

ORDINARY AND  
EXTRAORDINARY  
SHAREHOLDERS MEETING  
19 MAY 2016

EXPLANATORY REPORT  
BY THE BOARD OF DIRECTORS  
OF THE SECOND ITEM ON THE AGENDA  
FOR THE EXTRAORDINARY PART



## POINT 2 OF THE AGENDA FOR THE EXTRAORDINARY PART

**FINCANTIERI S.p.A.**  
Registered Office Via Genova No. 1, Trieste  
Share Capital €862,980,725.70 – fully paid up  
VAT No. 00629440322  
Tax code and Trieste Businesses Registry No. 00397130584  
Trieste Economic and Administrative Index No. 89063

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### EXTRAORDINARY PART

*Explanatory Report by the Board of Directors drafted under Article 72 of Consob Resolution No. 11971 of 14 May 1999*

#### SECOND ITEM ON THE EXTRAORDINARY AGENDA

*Amendments to Articles 16, 17, 19, 20, 21, 22, 24, 27 and 31 of the By-laws. Numbering of the articles' paragraphs in the By-laws. Resolutions pertaining thereto and resulting therefrom*

Dear Shareholders,

We convened the extraordinary meeting to discuss and resolve on the proposal: (i) to amend certain provisions of Articles 16, 17, 19, 20, 21, 22, 24, 27 and 31 of the By-laws, and (ii) to number the articles' paragraphs in the By-laws.

The changes to the aforementioned articles mainly concern measures which aim to introduce the office of Vice-Chairman of the Board of Directors', which is currently not provided for in the By-laws.

In line with the practice followed by other major listed companies, we believe it to be appropriate to allow the Board of Directors to appoint a Vice-Chairman, if it so desires. The Vice-Chairman will take the place of the Chairman if the latter is unavailable or absent.

The presence of a Vice-Chairman would ensure the Company's continuous operation, even where – for any reason – the Chairman cannot perform his or her duties.

Therefore, we hereby propose to amend:

- Article 16 of the By-laws, providing that the Meeting is chaired by the Vice-Chairman in the event of the Chairman's absence or impediment;
- Article 20 of the By-laws, to provide the Board of Directors with the power to appoint a Vice-Chairman from among its members. The Vice-Chairman will replace the Chairman in the event of absence or impediment of the latter;
- Article 22 of the By-laws, to determine that the Board of Directors' meetings will be chaired by the Vice-Chairman in the event of absence or impediment of the Chairman;

- Article 27 of the By-laws, to attribute the Company’s legal representation and signing power to the Vice-Chairman in the event of absence or impediment of the Chairman. The Vice-Chairman’s signature shall be construed as evidence vis-à-vis third parties of the chairman’s absence or impediment; and finally
- Articles 17, 21 and 24, to coordinate the By-laws with the changes to Articles 16, 20, 22 and 27.

We also propose to amend the clause in Article 19 which governs the appointment of directors through the slate voting system. More specifically, the provision we propose to amend is letter b) of subparagraph 26 of Article 19, which states: “*the remaining directors will be taken from the other slates which are not in any way linked, even indirectly, with the shareholders who submitted or voted for the most voted slate*”.

The current wording does not allow applying the slate voting system if there are no connected minority slates, or if these slates do not contain a sufficient number of candidates to complete the Board of Directors. In this case, the general clause in letter e) of subparagraph 26 applies, according to which the meeting resolves under a legal majority on the appointment of directors that are not elected, for whatever reason, through the slate voting system.

To allow the slate voting system to also apply in the aforementioned cases, i.e., without having to submit the appointment of the missing directors to the majority vote of the meeting, we propose to amend the aforementioned letter b), so as to provide that the remaining directors – i.e., those not appointed according to letter a) – are taken from the other slates, subject to compliance with local regulations on minorities that are not connected, including indirectly, with the shareholders who submitted or voted for the most voted slate.

We also propose to amend subparagraph 24, of Article 19 by eliminating the words “*in order to be valid*”, since this clarification is not required by the current legislation in force.

We also propose to introduce a new clause in Article 31 to allow the Board of Auditors to meet also by means of telecommunication systems to simplify its conduct.

Finally, the proposed numbering of the By-laws aims to offer greater clarity and ease of reading, in consulting the By-laws, to the Company, the Shareholders and all stakeholders.

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These proposals, and specifically the numbering of the articles’ paragraphs in the By-laws and the amendments to Articles 16, 17, 19, 20, 21, 22, 24, 27 and 31, are analytically described in the following table<sup>1</sup>.

\* \* \* \* \*

Article 1	
Current text	Text highlighting the proposed changes
This joint stock company was incorporated pursuant to a public deed of notary Carlo Capo Rome on 29 December 1959 and is denominated “FINCANTIERI S.p.A.” (the “Company”).	<u>1.1.</u> This joint stock company was incorporated pursuant to a public deed of notary Carlo Capo Rome on 29 December 1959 and is denominated “FINCANTIERI S.p.A.” (the “Company”).
Article 2	
Current text	Text highlighting the proposed changes
The Company has its registered office is in Trieste, Italy. The Company may set up and close local	<u>2.1.</u> The Company has its registered office is in Trieste, Italy.

<sup>1</sup> Please note that the table does not show in Article 19, the amendments proposed by the Shareholder Fintecna, which are highlighted in the Explanatory Report on the first item on the agenda of the extraordinary part.

offices and units, branches, representative and liaison offices in Italy or abroad.	<u>2.2.</u> The Company may set up and close local offices and units, branches, representative and liaison offices in Italy or abroad.
<b>Article 3</b>	
<b>Current text</b>	<b>Text highlighting the proposed changes</b>
The term of the Company shall be until 31 December 2060 and may be extended, one or more times, by a shareholders' meeting resolution.	<u>3.1.</u> The term of the Company shall be until 31 December 2060 and may be extended, one or more times, by a shareholders' meeting resolution.
<b>Article 4</b>	
<b>Current text</b>	<b>Text highlighting the proposed changes</b>
For the purposes of their relationships with the Company, the address for service of each shareholder, director, statutory auditor or external auditor shall be as indicated in the Company's books or as notified by any of the above in writing.	<u>4.1.</u> For the purposes of their relationships with the Company, the address for service of each shareholder, director, statutory auditor or external auditor shall be as indicated in the Company's books or as notified by any of the above in writing.
<b>Article 5</b>	
<b>Current text</b>	<b>Text highlighting the proposed changes</b>
The Company shall have for its corporate object: <ul style="list-style-type: none"> <li>- the exercise, including through shareholdings or investments in companies, already incorporated or to be incorporated, both in Italy and abroad, of manufacturing, systems-related, infrastructural, research and training activities in high technology industries with special focus on the industrial ship-building, mechanical, electro-mechanical and related sectors, including the construction, repair and conversion of ships and other means of transportation, as well as on the construction and repair of power generators and engines, and in general on any services connected to the above activities, and on the performance of public and private works, under both contracting arrangements and under concessions, or through other legal relationships, either in Italy or abroad, either on behalf of third parties or on its own account, in order to realize, in the context of activities falling within the categories of general and specialized works referred to in schedule "A" to the Decree of the President of the Republic No. 207 of 5 October 2010, as subsequently amended and supplemented, the following construction works: power plants; plants for high/medium voltage transformation and for the distribution of electricity through alternating and direct current and public lighting systems; technological plants/systems; water and sewage plants/systems; electromechanical transport plants/systems; general construction and technical finishing works; plants/systems for the disposal and</li> </ul>	<u>5.1.</u> The Company shall have for its corporate object: <ul style="list-style-type: none"> <li>- the exercise, including through shareholdings or investments in companies, already incorporated or to be incorporated, both in Italy and abroad, of manufacturing, systems-related, infrastructural, research and training activities in high technology industries with special focus on the industrial ship-building, mechanical, electro-mechanical and related sectors, including the construction, repair and conversion of ships and other means of transportation, as well as on the construction and repair of power generators and engines, and in general on any services connected to the above activities, and on the performance of public and private works, under both contracting arrangements and under concessions, or through other legal relationships, either in Italy or abroad, either on behalf of third parties or on its own account, in order to realize, in the context of activities falling within the categories of general and specialized works referred to in schedule "A" to the Decree of the President of the Republic No. 207 of 5 October 2010, as subsequently amended and supplemented, the following construction works: power plants; plants for high/medium voltage transformation and for the distribution of electricity through alternating and direct current and public lighting systems; technological plants/systems; water and sewage plants/systems; electromechanical transport plants/systems; general construction and technical finishing works; plants/systems for the disposal and recovery of wastes; structural components in steel; heating and air conditioning</li> </ul>

<p>recovery of wastes; structural components in steel; heating and air conditioning systems; internal electricity, telephone, radiotelephone and television systems;</p> <ul style="list-style-type: none"> <li>- the purchase, management and leasing, including financial leasing, of vessels of all kinds, and the exercise of any activity connected with shipbuilding;</li> <li>- the execution of feasibility studies, research, consulting services, the preliminary, basic and functional as well as coordination design and/or also for supplies and services, project and/or contract execution management, operations management, technical-economic feasibility assessments or environmental impact studies, also for third parties;</li> <li>- the participation in tenders and contracts and/or concessions awarded by contracting authorities, both public and private.</li> </ul> <p>The Company may acquire interests in other corporations whose industrial, commercial or financial activities are similar, connected or in any event related to its own activities, and/or take charge of the technical and financial coordination of subsidiaries, and provide the latter with financial and management services; the Company may also carry out any and all commercial, industrial and financial transactions including loaning and borrowing (save for collection of savings from the public and professional lending activities) on both personal property and real estate, as may be necessary or useful in the pursuit of its corporate object, including the issuance of guarantees of bonds, also in favor and in the interest of third parties, brokerage activities in the context of inter alia the currency sector, with specific reference to the insurance and financing of export credits and any other transactions permitted or delegated by special regulations and aimed at facilitating the liquidation, management, administration and collection of receivables arising from the exercise by third parties of commercial or industrial activities or the supply of goods and/or services, as well as the purchase and sale of such receivables, with or without recourse, in any form and condition whatsoever, provided that all the above transactions are in any event necessary or useful to achieve the corporate object.</p>	<p>systems; internal electricity, telephone, radiotelephone and television systems;</p> <ul style="list-style-type: none"> <li>- the purchase, management and leasing, including financial leasing, of vessels of all kinds, and the exercise of any activity connected with shipbuilding;</li> <li>- the execution of feasibility studies, research, consulting services, the preliminary, basic and functional as well as coordination design and/or also for supplies and services, project and/or contract execution management, operations management, technical-economic feasibility assessments or environmental impact studies, also for third parties;</li> <li>- the participation in tenders and contracts and/or concessions awarded by contracting authorities, both public and private.</li> </ul> <p><b>5.2.</b> The Company may acquire interests in other corporations whose industrial, commercial or financial activities are similar, connected or in any event related to its own activities, and/or take charge of the technical and financial coordination of subsidiaries, and provide the latter with financial and management services; the Company may also carry out any and all commercial, industrial and financial transactions including loaning and borrowing (save for collection of savings from the public and professional lending activities) on both personal property and real estate, as may be necessary or useful in the pursuit of its corporate object, including the issuance of guarantees of bonds, also in favor and in the interest of third parties, brokerage activities in the context of inter alia the currency sector, with specific reference to the insurance and financing of export credits and any other transactions permitted or delegated by special regulations and aimed at facilitating the liquidation, management, administration and collection of receivables arising from the exercise by third parties of commercial or industrial activities or the supply of goods and/or services, as well as the purchase and sale of such receivables, with or without recourse, in any form and condition whatsoever, provided that all the above transactions are in any event necessary or useful to achieve the corporate object.</p>
<b>Article 6</b>	
<b>Current text</b>	<b>Text highlighting the proposed changes</b>
<p>The Company's share capital is EUR 862,980,725.70 (eight hundred sixty-two million nine hundred eighty thousand seven hundred twenty-five and seventy cents) divided into 1,692,119,070 (one billion six hundred ninety-two million one hundred</p>	<p><b>6.1.</b> The Company's share capital is EUR 862,980,725.70 (eight hundred sixty-two million nine hundred eighty thousand seven hundred twenty-five and seventy cents) divided into 1,692,119,070 (one billion six hundred ninety-two million one hundred</p>

nineteen thousand seventy) shares.	nineteen thousand seventy) shares.
The shares have no par value.	<u>6.2.</u> The shares have no par value.
<b>Article 6-bis</b>	
<b>Current text</b>	<b>Text highlighting the proposed changes</b>
<p>Under Article 3 of Decree Law no. 332 of 31 May 1994, converted with amendments into Law No. 474 of 30 July 1994, no individual other than the Italian State, state entities or their subsidiaries may hold in any form Company's shares representing more than 5 (five) percent of the share capital, except as provided for by applicable law.</p> <p>Calculation of the maximum share ownership takes into account the aggregate shares held by the controlling shareholder, be it an individual, a legal entity, a company or another entity; all direct or indirect subsidiaries and all the companies controlled by the same holding company, the associated entities, and the individuals related by blood, kinship up to the second degree or marriage, provided that the spouses are not legally separated.</p> <p>Calculation of the 5 (five) percent maximum shareholding takes into account the shares held by trust companies and/or fiduciaries and in general third party intermediaries.</p> <p>No voting and other non-financial rights of the shares held by shareholders other than the State, state entities or their respective subsidiaries may be exercised in relation to the shares exceeding the 5 percent limit and the voting rights of such shareholders to whom the limit applies are reduced pro rata, except where indicated in advance by the shareholders involved. Any resolution in breach of the above can be challenged pursuant to article 2377 of the Italian Civil Code, if the required majority would not have been reached without the votes in excess of the above limit. The shares without voting rights are nevertheless counted for the quorum of the meeting.</p>	<p><u>6-bis.1.</u> Under Article 3 of Decree Law no. 332 of 31 May 1994, converted with amendments into Law no. 474 of 30 July 1994, no individual other than the Italian State, state entities or their subsidiaries may hold in any form Company's shares representing more than 5 (five) percent of the share capital, except as provided for by applicable law.</p> <p><u>6-bis.2.</u> Calculation of the maximum share ownership takes into account the aggregate shares held by the controlling shareholder, be it an individual, a legal entity, a company or another entity; all direct or indirect subsidiaries and all the companies controlled by the same holding company, the associated entities, and the individuals related by blood, kinship up to the second degree or marriage, provided that the spouses are not legally separated.</p> <p><u>6-bis.3.</u> Calculation of the 5 (five) percent maximum shareholding takes into account the shares held by trust companies and/or fiduciaries and in general third party intermediaries.</p> <p><u>6-bis.4.</u> No voting and other non-financial rights of the shares held by shareholders other than the State, state entities or their respective subsidiaries may be exercised in relation to the shares exceeding the 5 percent limit and the voting rights of such shareholders to whom the limit applies are reduced pro rata, except where indicated in advance by the shareholders involved. Any resolution in breach of the above can be challenged pursuant to article 2377 of the Italian Civil Code, if the required majority would not have been reached without the votes in excess of the above limit. The shares without voting rights are nevertheless counted for the quorum of the meeting.</p>
<b>Article 7</b>	
<b>Current text</b>	<b>Text highlighting the proposed changes</b>
The shares are registered, indivisible and each share bears the right to one vote. The shares are freely transferrable.	<u>7.1.</u> The shares are registered, indivisible and each share bears the right to one vote. The shares are freely transferrable.
<b>Article 8</b>	
<b>Current text</b>	<b>Text highlighting the proposed changes</b>
In case of capital increase, the newly issued shares shall be offered preemptively to the shareholders, save as otherwise permitted under applicable law.	<u>8.1.</u> In case of capital increase, the newly issued shares shall be offered pre-emptively to the shareholders, save as otherwise permitted under applicable law.

<p>In case of capital increase, the new shares may also be paid-up through contributions in kind.</p> <p>The shareholders' meeting may decide to exclude preemption rights, within the limits and as per article 2441, letter four, second paragraph, of the Italian Civil Code.</p> <p>The share capital may also be increased by issuing preferred shares or shares with specific rights, different from those of the existing shares. The Company may also issue special categories of shares and financial instruments under article 2349 of the Italian Civil Code.</p> <p>The share capital may be reduced by a resolution of the shareholders' meeting, also by transferring corporate assets to the shareholders.</p>	<p><u>8.2.</u> In case of capital increase, the new shares may also be paid-up through contributions in kind.</p> <p><u>8.3.</u> The shareholders' meeting may decide to exclude preemption rights, within the limits and as per article 2441, letter four, second paragraph, of the Italian Civil Code.</p> <p><u>8.4.</u> The share capital may also be increased by issuing preferred shares or shares with specific rights, different from those of the existing shares. The Company may also issue special categories of shares and financial instruments under Article 2349 of the Italian Civil Code.</p> <p><u>8.5.</u> The share capital may be reduced by a resolution of the shareholders' meeting, also by transferring corporate assets to the shareholders.</p>
Article 9	
Current text	Text highlighting the proposed changes
<p>The Company may issue bonds, including bonds convertible into shares, in compliance with applicable law.</p>	<p><u>9.1.</u> The Company may issue bonds, including bonds convertible into shares, in compliance with applicable law.</p>
Article 10	
Current text	Text highlighting the proposed changes
<p>The Company may receive loans and other forms of financing from its shareholders, with or without interest, subject to repayment and otherwise, in compliance with applicable law and in particular with the laws on collection of savings from the public.</p>	<p><u>10.1.</u> The Company may receive loans and other forms of financing from its shareholders, with or without interest, subject to repayment and otherwise, in compliance with applicable law and in particular with the laws on collection of savings from the public.</p>
Article 11	
Current text	Text highlighting the proposed changes
<p>Shareholders who did not vote in favour of the extension of the Company's term, or the creation, modification or release of restrictions on the circulation of the shares will have no right of withdrawal.</p> <p>The Company may request, at any time and at its own expense, through the centralized securities administration service, that intermediaries provide identity details of the shareholders who have not expressly denied their consent to such disclosure, and the number of shares registered in their accounts. When such a request is made upon the shareholders' request, the procedures provided for by applicable laws and regulations shall apply, also in relation to the minimum shareholding required to submit the application and with the costs allocated equally between the Company and the applicant shareholders, unless otherwise</p>	<p><u>11.1.</u> Shareholders who did not vote in favour of the extension of the Company's term, or the creation, modification or release of restrictions on the circulation of the shares will have no right of withdrawal.</p> <p><u>11.2.</u> The Company may request, at any time and at its own expense, through the centralized securities administration service, that intermediaries provide identity details of the shareholders who have not expressly denied their consent to such disclosure, and the number of shares registered in their accounts. When such a request is made upon the shareholders' request, the procedures provided for by applicable laws and regulations shall apply, also in relation to the minimum shareholding required to submit the application and with the costs allocated equally between the Company and the applicant shareholders, unless otherwise determined by</p>

determined by applicable law.	applicable law.
<b>Article 12</b>	
<b>Current text</b>	<b>Text highlighting the proposed changes</b>
<p>The annual and special shareholders' meetings shall be convened by the board of directors and are ordinarily held at the registered office of the Company, unless otherwise decided by the board of directors.</p> <p>The annual shareholders' meeting shall be convened at least once a year to approve the financial statements within 120 days of the end of the financial year, or within 180 days in cases for which the law provides for such longer term.</p>	<p><b>12.1.</b> The annual and special shareholders' meetings shall be convened by the board of directors and are ordinarily held at the registered office of the Company, unless otherwise decided by the board of directors.</p> <p><b>12.2.</b> The annual shareholders' meeting shall be convened at least once a year to approve the financial statements within 120 days of the end of the financial year, or within 180 days in cases for which the law provides for such longer term.</p>
<b>Article 13</b>	
<b>Current text</b>	<b>Text highlighting the proposed changes</b>
<p>The shareholders' meeting must be convened by a notice published on the Company website, in compliance with the formalities provided for in Consob regulations and within the deadlines provided under the applicable law.</p> <p>Shareholders' meetings shall be held in a single sitting. The board of directors may however decide, whenever it deems it necessary, that the general and special shareholders' meetings be held in more than one sitting.</p>	<p><b>13.1.</b> The shareholders' meeting must be convened by a notice published on the Company website, in compliance with the formalities provided for in Consob regulations and within the deadlines provided under the applicable law.</p> <p><b>13.2.</b> Shareholders' meetings shall be held in a single sitting. The board of directors may however decide, whenever it deems it necessary, that the general and special shareholders' meetings be held in more than one sitting.</p>
<b>Article 14</b>	
<b>Current text</b>	<b>Text highlighting the proposed changes</b>
<p>The right to attend shareholders' meetings and the procedures for exercising voting rights are regulated by applicable law.</p>	<p><b>14.1.</b> The right to attend shareholders' meetings and the procedures for exercising voting rights are regulated by applicable law.</p>
<b>Article 15</b>	
<b>Current text</b>	<b>Text highlighting the proposed changes</b>
<p>All shareholders entitled to speak at the shareholders' meeting may be represented thereat through a written or electronic proxy, in accordance with applicable law.</p> <p>The proxy may be notified to the Company electronically, through certified electronic mail or using a dedicated section of the website, as indicated from time to time in the convening notice.</p> <p>In order to facilitate the collection of proxies from shareholders who are employees of the Company or of its subsidiaries and are affiliated to shareholders associations meeting the requirements under applicable law, dedicated spaces shall be made available to these associations for the communication and collection</p>	<p><b>15.1.</b> All shareholders entitled to speak at the shareholders' meeting may be represented thereat through a written or electronic proxy, in accordance with applicable law.</p> <p><b>15.2.</b> The proxy may be notified to the Company electronically, through certified electronic mail or using a dedicated section of the website, as indicated from time to time in the convening notice.</p> <p><b>15.3.</b> In order to facilitate the collection of proxies from shareholders who are employees of the Company or of its subsidiaries and are affiliated to shareholders associations meeting the requirements under applicable law, dedicated spaces shall be made available to these associations for the communication and collection of proxies, according</p>



<p>of proxies, according to the terms agreed from time to time with their legal representatives.</p> <p>The chairman is in charge of verifying the validity of the proxies and in general the right to attend the shareholders' meeting.</p> <p>The Company may designate for each meeting a person to whom shareholders may grant a proxy with voting instructions on all or some of the resolutions on the agenda, in accordance with applicable law and regulations. The proxy shall not be valid for resolutions for which no voting instructions have been given.</p> <p>If so provided in the meeting notice, the shareholders with voting rights: (i) may attend the meeting by telecommunication means and exercise their rights to vote by electronic means and/or (ii) cast their vote by mail and/or electronically, in accordance with applicable laws and regulations.</p> <p>The meetings shall be governed by the Rules of Procedure approved by resolution of the annual general meeting of the Company.</p>	<p>to the terms agreed from time to time with their legal representatives.</p> <p><b>15.4.</b> The chairman is in charge of verifying the validity of the proxies and in general the right to attend the shareholders' meeting.</p> <p><b>15.5.</b> The Company may designate for each meeting a person to whom shareholders may grant a proxy with voting instructions on all or some of the resolutions on the agenda, in accordance with applicable law and regulations. The proxy shall not be valid for resolutions for which no voting instructions have been given.</p> <p><b>15.6.</b> If so provided in the meeting notice, the shareholders with voting rights: (i) may attend the meeting by telecommunication means and exercise their rights to vote by electronic means and/or (ii) cast their vote by mail and/or electronically, in accordance with applicable laws and regulations.</p> <p><b>15.7.</b> The meetings shall be governed by the Rules of Procedure approved by resolution of the annual general meeting of the Company.</p>
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Article 16

Current text	Text highlighting the proposed changes
<p>The shareholders' meeting shall be chaired by the chairman of the board of directors, or any other person delegated by the board of directors, failing which the shareholders' meeting shall elect its own chairman.</p> <p>The shareholders' meeting shall appoint a secretary, who needs not be a shareholder, and may select one or more scrutineers amongst the attendees.</p>	<p><b>16.1.</b> The shareholders' meeting shall be chaired by the chairman of the board of directors, or <u>if the chairman is absent or unavailable, by the vice-chairman if appointed; if the vice-chairman is also absent or unavailable, the meeting shall be chaired by</u> any other person delegated by the board of directors, failing which the shareholders' meeting shall elect its own chairman.</p> <p><b>16.2.</b> The shareholders' meeting shall appoint a secretary, who needs not be a shareholder, and may select one or more scrutineers amongst the attendees.</p>

Article 17

Current text	Text highlighting the proposed changes
<p>The shareholders' meeting shall resolve on all the subjects attributed to the shareholders by law or in the By-laws.</p> <p>Unless otherwise provided in the By-laws, the shareholders resolutions must be approved by the majority required by the law in each case, for both annual and special meetings, and in first, second or third sitting, or in a single sitting.</p> <p>The minutes of the annual shareholders' meetings must be signed by the chairman and the secretary.</p>	<p><b>17.1.</b> The shareholders' meeting shall resolve on all the subjects attributed to the shareholders by law or in the By-laws.</p> <p><b>17.2.</b> Unless otherwise provided in the By-laws, the shareholders resolutions must be approved by the majority required by the law in each case, for both annual and special meetings, and in first, second or third sitting, or in a single sitting.</p> <p><b>17.3.</b> The minutes of the annual shareholders' meetings must be signed by the chairman <u>of the meeting</u> and the secretary.</p>

The minutes of the special shareholders' meetings must be drafted by an Italian notary.	The minutes of the special shareholders' meetings must be drafted by an Italian notary .
<b>Article 18</b>	
<b>Current text</b>	<b>Text highlighting the proposed changes</b>
The Company is managed by the board of directors. The control functions are entrusted to the board of statutory auditors and the external auditor in accordance with the law and the by-laws.	<u>18.1.</u> The Company is managed by the board of directors. The control functions are entrusted to the board of statutory auditors and the external auditor in accordance with the law and the by-laws.
<b>Article 19</b>	
<b>Current text</b>	<b>Text highlighting the proposed changes</b>
The Company shall be managed by a board of directors composed of not less than seven and not more than thirteen members.	<u>19.1.</u> The Company shall be managed by a board of directors composed of not less than seven and not more than thirteen members.
The shareholders' meeting shall from time to time establish the number of the board members within the limits specified above. The shareholders' meeting may vary the number of board members, also during their term, in compliance with the first provision of this article, and appoint them with the procedures provided hereby. The directors so appointed will leave together with those who were in office at the time of their appointment.	<u>19.2.</u> The shareholders' meeting shall from time to time establish the number of the board members within the limits specified above. The shareholders' meeting may vary the number of board members, also during their term, in compliance with the first provision of this article, and appoint them with the procedures provided hereby. The directors so appointed will leave together with those who were in office at the time of their appointment.
The members of the board of directors are appointed by the shareholders' meeting in compliance with the laws on equal access of the under-represented gender to the corporate bodies.	<u>19.3.</u> The members of the board of directors are appointed by the shareholders' meeting in compliance with the laws on equal access of the under-represented gender to the corporate bodies.
Under the D.P.C.M. of 25 May 2012 on "Guidelines, terms and conditions to implement separation of ownership of SNAM S.p.A. under Article 15 of Law 27 of 24 March 2012" (the "P.M.C.M."), directors may not hold any office in the administrative or control body, or management positions in Eni S.p.A. or its subsidiaries, nor entertain any direct or indirect relationship of a professional or financial nature with these companies.	<u>19.4.</u> Under the D.P.C.M. of 25 May 2012 on "Guidelines, terms and conditions to implement separation of ownership of SNAM S.p.A. under Article 15 of Law 27 of 24 March 2012" (the "P.M.C.M."), directors may not hold any office in the administrative or control body, or management positions in Eni S.p.A. or its subsidiaries, nor entertain any direct or indirect relationship of a professional or financial nature with these companies.
Appointees to the board of directors must meet certain professional and competence requirements as listed below. In particular, directors must be selected on the basis of their professional experience and competence and have at least three years of experience in:	<u>19.5.</u> Appointees to the board of directors must meet certain professional and competence requirements as listed below. In particular, directors must be selected on the basis of their professional experience and competence and have at least three years of experience in:
a) a management or control position, or other position with managerial responsibilities in corporations, or,	a) a management or control position, or other position with managerial responsibilities in corporations, or,
b) professional activities or university teaching experience in law, economics, finance or technical-scientific subjects, connected or anyway functional to business activity, or,	b) professional activities or university teaching experience in law, economics, finance or technical-scientific subjects, connected or anyway functional to business activity, or,

<p>c) a management or executive capacity within state entities or administrations operating in sectors related to the company's business activities, or within public administrations or entities unconnected with such sectors, provided that their functions entailed management of operational and financial resources.</p> <p>A final judgement for the crimes provided by the following regulations will be grounds for ineligibility or disqualification from the office of director "for cause" without any right to damages, even if appealable and without prejudice to any rehabilitation:</p> <p>a) regulations on banking, financial, securities and insurance activities and on financial markets, securities and payment instruments;</p> <p>b) Title XI of Book V of the Italian Civil Code and Royal Decree no. 267 of 16 March 1942;</p> <p>c) regulations on crimes against the public administration, public trust, property, public order, public assets or tax crimes; or</p> <p>d) Article 51, paragraph 3-bis of the Italian Code of Criminal Procedure and Article 73 of Presidential Decree No. 309 of 9 October 1990.</p> <p>A decree ordering the judgment or an accelerated proceeding (giudizio immediato) for any of the crimes under a), b), c) and d) and does not result in an acquittal, even if appealable, or a final judgement of conviction which finds the commission of an intentional damage to the State treasury (danno erariale) also constitute grounds for ineligibility.</p> <p>The directors who, during their office, should receive a notification of the decree ordering the judgment or the accelerated proceeding for any of the crimes under a), b), c) and d), or a final judgement of conviction that finds the willful commission of danno erariale shall immediately notify the board of directors, who will act under a confidentiality obligation. The board of directors will assess whether one of the above cases has occurred at the earliest possible meeting and in any event within ten days after becoming aware of the measures above.</p> <p>If the board of directors so finds, the director shall be removed from office for cause, without any right to damages unless the board of directors, within ten days, convenes a shareholders' meeting to be held within the following sixty days, and submits to</p>	<p>c) a management or executive capacity within state entities or administrations operating in sectors related to the company's business activities, or within public administrations or entities unconnected with such sectors, provided that their functions entailed management of operational and financial resources.</p> <p><u>19.6.</u> A final judgement for the crimes provided by the following regulations will be grounds for ineligibility or disqualification from the office of director "for cause" without any right to damages, even if appealable and without prejudice to any rehabilitation:</p> <p>a) regulations on banking, financial, securities and insurance activities and on financial markets, securities and payment instruments;</p> <p>b) Title XI of Book V of the Italian Civil Code and Royal Decree No. 267 of 16 March 1942;</p> <p>c) regulations on crimes against the public administration, public trust, property, public order, public assets or tax crimes; or</p> <p>d) Article 51, paragraph 3-bis of the Italian Code of Criminal Procedure and Article 73 of Presidential Decree No. 309 of 9 October 1990.</p> <p>A decree ordering the judgment or an accelerated proceeding (giudizio immediato) for any of the crimes under a), b), c) and d) and does not result in an acquittal, even if appealable, or a final judgement of conviction which finds the commission of an intentional damage to the State treasury (danno erariale) also constitute grounds for ineligibility.</p> <p>The directors who, during their office, should receive a notification of the decree ordering the judgment or the accelerated proceeding for any of the crimes under a), b), c) and d), or a final judgement of conviction that finds the willful commission of danno erariale shall immediately notify the board of directors, who will act under a confidentiality obligation. The board of directors will assess whether one of the above cases has occurred at the earliest possible meeting and in any event within ten days after becoming aware of the measures above.</p> <p>If the board of directors so finds, the director shall be removed from office for cause, without any right to damages unless the board of directors, within ten days, convenes a shareholders' meeting to be held within the following sixty days, and submits to</p>
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<p>the shareholders' vote a proposal hereby such directors remain in office and that this in the best interest of the Company. If the assessment by the board of directors is made after the end of the financial year, the proposal is submitted to the shareholders' meeting convened for approval of the financial statements, without prejudice to any term imposed by applicable law.</p> <p>If the shareholders' meeting does not approve the proposal of the board of directors, the director is immediately removed for cause, without any right to damages.</p> <p>Notwithstanding the above, if the chief executive officer (amministratore delegato) becomes subject to:</p> <p>a) imprisonment, or</p> <p>b) pre-trial detention or house arrest, following the procedure under Article 309 or Article 311, paragraph 2, of the Italian Code of Criminal Procedure, or after the expiration of the term thereof,</p> <p>he or she shall automatically be removed for cause, without any right to damages, and all powers delegated to him or her are immediately revoked.</p> <p>The chief executive officer shall automatically be removed if he or she is subject to other restrictions of personal freedom, whenever the board of directors considers such measures to be incompatible with the performance of the director's duties.</p> <p>For the purposes of this provision, a plea bargain judgment under Article 444 of the Italian Code of Criminal Procedure is equivalent to a final judgment of conviction, except in case of extinction of the crime.</p> <p>For the purposes of this provision, the board of directors shall ascertain the existence of the facts provided for therein, for cases governed in whole or in part by foreign laws, on the basis of substantial equivalence.</p> <p>The board of directors shall be elected by the shareholders' meeting from slates submitted by the shareholders and by the board of directors. Candidates in a slate must be numbered consecutively.</p> <p>Slates shall be submitted at the Company's registered office within the time and as prescribed by applicable law.</p> <p>A shareholder may submit or take part in the</p>	<p>the shareholders' vote a proposal hereby such directors remain in office and that this in the best interest of the Company. If the assessment by the board of directors is made after the end of the financial year, the proposal is submitted to the shareholders' meeting convened for approval of the financial statements, without prejudice to any term imposed by applicable law.</p> <p>If the shareholders' meeting does not approve the proposal of the board of directors, the director is immediately removed for cause, without any right to damages.</p> <p>Notwithstanding the above, if the chief executive officer (amministratore delegato) becomes subject to:</p> <p>a) imprisonment, or</p> <p>b) pre-trial detention or house arrest, following the procedure under Article 309 or Article 311, paragraph 2, of the Italian Code of Criminal Procedure, or after the expiration of the term thereof,</p> <p>he or she shall automatically be removed for cause, without any right to damages, and all powers delegated to him or her are immediately revoked.</p> <p>The chief executive officer shall automatically be removed if he or she is subject to other restrictions of personal freedom, whenever the board of directors considers such measures to be incompatible with the performance of the director's duties.</p> <p>For the purposes of this provision, a plea bargain judgment under Article 444 of the Italian Code of Criminal Procedure is equivalent to a final judgment of conviction, except in case of extinction of the crime.</p> <p>For the purposes of this provision, the board of directors shall ascertain the existence of the facts provided for therein, for cases governed in whole or in part by foreign laws, on the basis of substantial equivalence.</p> <p><u>19.7.</u> The board of directors shall be elected by the shareholders' meeting from slates submitted by the shareholders and by the board of directors. Candidates in a slate must be numbered consecutively.</p> <p>Slates shall be submitted at the Company's registered office within the time and as provided by applicable law.</p> <p>A shareholder may submit or take part in the</p>
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<p>submission of, and vote only one slate.</p> <p>A candidate may only stand in a single slate, under penalty of ineligibility.</p> <p>Only shareholders who, alone or together with other shareholders, represent at least 1% of the share capital or such lower percentage as provided in Consob's regulations may submit slates.</p> <p>Ownership of the minimum stake necessary to submit slates shall be verified within the term and as provided by the laws applicable from time to time.</p> <p>Each slate must include at least two candidates satisfying the independence requirements provided for by the law and mention them separately. One of such candidates must be the first in the slate.</p> <p>All candidates must meet the integrity requirements provided for by applicable laws and the by-laws.</p> <p>Slates that have three or more candidates must also include candidates of different gender, as indicated in the notice of meeting, so to ensure that the composition of the board of directors is compliant with the applicable laws on gender equality.</p> <p>In order to be valid, each slate must be accompanied by the professional curriculum vitae of each candidate and a statement whereby each candidate accepts the candidacy and declares under his or her responsibility that there are no causes of ineligibility and incompatibility, and that he or she meets the above integrity and, if applicable, independence requirements.</p> <p>The appointed candidates shall promptly notify the board of directors if they cease to meet the requirements that were satisfied at the time of the appointment or in case any cause for ineligibility or incompatibility has arisen.</p> <p>The election of directors shall be carried out as follows:</p> <p>a) from the slate that has obtained the majority of the shareholders' votes the following shall be elected in the progressive order used in the slate: (i) two-thirds of the directors to be appointed, with fractions being rounded to the next lower integer, if the board of directors consists of no more than nine members; (ii) seven directors, if the board of directors consists of ten members; (iii) eight directors, if the board of directors consists of eleven members; (iv) nine directors, if the board of</p>	<p>submission of, and vote only one slate.</p> <p>A candidate may only stand in a single slate, under penalty of ineligibility.</p> <p>Only shareholders who, alone or together with other shareholders, represent at least 1% of the share capital or such lower percentage as provided in Consob's regulations may submit slates.</p> <p>Ownership of the minimum stake necessary to submit slates shall be verified within the term and as provided by the laws applicable from time to time.</p> <p>Each slate must include at least two candidates satisfying the independence requirements provided for by the law and mention them separately. One of such candidates must be the first in the slate.</p> <p>All candidates must meet the integrity requirements provided for by applicable laws and the by-laws.</p> <p>Slates that have three or more candidates must also include candidates of different gender, as indicated in the notice of meeting, so to ensure that the composition of the board of directors is compliant with the applicable laws on gender equality.</p> <p><del>19.8. In order to be valid,</del> Each slate must be accompanied by the professional curriculum vitae of each candidate and a statement whereby each candidate accepts the candidacy and declares under his or her responsibility that there are no causes of ineligibility and incompatibility, and that he or she meets the above integrity and, if applicable, independence requirements.</p> <p>The appointed candidates shall promptly notify the board of directors if they cease to meet the requirements that were satisfied at the time of the appointment or in case any cause for ineligibility or incompatibility has arisen.</p> <p><u>19.9.</u> The election of directors shall be carried out as follows:</p> <p>a) from the slate that has obtained the majority of the shareholders' votes the following shall be elected in the progressive order used in the slate: (i) two-thirds of the directors to be appointed, with fractions being rounded to the next lower integer, if the board of directors consists of no more than nine members; (ii) seven directors, if the board of directors consists of ten members; (iii) eight directors, if the board of directors consists of eleven members; (iv) nine directors, if the board of</p>
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<p>directors consists of twelve members; and (v) ten directors if the board of directors consists of thirteen members;</p> <p>b) the remaining directors will be taken from the other slates which are not in any way linked, even indirectly, with the shareholders who submitted or voted for the most voted slate. For this purpose, the votes obtained by said slates will subsequently be divided by one, two or three, according to the number of directors to be elected. The ratios thus obtained shall progressively be attributed to the candidates of each slate, according to their order. The ratios thus attributed to the candidates of the various slates shall be arranged in descending order. Those who shall have obtained the highest ratios will be elected. If more candidates obtain the same ratio, the candidate of the slate with no candidates elected or that with the lowest number of candidates elected shall be appointed as director. If none of these slates has yet elected a director or if all have elected the same number of directors, the candidate from the slate with more votes will be elected. If candidates receive the same number of votes and are attributed the same ratio, the shareholders' meeting shall cast a new vote among the candidates with the same ratio from slates who elected the same number of directors (or none) and that obtained the same number of votes, according to the procedure in letter e) below;</p> <p>c) if, following the procedure described above, the minimum number of independent directors required by the law had not been appointed yet, the number of votes to be allocated to each candidate of the various slates shall be calculated by dividing the number of votes obtained by each slate by the ranking number of each candidate, in order to create a single decreasing ranking list; the candidates who do not meet the independence requirements and with the lowest ratios among the candidates from all the slates, shall be replaced, starting from the last one and up to the minimum number of independent directors under applicable law, by the independent candidates (if any) from the same slate of the replaced candidate (according to the order in which they are indicated), or individuals meeting the independence requirements and elected through the procedure set forth by letter e) below. In the event two or more candidates of different slates obtained the same ratio, the candidate to be replaced shall be that of the slate with the highest number of elected</p>	<p>directors consists of twelve members; and (v) ten directors if the board of directors consists of thirteen members;</p> <p>b) the remaining directors will be taken from the other slates, <u>without prejudice to the compliance with the applicable law on minority shareholders</u> which are not in any way linked, even indirectly, with the shareholders who submitted or voted for the most voted slate. For this purpose, the votes obtained by said slates will subsequently be divided by one, two or three, according to the number of directors to be elected. The ratios thus obtained shall progressively be attributed to the candidates of each slate, according to their order. The ratios thus attributed to the candidates of the various slates shall be arranged in descending order. Those who shall have obtained the highest ratios will be elected. If more candidates obtain the same ratio, the candidate of the slate with no candidates elected or that with the lowest number of candidates elected shall be appointed as director. If none of these slates has yet elected a director or if all have elected the same number of directors, the candidate from the slate with more votes will be elected. If candidates receive the same number of votes and are attributed the same ratio, the shareholders' meeting shall cast a new vote among the candidates with the same ratio from slates who elected the same number of directors (or none) and that obtained the same number of votes, according to the procedure in letter e) below;</p> <p>c) if, following the procedure described above, the minimum number of independent directors required by the law had not been appointed yet, the number of votes to be allocated to each candidate of the various slates shall be calculated by dividing the number of votes obtained by each slate by the ranking number of each candidate, in order to create a single decreasing ranking list; the candidates who do not meet the independence requirements and with the lowest ratios among the candidates from all the slates, shall be replaced, starting from the last one and up to the minimum number of independent directors under applicable law, by the independent candidates (if any) from the same slate of the replaced candidate (according to the order in which they are indicated), or individuals meeting the independence requirements and elected through the procedure set forth by letter e) below. In the event two or more candidates of different slates obtained the same ratio, the candidate to be replaced shall be that of the slate with the highest number of elected</p>
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directors, or if more slates had elected the highest number of directors, the candidate belonging to the slate with fewer votes, or in the event of a tie, the candidate who receives fewer votes in a special shareholders' vote on all the candidate with the same ratio and from slates with the same number of directors elected, through the procedure set forth by letter e) below;

- d) when the procedures under letter a) and b) do not ensure compliance with the applicable laws on balance between genders, the ratio of votes to be allocated to each candidate from the slates with three or more candidates will be calculated by dividing the number of votes obtained by each slate by the ranking number of each candidate, in order to create a single decreasing ranking list; the candidates of the most represented gender with the lowest ratios and from the above slates are therefore replaced, up to the number of independent directors sufficient to comply with the laws on balance between genders and without prejudice to the minimum number of independent directors, by the candidate of the less represented gender, if any, ranked immediately lower from the same slate of the replaced candidate. In the event two or more candidates of different slates obtained the same ratio, the candidate to be replaced shall be (i) the candidate from the slate that elected the highest number of directors, or (ii) in the event the same number of directors were elected from more slates, the candidate of the slate with fewer votes, or (iii) in the event of a tie, the candidate who obtains fewer votes in a special shareholders' vote on the candidates with the same ratio, and belonging to slates which elected the same number of directors, through the procedure set forth by letter e) below;

- e) directors for any reason not appointed pursuant to the aforementioned procedures will be appointed by the shareholders' meeting, with the majorities prescribed by the law, so as to ensure that the composition of the board of directors complies with applicable laws and regulations, the bylaws, and applicable rules on balance between genders.

Directors are appointed for up to three financial years, and their mandate expires on the date of the shareholders' meeting convened to approve the financial statements for the last financial year of their term. Directors may be reappointed pursuant Article 2383 of the Italian Civil Code.

If one or more board members cease to serve in

directors, or if more slates had elected the highest number of directors, the candidate belonging to the slate with fewer votes, or in the event of a tie, the candidate who receives fewer votes in a special shareholders' vote on all the candidate with the same ratio and from slates with the same number of directors elected, through the procedure set forth by letter e) below;

- d) when the procedures under letter a) and b) do not ensure compliance with the applicable laws on balance between genders, the ratio of votes to be allocated to each candidate from the slates with three or more candidates will be calculated by dividing the number of votes obtained by each slate by the ranking number of each candidate, in order to create a single decreasing ranking list; the candidates of the most represented gender with the lowest ratios and from the above slates are therefore replaced, up to the number of independent directors sufficient to comply with the laws on balance between genders and without prejudice to the minimum number of independent directors, by the candidate of the less represented gender, if any, ranked immediately lower from the same slate of the replaced candidate. In the event two or more candidates of different slates obtained the same ratio, the candidate to be replaced shall be (i) the candidate from the slate that elected the highest number of directors, or (ii) in the event the same number of directors were elected from more slates, the candidate of the slate with fewer votes, or (iii) in the event of a tie, the candidate who obtains fewer votes in a special shareholders' vote on the candidates with the same ratio, and belonging to slates which elected the same number of directors, through the procedure set forth by letter e) below;

- e) directors for any reason not appointed pursuant to the aforementioned procedures will be appointed by the shareholders' meeting, with the majorities prescribed by the law, so as to ensure that the composition of the board of directors complies with applicable laws and regulations, the bylaws, and applicable rules on balance between genders.

**19.10.** Directors are appointed for up to three financial years, and their mandate expires on the date of the shareholders' meeting convened to approve the financial statements for the last financial year of their term. Directors may be reappointed pursuant Article 2383 of the Italian Civil Code.

**19.11.** If one or more board members cease to

<p>office, due to resignations or for any other reasons during a financial year, article 2386 of the Italian Civil Code shall apply.</p> <p>The minimum number of independent directors provided by law, and the rules on balance between genders and representation of the minorities must in any case be complied with.</p> <p>If more than one third of the board members ceases to serve in office, due to resignations or other causes, the entire board shall automatically be removed and a shareholders' meeting will be convened to appoint a new board of directors, pursuant to the procedures under Article 2386 of the Italian Civil Code for reappointment of the entire board.</p>	<p>serve in office, due to resignations or for any other reasons during a financial year, article 2386 of the Italian Civil Code shall apply.</p> <p>The minimum number of independent directors provided by law, and the rules on balance between genders and representation of the minorities must in any case be complied with.</p> <p>If more than one third of the board members ceases to serve in office, due to resignations or other causes, the entire board shall automatically be removed and a shareholders' meeting will be convened to appoint a new board of directors, pursuant to the procedures under Article 2386 of the Italian Civil Code for reappointment of the entire board.</p>
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Article 20

Current text	Text highlighting the proposed changes
<p>The board of directors shall elect a chairman among its members, unless the appointment has already been made by the shareholders' meeting.</p> <p>The board of directors may delegate some or all of its powers, save for those that may not be delegated by law, to one or more board members and/or to an executive committee. The directors, within the limits of the powers conferred to them, may delegate powers and the legal representation of the Company for specific documents or categories of documents to employees of the Company or to third parties.</p> <p>The board of directors shall also appoint a secretary, who needs not be an employee of the Company.</p>	<p><u>20.1.</u> The board of directors shall elect a chairman among its members, unless the appointment has already been made by the shareholders' meeting; <b><u>the board of directors may elect a vice-chairman to replace the chairman in the event of absence or impediment of the latter.</u></b></p> <p><u>20.2.</u> The board of directors may delegate some or all of its powers, save for those that may not be delegated by law, to one or more board members and/or to an executive committee. The directors, within the limits of the powers conferred to them, may delegate powers and the legal representation of the Company for specific documents or categories of documents to employees of the Company or to third parties.</p> <p><u>20.3.</u> The board of directors shall also appoint a secretary, who needs not be an employee of the Company.</p>

Article 21

Current text	Text highlighting the proposed changes
<p>The board of directors shall meet at the venue specified in the related notice, at the registered office or elsewhere, whenever the chairman deems it necessary, or whenever such a meeting is requested by at least one third of the board members (rounded down to the next lower integral) or by the board of statutory auditors.</p> <p>Board of directors' meetings may be held by audio or video conference call, provided that each of the attendees can be identified by all the others, and is able to take part in real time in the discussion on</p>	<p><u>21.1.</u> The board of directors shall meet at the venue specified in the related notice, at the registered office or elsewhere, whenever the chairman, <b><u>or in the event of absence or impediment of the chairman, the vice-chairman, if appointed,</u></b> deems it necessary, or whenever such meeting is requested by at least one third of the board members (rounded down to the next lower integral) or by the board of statutory auditors.</p> <p><u>21.2</u> Board of directors' meetings may be held by audio or video conference call, provided that each of the attendees can be identified by all the others, and is able to take part in real time in the</p>



<p>the items, and to receive, transmit and review documents.</p> <p>If all the foregoing conditions are met, the meeting shall be deemed to have been held at the place where both the chairman and the secretary are physically present.</p> <p>As a general rule, board meetings must be convened at least five days prior to the date of the meeting, or two days before in case of urgency, along with the available documentation on the topics to be discussed.</p>	<p>discussion on the items, and to receive, transmit and review documents.</p> <p>If all the foregoing conditions are met, the meeting shall be deemed to have been held at the place where <u>those acting as chairman and secretary are physically present.</u></p> <p><b>21.3.</b> As a general rule, board meetings must be convened at least five days prior to the date of the meeting, or two days before in case of urgency, along with the available documentation on the topics to be discussed.</p>
<b>Article 22</b>	
<b>Current text</b>	<b>Text highlighting the proposed changes</b>
<p>Board meetings shall be chaired by the chairman or in the latter's absence, by the member appointed by the majority of the directors attending the meeting.</p>	<p><b>22.1.</b> Board meetings shall be chaired by the chairman, or in the latter's absence <u>or impediment, by the vice-chairman, if appointed; in the event of absence or impediment of the vice-chairman,</u> by the member appointed by the majority of the directors attending the meeting.</p>
<b>Article 23</b>	
<b>Current text</b>	<b>Text highlighting the proposed changes</b>
<p>The quorum for the board meetings resolutions shall be the majority of the board members in office.</p> <p>Board resolutions may be passed by a simple majority of the board members in attendance; in the case of a tie, the chairman shall cast the deciding vote.</p>	<p><b>23.1.</b> The quorum for the board meetings resolutions shall be the majority of the board members in office.</p> <p><b>23.2.</b> Board resolutions may be passed by a simple majority of the board members in attendance; in the case of a tie, the chairman shall cast the deciding vote.</p>
<b>Article 24</b>	
<b>Current text</b>	<b>Text highlighting the proposed changes</b>
<p>The discussions of the board meetings shall be recorded in minutes to be signed by the chairman of the meeting and the secretary, and drafted on the register of the board meetings, to be maintained in accordance with the law.</p>	<p><b>24.1.</b> The discussions of the board meetings shall be recorded in minutes to be signed by <u>those acting as chairman and secretary of the meeting,</u> and drafted on the register of the board meetings, to be maintained in accordance with the law.</p>
<b>Article 25</b>	
<b>Current text</b>	<b>Text highlighting the proposed changes</b>
<p>The board of directors is in charge of managing the Company. The members of the board of directors perform all the activities necessary to achieve the Company's corporate object.</p> <p>The head of the internal audit division shall report to the board of directors or, if available, to a specific board committee.</p> <p>Pursuant to Article 2365 of the Italian Civil Code the board of directors, in addition to the other powers</p>	<p><b>25.1.</b> The board of directors is in charge of managing the Company. The members of the board of directors perform all the activities necessary to achieve the Company's corporate object.</p> <p><b>25.2.</b> The head of the internal audit division shall report to the board of directors or, if available, to a specific board committee.</p> <p><b>25.3.</b> Pursuant to Article 2365 of the Italian Civil Code the board of directors, in addition to the other</p>

<p>attributed under the By-laws, is in charge of: approving all resolutions on mergers and demergers as provided by applicable law, the opening or closing of local offices, the attribution of legal representation powers to one or more directors, the reduction of the share capital in case of one or more shareholders withdrawals, any amendments to the bylaws to comply with applicable laws and the transfer of the registered office within the territory of Italy.</p>	<p>powers attributed under the By-laws, is in charge of: approving all resolutions on mergers and demergers as provided by applicable law, the opening or closing of local offices, the attribution of legal representation powers to one or more directors, the reduction of the share capital in case of one or more shareholders withdrawals, any amendments to the bylaws to comply with applicable laws and the transfer of the registered office within the territory of Italy.</p>
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**Article 26**

<b>Current text</b>	<b>Text highlighting the proposed changes</b>
<p>Upon mandatory opinion of the board of statutory auditors, the board of directors shall appoint a manager in charge of the Company's financial reports, for a term at least equal to that of the board itself, but not exceeding six financial years, and determine the manager's term in office, powers, responsibilities and remuneration. The board of directors has the power to remove the manager. The manager in charge of the Company's financial reports must have professional experience in accounting, finance and control, meet the integrity requirements for directors and in accordance with the D.P.C.M. may not hold any administration, control or any managerial position, in Eni S.p.A. or its subsidiaries, or have any direct or indirect relationship, of professional or financial nature, with these companies.</p> <p>Failure to meet the above requirements will result in forfeiture of office, to be declared by the board of directors at the meeting immediately following the date on which such failure first came to light. The manager in charge of preparing the Company's financial reports shall attend the board meetings at which matters under his or her responsibility are discussed.</p> <p>If necessary, the board may appoint one or more special technical or administrative advisory committees, whose members need not be board members, and determine remuneration of its members.</p> <p>The board may also appoint general managers and representatives of the Company, as well as attorneys-in-fact for specific transactions, documents or types of documents and establish their powers.</p>	<p><u>26.1.</u> Upon mandatory opinion of the board of statutory auditors, the board of directors shall appoint a manager in charge of the Company's financial reports, for a term at least equal to that of the board itself, but not exceeding six financial years, and determine the manager's term in office, powers, responsibilities and remuneration. The board of directors has the power to remove the manager. The manager in charge of the Company's financial reports must have professional experience in accounting, finance and control, meet the integrity requirements for directors and in accordance with the D.P.C.M. may not hold any administration, control or any managerial position, in Eni S.p.A. or its subsidiaries, or have any direct or indirect relationship, of professional or financial nature, with these companies.</p> <p><u>26.2.</u> Failure to meet the above requirements will result in forfeiture of office, to be declared by the board of directors at the meeting immediately following the date on which such failure first came to light. The manager in charge of preparing the Company's financial reports shall attend the board meetings at which matters under his or her responsibility are discussed.</p> <p><u>26.3.</u> If necessary, the board may appoint one or more special technical or administrative advisory committees, whose members need not be board members, and determine remuneration of its members.</p> <p><u>26.4.</u> The board may also appoint general managers and representatives of the Company, as well as attorneys-in-fact for specific transactions, documents or types of documents and establish their powers.</p>

**Article 27**

<b>Current text</b>	<b>Text highlighting the proposed changes</b>
<p>The chairman is the legal representative of the Company before any courts and administrative authorities and third parties and has signing authority.</p>	<p><u>27.1.</u> The chairman, <u>or in the event of absence or impediment by the latter, the vice-chairman, if appointed,</u> is the legal representative of the Company before any courts and administrative</p>

<p>The chief executive officer, if appointed, and the other persons so authorized by the board of directors, including non-directors, may represent the Company and have signing authority within the scope of the powers delegated to them. The related board resolutions must be published in accordance with applicable law.</p>	<p>authorities and third parties and has signing authority. <u>The vice-chairman's signature shall be construed as evidence vis-à-vis third parties of the chairman's absence or impediment.</u></p> <p><u>27.2.</u> The chief executive officer, if appointed, and the other persons so authorized by the board of directors, including non-directors, may represent the Company and have signing authority within the scope of the powers delegated to them. The related board resolutions must be published in accordance with applicable law.</p>
<b>Article 28</b>	
<b>Current text</b>	<b>Text highlighting the proposed changes</b>
<p>Board members shall be entitled to a refund of all expenses incurred in connection with their official duties, and to remuneration as determined by the annual shareholders' meeting, which may exercise the option under art. 2389, paragraph 3 of the Italian Civil Code. Once approved, the related shareholders' resolution shall also apply to the subsequent financial years until the shareholders determine otherwise.</p> <p>The remuneration for directors performing special functions is determined by the board of directors in accordance with applicable laws.</p> <p>Directors must comply with the duty not to compete with the Company under Article 2390 of the Italian Civil Code.</p>	<p><u>28.1.</u> Board members shall be entitled to a refund of all expenses incurred in connection with their official duties, and to remuneration as determined by the annual shareholders' meeting, which may exercise the option under art. 2389, paragraph 3 of the Italian Civil Code. Once approved, the related shareholders' resolution shall also apply to the subsequent financial years until the shareholders determine otherwise.</p> <p><u>28.2.</u> The remuneration for directors performing special functions is determined by the board of directors in accordance with applicable laws.</p> <p><u>28.3.</u> Directors must comply with the duty not to compete with the Company under Article 2390 of the Italian Civil Code.</p>
<b>Article 29</b>	
<b>Current text</b>	<b>Text highlighting the proposed changes</b>
<p>In case of urgency, and in accordance with the related parties procedures of the Company, the related party transactions which are not reserved to the shareholders and need not be authorized by the latter may be carried out by way of derogation from articles 7 and 8 of Consob regulation n. 17221 of 12 March 2010 on related parties transactions, without prejudice to the requirements imposed by other applicable laws.</p> <p>In cases of urgent related party transactions within the shareholders' reserve powers under article 11, paragraph five, of the above regulation, the related party transactions procedure may allow for these transactions to be carried out by way of derogation from paragraphs 1, 2 and 3 of article 11 of the above regulation, without prejudice to the requirements imposed by other applicable laws. If the conclusions of the supervisory body, pursuant to article 13, paragraph 6, letter c), are negative, the shareholders' meeting shall decide as per the</p>	<p><u>29.1.</u> In case of urgency, and in accordance with the related parties procedures of the Company, the related party transactions which are not reserved to the shareholders and need not be authorized by the latter may be carried out by way of derogation from articles 7 and 8 of Consob regulation n. 17221 of 12 March 2010 on related parties transactions, without prejudice to the requirements imposed by other applicable laws.</p> <p><u>29.2.</u> In cases of urgent related party transactions within the shareholders' reserve powers under article 11, paragraph five, of the above regulation, the related party transactions procedure may allow for these transactions to be carried out by way of derogation from paragraphs 1, 2 and 3 of article 11 of the above regulation, without prejudice to the requirements imposed by other applicable laws. If the conclusions of the supervisory body, pursuant to article 13, paragraph 6, letter c), are negative, the shareholders' meeting shall decide as per the</p>

<p>procedures set by the following paragraph.</p> <p>The procedures on related party transactions may also give shareholders the power to authorize, pursuant to article 2364, paragraph 1, number 5) of the Italian Civil Code, or approve a more significant related party transaction, even in spite of the independent directors' view to the contrary, pursuant to article 8, paragraph 2 and to article 11, paragraphs 2 and 3 of the aforementioned regulation, provided that:</p> <p>(i) the attendance quorum and majority provided by the by-laws are met, and</p> <p>(ii) if the non-related shareholders attending the meeting represent at least 10% of the share capital with voting rights, the majority of non-related voting shareholders does not vote against the transaction.</p>	<p>procedures set by the following paragraph.</p> <p><u>29.3.</u> The procedures on related party transactions may also give shareholders the power to authorize, pursuant to article 2364, paragraph 1, number 5) of the Italian Civil Code, or approve a more significant related party transaction, even in spite of the independent directors' view to the contrary, pursuant to article 8, paragraph 2 and to article 11, paragraphs 2 and 3 of the aforementioned regulation, provided that:</p> <p>(i) the attendance quorum and majority provided by the by-laws are met, and</p> <p>(ii) if the non-related shareholders attending the meeting represent at least 10% of the share capital with voting rights, the majority of non-related voting shareholders does not vote against the transaction.</p>
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**Article 30**

Current text	Text highlighting the proposed changes
<p>In accordance with applicable laws, the shareholders' meeting shall appoint the board of statutory auditors, to be composed of three permanent members and three alternate members, and decide the remuneration of the permanent members.</p> <p>The composition of the board of statutory auditors must comply with applicable laws on equal access of the under-represented gender to the corporate bodies.</p> <p>Under the D.P.C.M. the statutory auditors may not hold any office in the management or control bodies, or management positions in ENI S.p.A. or its subsidiaries, nor entertain any direct or indirect relationship of a professional or financial nature with those companies.</p> <p>The members of the statutory board must meet the professional and integrity requirements under the Ministry of Justice Decree 30 March 2000, n. 162. For the purposes of article 1, paragraph 2, letters b) and c) of the above Decree, activities related to business and tax law, corporate management and finance and sectors connected to naval engineering, are deemed to be closely related to the company's business. Statutory auditors may act as directors in other companies within the limits set forth under Consob regulations.</p> <p>The board of statutory auditors is appointed on the basis of slates submitted by the shareholders. Candidates in a slate are numbered consecutively and cannot be more than the number of statutory</p>	<p><u>30.1.</u> In accordance with applicable laws, the shareholders' meeting shall appoint the board of statutory auditors, to be composed of three permanent members and three alternate members, and decide the remuneration of the permanent members.</p> <p><u>30.2.</u> The composition of the board of statutory auditors must comply with applicable laws on equal access of the under-represented gender to the corporate bodies.</p> <p><u>30.3.</u> Under the D.P.C.M. the statutory auditors may not hold any office in the management or control bodies, or management positions in ENI S.p.A. or its subsidiaries, nor entertain any direct or indirect relationship of a professional or financial nature with those companies.</p> <p><u>30.4.</u> The members of the statutory board must meet the professional and integrity requirements under the Ministry of Justice Decree 30 March 2000, n. 162. For the purposes of article 1, paragraph 2, letters b) and c) of the above Decree, activities related to business and tax law, corporate management and finance and sectors connected to naval engineering, are deemed to be closely related to the company's business. Statutory auditors may act as directors in other companies within the limits set forth under Consob regulations.</p> <p><u>30.5.</u> The board of statutory auditors is appointed on the basis of slates submitted by the shareholders. Candidates in a slate are numbered consecutively and cannot be more than the number of statutory</p>

<p>auditors to be appointed.</p> <p>Slates can only be submitted by shareholders who hold, either individually or jointly with other shareholders, at least the minimum shareholding required by the bylaws to submit slates of candidates for the board of directors.</p> <p>The submission, deposit and publication of the slates are subject to the provisions of the by-laws on appointment of directors and to applicable laws.</p> <p>The slates are divided in a section for candidates to permanent auditors and another for candidates to substitute auditors. The first candidate for each section shall be an accountant enrolled with the registry of auditors and have exercised audit activities for no less than three years.</p> <p>Pursuant to applicable laws on equal access, the first two candidates in both the permanent auditors and the alternate auditors section in slates with three or more candidates in aggregate for both sections must be of a different gender.</p> <p>Two permanent auditors and two alternate auditors shall be elected from the most voted slate in the order in which they are listed in the slate sections. The other permanent auditor and alternate auditor are elected as per applicable regulations and pursuant to article 19 of the bylaws on election of directors from minority slates, which will apply to both sections of the other slates.</p> <p>The chairman of the statutory board is elected by the shareholders among the statutory auditors chosen from the minority slate; in the event of a replacement, the alternate auditor shall be appointed as chairman according to the same procedure.</p>	<p>auditors to be appointed.</p> <p>Slates can only be submitted by shareholders who hold, either individually or jointly with other shareholders, at least the minimum shareholding required by the bylaws to submit slates of candidates for the board of directors.</p> <p>The submission, deposit and publication of the slates are subject to the provisions of the by-laws on appointment of directors and to applicable laws.</p> <p>The slates are divided in a section for candidates to permanent auditors and another for candidates to substitute auditors. The first candidate for each section shall be an accountant enrolled with the registry of auditors and have exercised audit activities for no less than three years.</p> <p>Pursuant to applicable laws on equal access, the first two candidates in both the permanent auditors and the alternate auditors section in slates with three or more candidates in aggregate for both sections must be of a different gender.</p> <p>Two permanent auditors and two alternate auditors shall be elected from the most voted slate in the order in which they are listed in the slate sections. The other permanent auditor and alternate auditor are elected as per applicable regulations and pursuant to article 19 of the bylaws on election of directors from minority slates, which will apply to both sections of the other slates.</p> <p><b>30.7.</b> The chairman of the statutory board is elected by the shareholders among the statutory auditors chosen from the minority slate; in the event of a replacement, the alternate auditor shall be appointed as chairman according to the same procedure.</p>
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Article 31

Current text	Text highlighting the proposed changes
<p>The statutory auditors are appointed for a term of three financial years, expiring on the date of the shareholders' meeting convened to approve the financial statements for the third financial year of their term, and may be reappointed.</p> <p>The slate voting system applies only in the event of replacement of the whole board of statutory auditors.</p> <p>In case of replacement of one of the auditors from the most voted slate, the first alternate auditor from such slate is appointed. If the resulting statutory board is not compliant with the applicable laws on equal access, the second alternate auditors</p>	<p><b>31.1.</b> The statutory auditors are appointed for a term of three financial years, expiring on the date of the shareholders' meeting convened to approve the financial statements for the third financial year of their term, and may be reappointed.</p> <p><b>31.2.</b> The slate voting system applies only in the event of replacement of the whole board of statutory auditors.</p> <p><b>31.3.</b> In case of replacement of one of the auditors from the most voted slate, the first alternate auditor from such slate is appointed. If the resulting statutory board is not compliant with the applicable laws on equal access, the second alternate auditors</p>

<p>from that same slate is elected. If it becomes necessary to replace the other auditor from the most voted slate, the first alternate auditor from the same slate is appointed.</p>	<p>from that same slate is elected. If it becomes necessary to replace the other auditor from the most voted slate, the first alternate auditor from the same slate is appointed.</p> <p><u>31.4. Board of auditors' meetings may be held by audio or video conference, provided that each of the attendees can be identified by all the others, and is able to take part in the discussion on the items in real time, and to receive, transmit and review documents.</u> <u>If all the foregoing conditions are met, the meeting shall be deemed to have been held at the place where the person chairing the meeting is physically present.</u></p>
<b>Article 32</b>	
<b>Current text</b>	<b>Text highlighting the proposed changes</b>
<p>The independent auditors of the Company are appointed by the shareholders' general meeting, in compliance with applicable laws.</p>	<p><u>32.1.</u> The independent auditors of the Company are appointed by the shareholders' general meeting, in compliance with applicable laws.</p>
<b>Article 33</b>	
<b>Current text</b>	<b>Text highlighting the proposed changes</b>
<p>The Company's financial year shall be from 1 January to 31 December of each year. At the end of each financial year the board of directors, in accordance with the law, shall prepare the Company's financial statements to be submitted to the shareholders for approval.</p> <p>The board of directors may distribute advances on dividends to shareholders during the course of the financial year.</p>	<p><u>33.1.</u> The Company's financial year shall be from 1 January to 31 December of each year. At the end of each financial year the board of directors, in accordance with the law, shall prepare the Company's financial statements to be submitted to the shareholders for approval.</p> <p><u>33.2.</u> The board of directors may distribute advances on dividends to shareholders during the course of the financial year.</p>
<b>Article 34</b>	
<b>Current text</b>	<b>Text highlighting the proposed changes</b>
<p>The net profits shall be distributed as follows:</p> <p>a) 5% (five per cent) to be set aside to the legal reserve until its amount reaches one fifth of the share capital; or, if the balance of the legal reserve falls below such amount, until such balance is brought back to one fifth of the share capital;</p> <p>b) the residual amount is available to the shareholders for distribution as dividends to shareholders or for other purposes.</p>	<p><u>34.1.</u> The net profits shall be distributed as follows:</p> <p>a) 5% (five per cent) to be set aside to the legal reserve until its amount reaches one fifth of the share capital; or, if the balance of the legal reserve falls below such amount, until such balance is brought back to one fifth of the share capital;</p> <p>b) the residual amount is available to the shareholders for distribution as dividends to shareholders or for other purposes.</p>
<b>Article 35</b>	
<b>Current text</b>	<b>Text highlighting the proposed changes</b>
<p>Any dividends that are not collected within five years of the date on which they become payable shall be deemed forfeited and revert to the</p>	<p><u>35.1.</u> Any dividends that are not collected within five years of the date on which they become payable shall be deemed forfeited and revert to the</p>

Company.	Company.
<b>Article 36</b>	
<b>Current text</b>	<b>Text highlighting the proposed changes</b>
In case of winding up of the Company, the shareholders' meeting shall determine the applicable liquidation procedures, appoint one or more liquidators, and establish their powers and remuneration.	<b>36.1.</b> In case of winding up of the Company, the shareholders' meeting shall determine the applicable liquidation procedures, appoint one or more liquidators, and establish their powers and remuneration.
<b>Article 37</b>	
<b>Current text</b>	<b>Text highlighting the proposed changes</b>
All matters not expressly regulated herein shall be governed by the relevant provisions of the Italian Civil Code and all applicable special laws.	<b>37.1.</b> All matters not expressly regulated herein shall be governed by the relevant provisions of the Italian Civil Code and all applicable special laws.
<b>Article 38</b>	
<b>Current text</b>	<b>Text highlighting the proposed changes</b>
The provisions on balance between genders shall apply at each renewal of the board of directors and of the board of statutory auditors, in accordance with applicable laws.	<b>38.1.</b> The provisions on balance between genders shall apply at each renewal of the board of directors and of the board of statutory auditors, in accordance with applicable laws.

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Please note that, if accepted, the draft amendments do not entitle those Shareholders who do not approve them to withdraw, as these amendments do not fall within the cases that entitle to withdrawal under Article 2437 of the Italian Civil Code.

\* \* \* \* \*

Therefore, we submit the following draft resolution for your approval:

*"The Extraordinary Shareholders' Meeting of FINCANTIERI S.p.A., having examined the report by the Board of Directors,*

*resolves*

- *to amend Articles 16, 17, 19, 20, 21, 22, 24, 27 and 31 of the By-laws and to number the articles' paragraphs in the By-laws, as indicated in the right column of the comparative table in the Company's Explanatory Report under Article 72 of Consob Regulation No. 11971 of 14 May 1999;*
- *to delegate the Chairman of the Board of Directors and the Chief Executive Officer, jointly and severally and with the power to sub-delegate, to carry out all obligations and formalities related to this resolution and to make any changes, additions and/or deletions that may be required for the registration in Companies Register, including those resulting from the simultaneous approval by the Meeting of the draft amendments to article 19 of the By-laws, referred to in the first item on the extraordinary agenda proposed by the Shareholder Fintecna S.p.A."*

Rome, 31 March 2016

*The Chairman of the Board of Directors*

*Vincenzo Petrone*