from which the highest number of Directors has been drawn or, if the same number of Directors were elected, the candidate from the slate that received the least number of votes in a special shareholder vote from among all of the candidates with the same quotient from slates that elected the same number of Directors and received the same number of votes, according to the procedure in subparagraph e) below; and
- e) for the appointment of Directors who, for any reason, were not appointed in accordance with the above procedures, the Shareholders will take action with the majorities required by law in a manner that ensures that the composition of the Board of Directors complies with law and the By-laws, as well as laws on gender balance.

In view of all of the foregoing, Shareholders are asked to vote at the Shareholders' Meeting for one of the slates of candidates for the office of Director that will be prepared, filed and published in accordance with the provisions cited above.

### ***3.4 Appointment of the Chairperson of the Board of Directors***

Pursuant to Article 20.1 of the By-laws, the appointment of the Chairperson of the Board of Directors is primarily the responsibility of the Shareholders' Meeting. Article 20.1 provides that the Board of Directors may elect a Chairperson from among its members if the Shareholders did not do so.

The outgoing Board of Directors is not making proposals in this regard, and therefore requests the Shareholders' Meeting to appoint the Chairperson of the Board of Directors from among the Directors who will be elected as a result of the voting relating to the previous agenda item 3.3, based on the proposals that may be made by the Shareholders.

### ***3.5 Determination of the compensation of the members of the Board of Directors***

Pursuant to Article 28.1 of the By-laws, the members of the Board of Directors are entitled to reimbursement of expenses incurred in the performance of their duties and to compensation to be determined by Shareholders at the ordinary Shareholders' Meeting, who may elect the option in

Article 2389, paragraph 3 of the Italian Civil Code. This resolution, once taken, is valid also for the following financial years until otherwise determined by the Shareholders' Meeting.

Pursuant to Article 28.2 of the By-laws, the compensation of Directors holding special offices is instead determined by the Board of Directors in accordance with law and any resolution passed by the Shareholders pursuant to the aforementioned Article 2389, paragraph 3 of the Italian Civil Code.

The Shareholders at the ordinary Shareholders' Meeting on 19 April 2019 set the compensation of the current members of the Board of Directors at a gross annual amount of EUR 50,000 for each member.

The outgoing Board of Directors is not making proposals in this regard, and therefore requests the Shareholders' Meeting to determine Directors' compensation based on the proposals that may be made by the Shareholders.

Rome, 23 March 2022

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