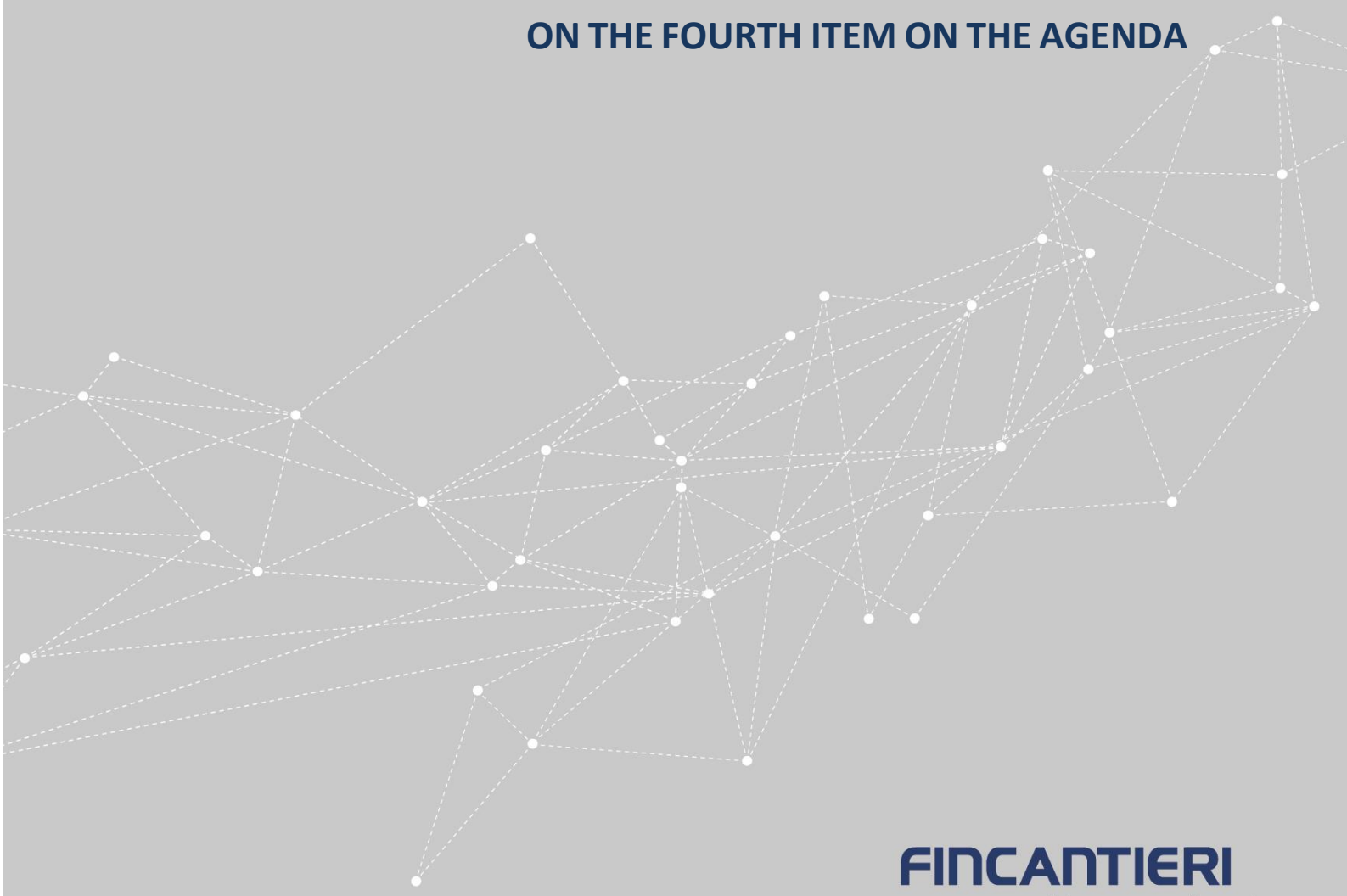


**ORDINARY SHAREHOLDERS' MEETING**

**31 MAY 2023**

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



**FINCANTIERI**  
The sea ahead



**FOURTH 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 number 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***

**FOURTH ITEM ON THE AGENDA**

***Appointment of a member of the Board of Directors. Related and consequent resolutions.***

Dear Shareholders,

you have been called to an ordinary venue to discuss and resolve, inter alia, on the integration of the Board of Directors of FINCANTIERI S.p.A. ("Fincantieri" or the "Company") following the resignation submitted by the Director Alessandra Battaglia on 24 March 2023.

It is recalled that the Shareholders' Meeting held on 16 May 2022 appointed the Company's Board of Directors for the financial years 2022, 2023 and 2024, expiring on the date of the Shareholders' Meeting convened to approve the financial statements for the financial year ending 31 December 2024, setting the number of its members at ten.

On 24 March 2023, Alessandra Battaglia announced her resignation with immediate effect from her position as Company Director due to work reasons, thus reducing the number of Directors to nine.

Alessandra Battaglia, a non-executive and non-independent director, was elected by the above-mentioned Shareholders' Meeting of 16 May 2022 from the list submitted by the Shareholder CDP Industria S.p.A.<sup>1</sup> and was a member of Fincantieri's Nomination Committee and Sustainability Committee.

At its meeting of 4 April 2023, the Board of Directors, having acknowledged the resignation of Alessandra Battaglia, considering the upcoming Shareholders' Meeting for the approval of the

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<sup>1</sup> With effect from 31 December 2022, CDP Industria S.p.A., a wholly owned subsidiary of CDP S.p.A., was merged into CDP Equity S.p.A, also a wholly owned subsidiary of CDP S.p.A.

Financial Statements as at 31 December 2022, resolved not to substitute the Director leaving office through the cooptation mechanism ex art. 2386 of the Italian Civil Code and to submit to the Shareholders' Meeting the resolution on the reintegration of the management body with the appointment of a Board Member.

In this regard, since this is a mere addition to the Board of Directors, it should be noted that the slate voting mechanism will not apply and the Shareholders' Meeting will pass resolutions with the majorities required by law, pursuant to Article 19.8, letter e) of the By-laws, in such a way as to ensure that the composition of the Board of Directors complies with the law and the By-laws, as well as compliance with the regulations in force on gender balance.

The term of the Director thus appointed will expire together with those currently in office (i.e., with the approval of the financial statements for the year ending 31 December 2024).

It should also be noted that, in accordance with the resolution passed by the Shareholders' Meeting held on 16 May 2022, the appointed Director will be entitled, as a member of the Board of Directors, to a total annual remuneration of EUR 50,000.00, in addition to the reimbursement of expenses incurred in carrying out his/her duties. In addition, the same Director may be entitled to an additional annual fee if he/she is also appointed as a member of one or more Committees established within the Board of Directors, as well as if he/she is entrusted with special duties by the Board of Directors pursuant to Article 2389, third paragraph, of the Italian Civil Code. In this case, in accordance with the aforementioned provision, the additional remuneration will be determined by the Board of Directors, after hearing the opinion of the Board of Statutory Auditors.

### Board Member Requirements

Members of the Board of Directors must satisfy: (i) the professional requirements set out in Article 19.4 of the 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 Law on Finance"), which establishes the reputational requirements for statutory auditors set forth in Article 148, paragraph 4 of the Italian Consolidated Law on Finance (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, approved on 30 January 2020 (the "Corporate Governance Code"), to which the Company adheres, 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 "Governance & Ethics – Board of Directors – Guidance on the number of offices" section.

### Submission of nomination proposals

Shareholders wishing to submit nomination proposals are invited to file their nominations at least twenty-five days before the date of the Shareholders' Meeting (i.e., by 6 May 2023).

Nominations 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](mailto:assemblea.fincantieri@pec.fincantieri.it) (subject: “Filing of Board Member candidacy”).

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

More specifically, each nomination must be filed with:

- a) information on the identity of the Shareholders submitting the candidacy;
- b) the statement with which the candidate accepts their candidacy and attests, under his/her own responsibility, that he/she is not ineligible or barred and meets the requirements under the By-laws and law to serve as a Director of the Company;
- c) the *curriculum vitae* of the candidate containing comprehensive information on his/her personal and professional background with a list of offices held;
- d) if the candidate is indicated as independent, the declaration by which the latter certifies, under their own responsibility, that they meet the independence requirements under applicable laws and regulations.

Shareholders are urged to also take into account the independence requirements of Article 2 of the Corporate Governance Code and, in particular, Recommendation 7.

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 Director receives an income that exceeds at least one of the following parameters are generally considered significant:
  - the annual remuneration due for the office of Director, including fees due for participation in Committees;
  - 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 Director's income exceeds Euro 200,000.00 (two hundred thousand/00).

Without prejudice to the foregoing, in the event that the Director is also a partner in a professional firm or consulting company, the Board assesses the significance of the professional relationships that may have an effect on his/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 also independently of the quantitative parameters;

- for the purposes of letter d) of Recommendation 7 of the Corporate Governance Code, additional remuneration paid to a Director of the Company, one of its subsidiaries or the parent company that exceeds the annual compensation for the office of Director, including remuneration due for participation in Committees is considered significant.

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

“Fixed remuneration for office” means:

- the remuneration determined by the Company's Shareholders' Meeting for all Directors or determined by the Board of Directors for all non-executive Directors within the total amount that may be decided by the Shareholders' Meeting for the entire Board of Directors;
- any remuneration attributed by reason of the particular office held by the individual non-executive Director within the Board of the Company (Chairman, Vice-Chairman, Lead Independent Director), defined according to the remuneration practices widespread in the reference sectors and for companies of similar size to the Company, including considering comparable foreign experiences.

Remuneration for participation in Committees' means the remuneration that an individual Director of the Company receives by reason of his/her participation in the Internal board committees established, provided that it is not an executive committee.

Nominations will be made available to the public at least twenty-one days before the date set for the Shareholders' Meeting (i.e., by 10 May 2023), at the Company's registered office, on the Company's website in the section dedicated to this Shareholders' Meeting ([www.fincantieri.com](http://www.fincantieri.com)), as well as at the “eMarket STORAGE” centralised storage mechanism ([www.emarketstorage.it](http://www.emarketstorage.it)).

In consideration of the foregoing, Shareholders are invited to vote at the Shareholders' Meeting for one of the candidates for the position of Director whose nomination proposals will be prepared, filed and published in accordance with the above.

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