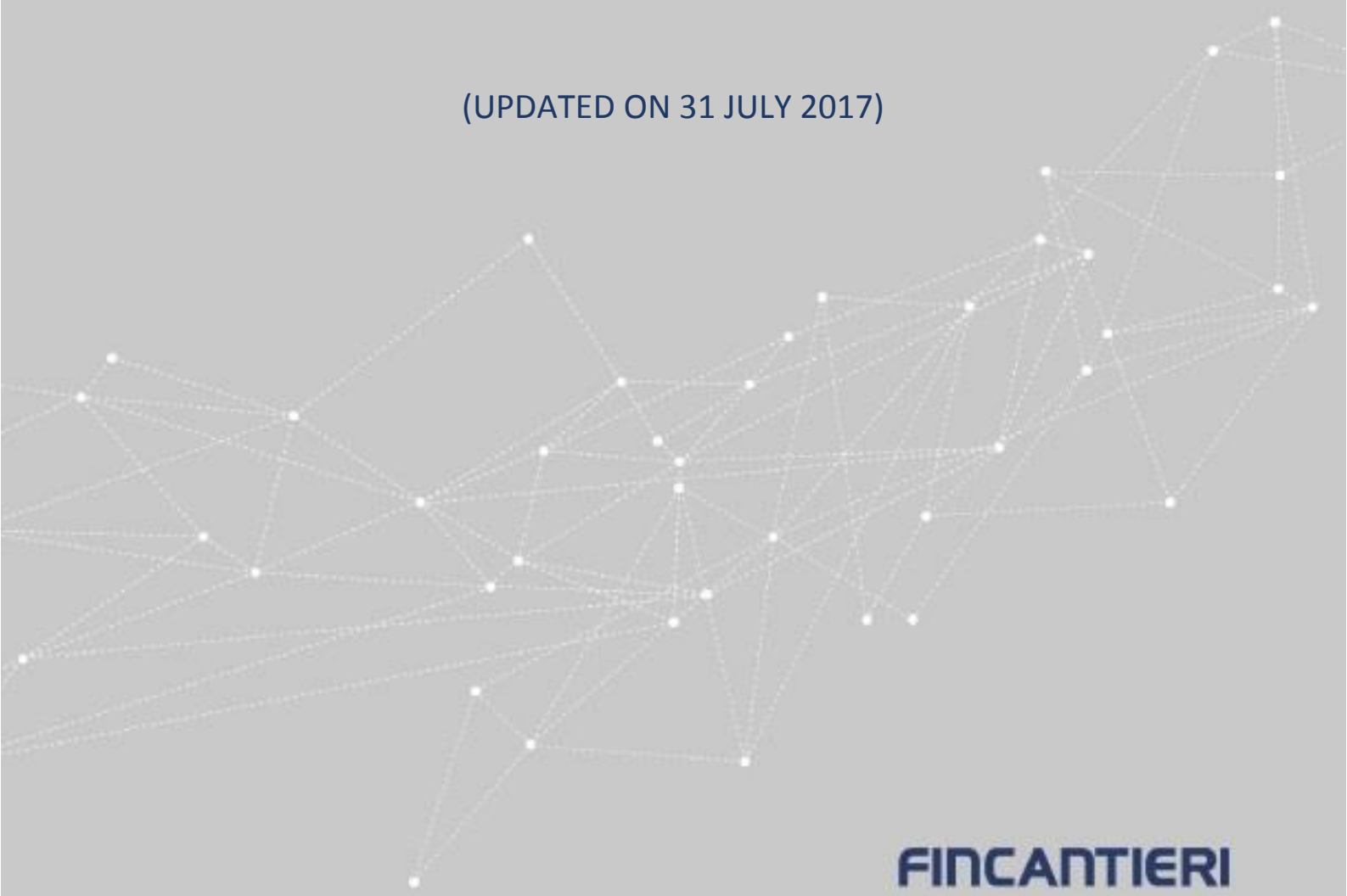


# INSIDERS LIST PROCEDURE

(UPDATED ON 31 JULY 2017)



**FINCANTIERI**

The sea ahead



## INSIDERS LIST

### 1. INTRODUCTION

The European directive on market abuse was transposed into Italian law with the European Community Law of 2004. Such directive was intended to ensure market integrity and established principles on the prevention and suppression of insider trading and market manipulation.

The combined provisions of Articles 114 and 115-bis of Legislative Decree No. 58 of 24 February 1998, n. 58 (the “**TUF**”, or the “**Italian Consolidated Law on Finance**”), provide that:

- listed issuers,
- their subsidiaries,
- persons acting on their behalf or for their account (banks, financial intermediaries, law firms, consultants, auditors, chartered certified accountants, etc.) on the basis of a specific appointment, mandate or power of attorney,

must establish and regularly update a list of Persons who, in the exercise of their employment, profession or duties, have access to the inside information that directly concern those issuers and their subsidiaries.

FINCANTIERI S.p.A. (hereinafter, also “**Fincantieri**” or the “**Company**”), in its capacity as listed issuer, is the person in charge of preparing and updating the list of Persons with access to Inside Information (the “**List of Inside Information**” or the “**List**”). As an issuer of bonds quoted on the Official List of the Luxembourg Stock Exchange (the “**Bonds**”), the Company must also comply with the Grand Duchy of Luxembourg regulations of 9 May 2006 (the “**Market Abuse Law**”) and with Ministerial Memorandum No. 07/280 of the Financial Sector Supervisory Commission (the “**CSSF**”, i.e. the *Commission de Surveillance du Secteur Financier*). Moreover, given that the CSSF allows entities required to keep the List and based in other European Union Member States to provide a list in accordance with their home country rules, the List complies with the rules set out by Italian legislation.

Following entry into force of Regulation (EU) No. 596/2014 of 16 April 2014 (the “**Market Abuse Regulation**” or “**MAR**”), the Company has taken steps to amend this procedure (the “**Procedure**”) in accordance with Article 18 of the MAR.

In addition, Fincantieri may also prepare on a voluntary basis a list of Persons who have access to potential Inside Information (the “**Relevant Information**”) and with whom Fincantieri has a

relationship of professional collaboration, an employment contract or otherwise, and that in the performance of their duties have access to the abovementioned Relevant Information (the “**Relevant Information List**”).

## **2. PURPOSE**

The Procedure has been prepared with the intent to regulate the establishment and updating of the List in accordance with the abovementioned provisions of law.

## **3. SCOPE OF APPLICATION**

The Procedure is applicable to the issuer FINCANTIERI S.p.A.

## **4. DEFINITIONS**

For the purposes of the Procedure's application, based on Article 7 of the MAR:

### **1. “Inside information” means information**

- a) of a **precise nature**,
- b) which has not been made public;
- c) relating, directly or indirectly, to one or more issuers or to one or more financial instruments issued by the issuer,
- d) which, if made public, would be likely to have a significant effect on the prices of those financial instruments or on the price of the related financial derivatives.

In accordance with the foregoing, information is considered to have a **precise nature** where

- it indicates a set of **circumstances** which exists or which may reasonably be expected to come into existence or an **event** which has occurred or which may reasonably be expected to occur;

and

- such information is specific enough to enable a conclusion to be drawn as to the possible effect of that set of circumstances or event on the prices of the financial instruments or the related financial derivative;

In this respect, in the case of a **protracted process** that is intended to bring about, or that results in, particular circumstances or a particular event, those future circumstances or that future event, and also the intermediate steps of that process which are connected with bringing about or resulting in those future circumstances or that future event, may be deemed to be precise information.

An **intermediate step** in a protracted process shall be deemed to be Inside Information if, by

itself, it satisfies the criteria of Inside Information set out in this definition.

Information which, if made public, would be likely to have a **significant effect on the prices** of financial instruments shall mean information a reasonable investor would be likely to use as **part** of the basis of his or her investment decisions.

2. **“Relevant Information”** means any information regarding the Company and its subsidiaries that does not meet all the conditions of an Inside Information but is sufficiently likely to become Inside Information at a later date.
3. **“Persons”** refers to both individual and legal entities, bodies or associations of professionals that, by reason of their work or professional activity or of the functions performed, have access to **Inside Information** or **Relevant Information**.
4. **“Person in Charge of the List”** means the person in charge of the Inside Information List and the Relevant Information List, as per paragraph 10 below.

## **5. STRUCTURE OF THE INSIDE INFORMATION LIST**

The List is set up in electronic form and must be kept in a manner that ensures convenient consultation and data extraction. It consists of separate sections, one for each piece of Inside Information (the **“Temporary Sections”**).

In addition to the abovementioned sections, the Company must prepare and keep regularly updated a supplementary section of the List, called **“Permanent Access Section”**. Unlike the others, such section is set up regardless of the existence of a specific piece of Inside Information.

### **5.1. PERMANENT ACCESS SECTION**

The Permanent Access Section includes Persons who, due to their function or position, have constant access to all inside information.

This section contains information on the following Persons:

- Chief Executive Officer of Fincantieri;
- General Manager of Fincantieri;
- Deputy General Manager of Fincantieri;
- any other Directors of Fincantieri with executive powers;

Individuals holding organisational positions of significant impact on the achievement of corporate objectives and identified as such by the Chief Executive Officer and the Person in charge of the List are also recorded in the Permanent Access Section.

### **5.2. TEMPORARY SECTIONS**

Each individual Temporary Section indicates the subject matter of the Inside Information (e.g. contract, project, financial or corporate event, announcement of profits lower than expected) in addition to any other Relevant Information to identify the same.

## **6. INFORMATION RELATING TO RECORDED PERSONS**

On the basis of the relevant legislation, the List contains at least the following information:

- the identity of all Persons having access to Inside Information;
- the reason these Persons are included in the List of Persons with access to Inside Information;
- the date and time as from which these Persons had access to Inside Information; and
- the date when the List was drafted.

## **7. OBLIGATIONS OF PERSONS RECORDED ON THE INSIDE INFORMATION LIST**

Each Person recorded on the List must keep the Inside Information in their possession confidential. Self-employed persons and independent contractors who provide their services for the Company must accordingly sign the appropriate confidentiality agreements. Notwithstanding the foregoing, whoever among the Persons recorded on the List, communicates, even by mistake, Inside Information, or becomes aware of their communication to an individual or legal entity, must send a written notification without delay to the Person in Charge of the List with the name of the informed Person, for the purpose of including the same on the List or updating the information concerning him/her.

## **8. REGISTRATION, UPDATING AND DELETING**

The final assessment as to the relevant or inside nature of information is the responsibility of the Chief Executive Officer of the Company or, in his/her absence or due to an impediment thereof, of the General Manager or the Deputy General Manager, who may ask the opinion of the Person Responsible for the List (see Clause 10).

The Company Officer reporting the Inside Information, with the possible support from his respective Department Managers, sends to the Person Responsible for the List the application to open the Temporary Section relating to the Inside Information itself.

Likewise, the identification of the Persons to be recorded in their respective sections of the List is the responsibility of the Company Officers for their respective areas of expertise, who are supported where needed by their respective Department Managers. Where appropriate, the latter may ask for the opinion of the Person Responsible for the List.

### **8.1. REGISTRATION AND UPDATING**

Each Company Officer, where appropriate with the support from their Department Managers and by asking the opinion of the Person Responsible for the List, must identify, for their area of competence, the Persons to be recorded in each section of the List, be it employees of the Company, self-employed professional or independent contractors who provide their services for the Company.

When recording each piece of Inside Information in the Temporary Sections, the Company Officer who coordinates the registration promptly requires each Company Officer of the other departments involved to communicate to the Person Responsible for the List, for his/her area of expertise, in the appropriate form (including by e-mail), those Persons with knowledge of specific information. Subsequently, each Company Officer involved shall inform the Person Responsible for the List, for his/her area of expertise, of the Persons with knowledge of Inside Information and, following the abovementioned procedure, of the information necessary to record those involved in the section. The latter include all third-party independent contractors (external audit firms, law firms, chartered certified accountants, tax lawyers, etc.) instructed by the Company to provide services in the name of or on behalf of the Company. When the external independent contractor is a legal entity, in addition to the information on the legal entity and its legal representative, the Person Responsible for the List must be given the information on its internal contact person (i.e. the reference person who is able to identify the Persons who have had access to Inside Information), where different from the legal representative.

Once the Persons to be recorded have been identified, the Company Officer(s) send(s) by email a form showing the registration application - (Form 2, "Application Form for Registration or Deletion from the List and for updating the information of recorded Persons" - uploaded on the corporate Intranet under "Other Documentation" referring to the Procedure) to the Person Responsible for the List. The form must be submitted in the case of recording the Person on the Inside Information List and when updating the information of a Person already recorded.

After registration, the Person Responsible for the List sends to the person concerned the policy document on the obligations that derive from having access to Inside Information and the penalties established for the offences provided for in Title I-*bis* of Part V of the TUF in the event of non-authorized circulation of Inside Information via email with delivery confirmation and read receipt (using Form 4, "Policy Document for the Person recorded on the Inside Information List" - uploaded on the corporate Intranet under "Other Documentation" referring to the Procedure).

The disclosure must be signed by the recipient as a sign of acknowledgement and forwarded to the Person Responsible for the List, or by providing proof of receipt by e-mail.

## **8.2. DELETION**

The deletion of a Person from the List takes place under the direction of each Company Officer, with the necessary support from their Department Managers, who may ask, where necessary, the opinion of the Person Responsible for the List.

As regards the Permanent Access Section, Persons recorded have access to Inside Information on a continuous basis and, therefore, the circumstances under which the need for deletion may arise are, for example:

- the termination of the service by the Person (including cases of termination of office regarding a member of the Board of Directors or of the Board of Statutory Auditors);
- the transfer to another office, where the jobs performed do not require recording in the Permanent Access Section;
- the variation of the functions performed by the structure they belong to so that the activity carried out does not require recording in the Permanent Access Section.

As for the Temporary Sections, the need for deletion may arise in case, for example of:

- announcement to the public of Inside Information retained by the Person;
- interruption of negotiations for operations to which the Inside Information refer;
- cancellation of the operation to which the Inside Information refer.

Once the specific operation is definitively terminated or made public, the Company Officer who coordinates the event related to the Inside Information gives notice to the Person Responsible for the List, so that the same may update the information contained in the sections, noting the date from when the information about the project/event lost its distinctive “inside” features and, therefore, when the individuals recorded with respect to that operation breached access to Inside Information.

## **9. RELEVANT INFORMATION LIST**

Fincantieri may establish the Relevant Information List that contains the following information:

- the identity of all Persons having access to Relevant Information;
- the reason these Persons are included in the Relevant Information List;
- the date of the individual entries.

The Relevant Information List is divided into separate sections (the “**Temporary Sections of the Relevant Information List**”), one for each piece of Relevant Information. Each Temporary Section of the Relevant Information List only records the information of Persons with access to the Relevant Information contained in that particular section.

The Relevant Information List also contains a supplementary section relating to Persons who have constant access to the Relevant Information (the “**Permanent Section of the Relevant Information List**”). This list of individuals does not necessarily coincide with that referred to in paragraph 5 above.

The information on the individuals recorded in that section of the Relevant Information List need not necessarily be recorded in the other sections of the same List.

Each Person recorded on the Relevant Information List must keep confidential the Relevant Information in his/her possession. Self-employed persons and independent contractors who provide their services for the Company must accordingly sign the appropriate confidentiality agreements. The procedure under Clause 8 above also applies to the Relevant Information List, for which the appropriate document relating to the recording, deletion and updating of the Persons have been prepared (Form 1, “Application Form for Registration or Deletion from the Relevant Information List and for updating the information of recorded Persons” - uploaded on the corporate Intranet under “Other Documentation” referring to the procedure) and the communication to the Person registered with regard to the obligations arising from having access to the Relevant Information (using Form 3, “Policy Document for the Person recorded on the Relevant Information List” - uploaded on the corporate Intranet under “Other Documentation” referring to the Procedure).

#### **10. PERSON IN CHARGE OF THE LIST**

The Person in charge of the List of Inside Information and the List of Relevant Information (the “**Lists**”) is the person in charge of the Compliance Function (CO-CPL) within the Legal Affairs Department (CO-LEG).

The aforementioned Person in Charge is required to:

- maintain and update the Lists in compliance with the relevant laws and the Procedure;
- timely inform those Persons recorded by letter sent by electronic mail and/or delivered by hand:
  - of their recording in their respective list;



- that where the job for which they were included in the respective list or the job they perform within and/or for the Company should terminate, or should be modified, their information will be updated and they will be informed of any other update that affects them;
- of the obligations deriving from having access to the Relevant Information or to the Inside Information and the penalties in case of abusing the Inside Information, market manipulation and/or unauthorised dissemination of Inside Information (see Form 3, “Policy Document for the Person recorded on the Relevant Information List” and Form 4, “Policy Document for the Person recorded on the Inside Information List” uploaded on the Intranet under “Other Documentation”);
- verify the consistency between the information reported and the information entered on the Lists and, in case of discrepancy, seek clarification from the reporting agents and perform, also independently, the necessary investigations;
- request, on a quarterly basis, from the Chief Executive Officer, the General Manager or the Deputy General Manager and the Company Officers a progress status report update of all projects included in the Temporary Sections;
- keep all applications received and all notifications made to the Persons for a period of not less than five years;
- keep proof of the criteria adopted to maintain the Lists and of the procedures for managing and retrieving the information contained therein;
- cooperate with the competent authorities.

## **11. DATA RETENTION**

Any modification or deletion of the information relating to the Persons listed must be made in such a way as to permit reading the modified or deleted information. The information concerning the Persons listed are maintained for at least five years following termination of the circumstances that led to their recording or updating.

## **12. PENALTIES**

Pending updating of the disciplinary system as requested by Article 30 of the MAR and transposing Directive 2014/57/EU of 16 April 2014, it is to be noted that Articles 184 and 187-*bis* of the TUF provide for criminal and administrative penalties in case of abuse of Inside Information. In case of obstruction to Consob’s and the Bank of Italy’s supervisory functions, criminal penalties of up to

two years imprisonment and a fine of EUR 10,000 to EUR 200,000 may apply.

Furthermore, in accordance with the relevant provisions of the Market Abuse Law, if the duties of disclosure of Inside Information and/or to keep the List are breached, the CSSF may impose a fine between EUR 125 and EUR 1.5 million to the perpetrator; the administrative penalty may be increased up to ten times the amount of the proceeds gained. The Market Abuse Law also stipulates that the CSSF may impose an administrative penalty (“*amende d’ordre*”) between EUR 125 and EUR 25,000 against anyone who obstructs the exercise of its inspection and supervision powers, fails to comply with its orders or intentionally provides inaccurate or incomplete information.

### **13. PUBLICATION**

This Procedure is made available to all the employees of the Company and all the investors at the section “Governance” – “Internal Control System and Risk Management” of the Company’s website.