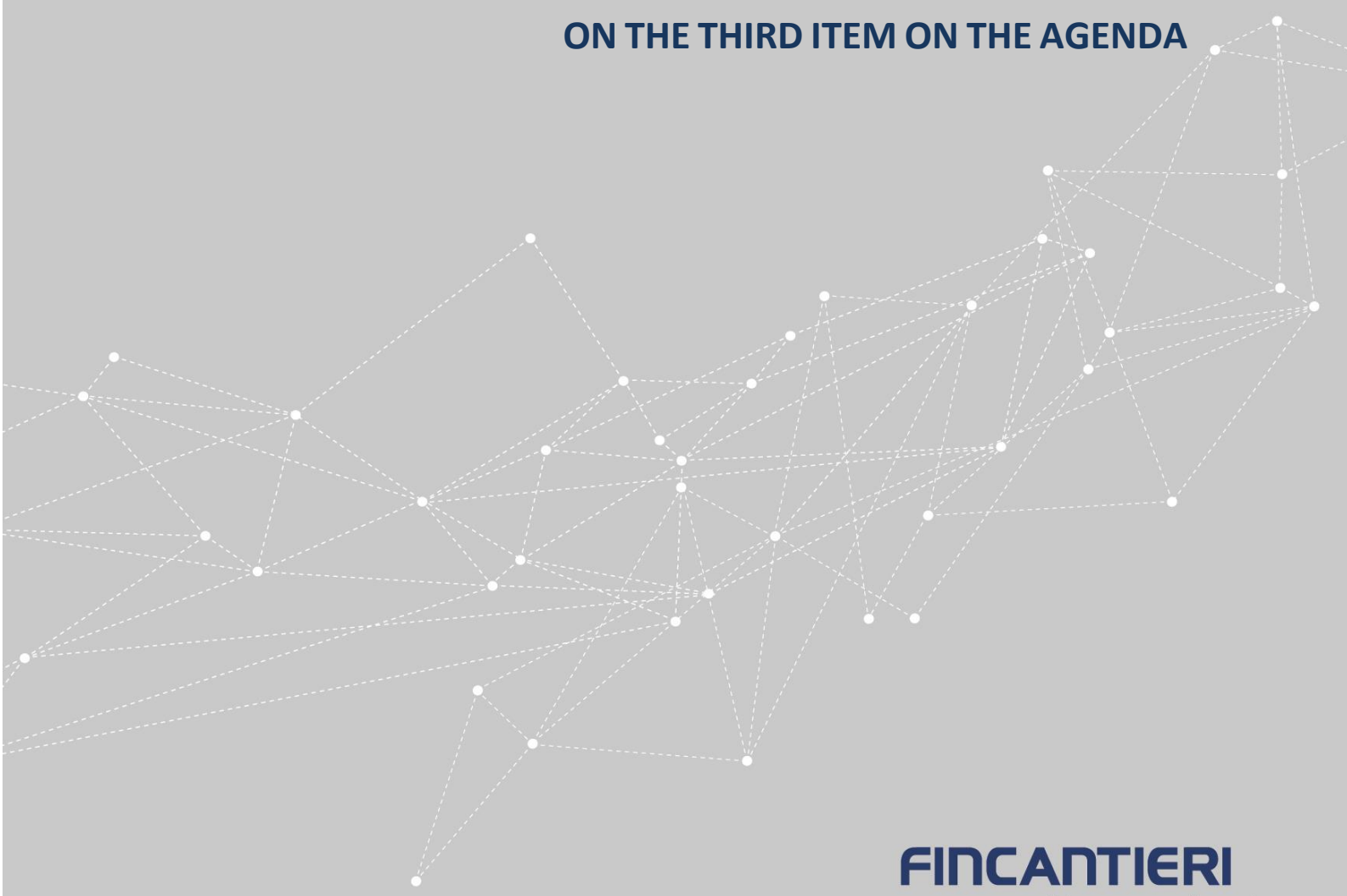


ORDINARY SHAREHOLDERS' MEETING

31 MAY 2023

**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 Statutory Auditors for the three-year period 2023-2025. Related and consequent resolutions:

- 3.1. Appointment of three Standing Auditors and three Alternate Auditors.***
- 3.2. Appointment of the Chairman of the Board of Statutory Auditors.***
- 3.3. Determination of the fee of the Standing members of the Board of Statutory Auditors.***

Dear Shareholders,

on the occasion of the Shareholders' Meeting called to approve the financial statements for the 2022 financial year, the three-year mandate conferred by the Shareholders' Meeting on 9 June 2020 on the Board of Statutory Auditors currently in office will end.

You are therefore called upon to resolve on the following: (i) appointment of the three Standing Auditors and three Alternate Auditors; (ii) appointment of the Chairman of the Board of Statutory Auditors and (iii) determination of the fee of the Standing members of the Board of Statutory Auditors.

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3.1. Appointment of three Standing Auditors and three Alternate Auditors

The Company's Board of Statutory Auditors is appointed in accordance with Article 30 of the By-laws, to which express reference is made for matters not described below.

In particular, pursuant to Article 30.1 of the By-laws, the Shareholders' Meeting appoints the Board of Statutory Auditors consisting of three Standing Auditors and three Alternate Auditors. The Statutory Auditors thus appointed remain in office for three financial years (2023-2025), expiring at the Shareholders' Meeting called to approve the financial statements as at 31 December 2025.

The Standing Auditors and Alternate Auditors are appointed on the basis of slates submitted by Shareholders who, alone or together with other Shareholders, hold at least 1% of the share capital, as provided for in Article 19.6 of the By-laws, referred to in Article 30.4 thereof.

Each Shareholder may submit or contribute to the submission of a single slate. Each person with voting rights may vote for only one slate.

Shareholders belonging to the same group and Shareholders who are party to a Shareholders' agreement concerning Company shares may not submit or vote for more than one slate, not even through a third party or trust company.

Preparation of the slates

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

The slates must be divided into two sections, one for candidates for the office of Standing Auditor and one for candidates for the office of Alternate Auditor, within which the candidates must be numbered consecutively. The names of the candidates may not, however, exceed the number of members to be elected. The first candidate in each section must be enrolled in the register of certified accountants and must have at least three years account auditing experience.

In order to ensure compliance with regulations on gender balance and therefore to ensure that the new Board of Statutory Auditors is composed of at least two-fifths of members of the less represented gender, with rounding, in case of fractional number, to the lower unit, the slates that, considering both sections, present a number of candidates equal to or greater than three must include, both in the first two positions of the section of the slate relating to Standing Auditors and in the first two positions of the section of the slate relating to Alternate Auditors, candidates of different gender.

Members of the Board of Statutory Auditors and requirements for Statutory Auditors

Candidates for the office of Statutory Auditor must meet the requirements of professionalism and integrity set forth in the Ministry of Justice Decree No. 162 of 30 March 2000 (the "Decree").

For the purposes of Article 1, paragraph 2, letters b) and c), of the Decree, matters pertaining to commercial and tax law, corporate law and corporate finance, and to sectors of activity related to naval engineering, are considered closely pertinent to the Company's sphere of operations.

The candidates must also possess the independence requirements set out in Article 148, paragraph 3 of Legislative Decree No. 58/1998 (the "Italian Consolidated Law on Finance"), as well as comply with the limit on the accumulation of offices set forth in Article 148-*bis* of the Italian Consolidated Law on Finance and Articles 144-*duodecies* to 144-*quinquiesdecies* of the Regulation adopted by Italian Stock Exchange Regulatory Authority Resolution No. 11971 of 14 May 1999 (the "Consob Issuers' Regulation").

Shareholders are also requested to take into account the independence requirements as set out in Article 2 of the Corporate Governance Code approved on 30 January 2020 (the “Corporate Governance Code”), to which the Company adheres and in particular to Recommendation 7, as referred to in Recommendation 9.

In this regard, it should be noted that independence must also be assessed in light of the quantitative and qualitative criteria for assessing the significance of any commercial, financial or professional relationships and any additional remuneration (the “Criteria of Significance”) adopted by the Company and confirmed by the Board of Directors on 1 June 2022, in compliance with the recommendations of the Corporate Governance Code.

More specifically, the aforementioned Criteria of Significance provide that:

- for the purposes of letter c) of Recommendation 7 of the Corporate Governance Code, commercial, financial or professional relationships from which the Statutory Auditor receives an income that exceeds at least one of the following parameters are generally considered significant:
 - the annual compensation due for the office of Statutory Auditor;
 - 5% of the average of the costs incurred by Fincantieri in the last 3 financial years with regard to relationships of the same commercial, financial or professional nature.

In any event, the relationship will be deemed significant if the amount of the Statutory Auditor’s income exceeds EUR 200,000.00 (two hundred thousand/00).

Without prejudice to the foregoing, in the event that the Statutory Auditor is also a partner in a professional firm or consulting company, the significance of the professional relationships that may have an effect on his or her position and role within the firm or consulting company or that in any event relate to important transactions of the Company and the Fincantieri Group is also assessed independently of the quantitative parameters;

- for the purposes of letter d) of Recommendation 7 of the Corporate Governance Code, additional remuneration paid to a Statutory Auditor of the Company, one of its subsidiaries or the parent company that exceeds the annual compensation for the office of Statutory Auditor determined by the Shareholders’ Meeting is considered significant.

“Additional remuneration” is defined as any compensation received by the Statutory Auditor of the Company from the parent company or the subsidiaries, including that for offices in the same companies.

Submission of slates

Pursuant to the combined provisions of Articles 148, paragraph 2 and 147-ter, paragraph 1-bis of the Italian Consolidated Law on Finance, as well as Article 144-sexies of the Consob Issuers’ Regulation, the slates of candidates must be filed at least twenty-five days prior to the date of the Shareholders’ Meeting (*i.e.*, on 6 May 2023).

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 and Corporate Affairs Department – Corporate Secretary (during normal office hours, from 9:00 a.m. to 5:00 p.m. - tel. + 39 040 3192111); or
- by certified e-mail to assemblea.fincantieri@pec.fincantieri.it (subject: "Filing of Board of Statutory Auditors 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.*, 10 May 2023), by means of a statement issued by an authorised intermediary in accordance with the law in force.

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 Statutory Auditor of the Company;
- c) the *curriculum vitae* of each candidate containing comprehensive information on his or her personal and professional characteristics and
- d) for the slates submitted by Shareholders other than those who hold, even jointly, a controlling interest or a relative majority, the statement attesting the absence of the relationships of connection envisaged by Article 144-*quinquies* of the Consob Issuers' Regulation.

It should be noted that, by Communication DEM/9017893 of 26 February 2009, Consob, the Italian Stock Exchange Regulatory Authority, recommended that the statement referred to in point d) above should include information on (i) any existing relationships, if significant, with Shareholders who hold, even jointly, a controlling or relative majority interest (as exemplified by the same Communication), or the absence of such significant relationships; (ii) the reasons why such relationships were not considered decisive for the existence of the relationships of connection referred to in Article 148, paragraph 2 of the Italian Consolidated Law on Finance and Article 144-*quinquies* of the Consob Issuers' Regulation.

It should be noted in this respect that, based on the communications pursuant to Article 120 of the Italian Consolidated Law Finance and information in the Shareholders' register, the controlling Shareholder of Fincantieri, which holds 71.32% of the share capital, is CDP Equity S.p.A., which in turn is controlled by Cassa Depositi e Prestiti S.p.A..

Furthermore, taking into account that - pursuant to Article 2400, last paragraph, of the Italian Civil Code - at the time of the appointment of the Statutory Auditors and prior to their acceptance of the office, any administration and control positions they hold in other companies must be disclosed to the Shareholders' Meeting, and also taking into account the provisions on the limits on the

accumulation of offices pursuant to Article 148-*bis* of the Italian Consolidated Law on Finance and Articles 144-*duodecies* to 144-*quinquiesdecies* of the Consob Issuers' Regulation, we invite you to include all related information in the *curriculum vitae* of the individual candidates filed together with the slates.

Please also note that in the event that - at the expiration of the deadline indicated above for filing the slates (*i.e.*, 6 May 2023) - only one slate has been filed, or only slates presented by Shareholders who are connected with each other pursuant to Article 144-*quinquies* of the Consob Issuers' Regulation have been filed, the Company will give notice thereof within the terms and in the manner provided for by applicable laws. In this case, slates may be submitted up to the third day following that date (*i.e.*, by 9 May 2023), bearing in mind that the minimum shareholding for the submission of slates will be reduced by half and will therefore be equal to 0.5% of the share capital.

Appointment procedures

Pursuant to Article 30.5 of the By-laws, the election of Statutory Auditors shall be conducted as follows:

- a) two Standing Auditors and two Alternate Auditors are drawn from the slate that obtained the highest number of votes, in the sequential order in which they are listed in the sections of that slate;
- b) the remaining Standing Auditor and the remaining Alternate Auditor are appointed in accordance with the laws in force and in the manner set forth in Article 19.8, letter b) of the By-laws for the appointment of Directors drawn from the minority slates, to be applied separately to each of the sections comprising the other slates.

If only one slate is submitted or if no slate is submitted, the Shareholders' Meeting shall pass resolutions with the majorities prescribed by law and without observing the above procedure, but in any case in such a way as to ensure that the composition of the Board of Statutory Auditors complies with the provisions of Article 1, paragraph 1, of Ministry of Justice Decree No. 162 of 30 March 2000 and current legislation 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 Statutory Auditor that will be prepared, filed and published in accordance with the provisions cited above.

3.2. Appointment of the Chairman of the Board of Statutory Auditors

Pursuant to Article 148, paragraph 2-*bis* of the Italian Consolidated Law on Finance and Article 30.6 of the By-laws, the Chairperson of the Board of Statutory Auditors is appointed by the Shareholders' Meeting from among the Statutory Auditors elected by the minority.

Notwithstanding the foregoing, in the event that only one slate is submitted or no slate at all, the Chairman of the Board of Statutory Auditors is appointed by the Shareholders' Meeting by legal majority.

Shareholders are therefore invited to appoint the Chairperson of the Board of Statutory Auditors in compliance with the above provisions.

3.3. Determination of the fee of the Standing members of the Board of Statutory Auditors

Pursuant to Article 2402 of the Italian Civil Code and Article 30.1 of the By-laws, the fee of the Statutory Auditors is determined by the Ordinary Shareholders' Meeting at the time of their appointment, for the entire term of their office.

To this end, we remind you that the fees of the members of the Board of Statutory Auditors currently in office is equal to (i) EUR 37,000 gross per annum for the Chairman and (ii) EUR 26,000 gross per annum for the other Standing Auditors.

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

For the Board of Directors
Chairman of the Board of Directors
Claudio Graziano