

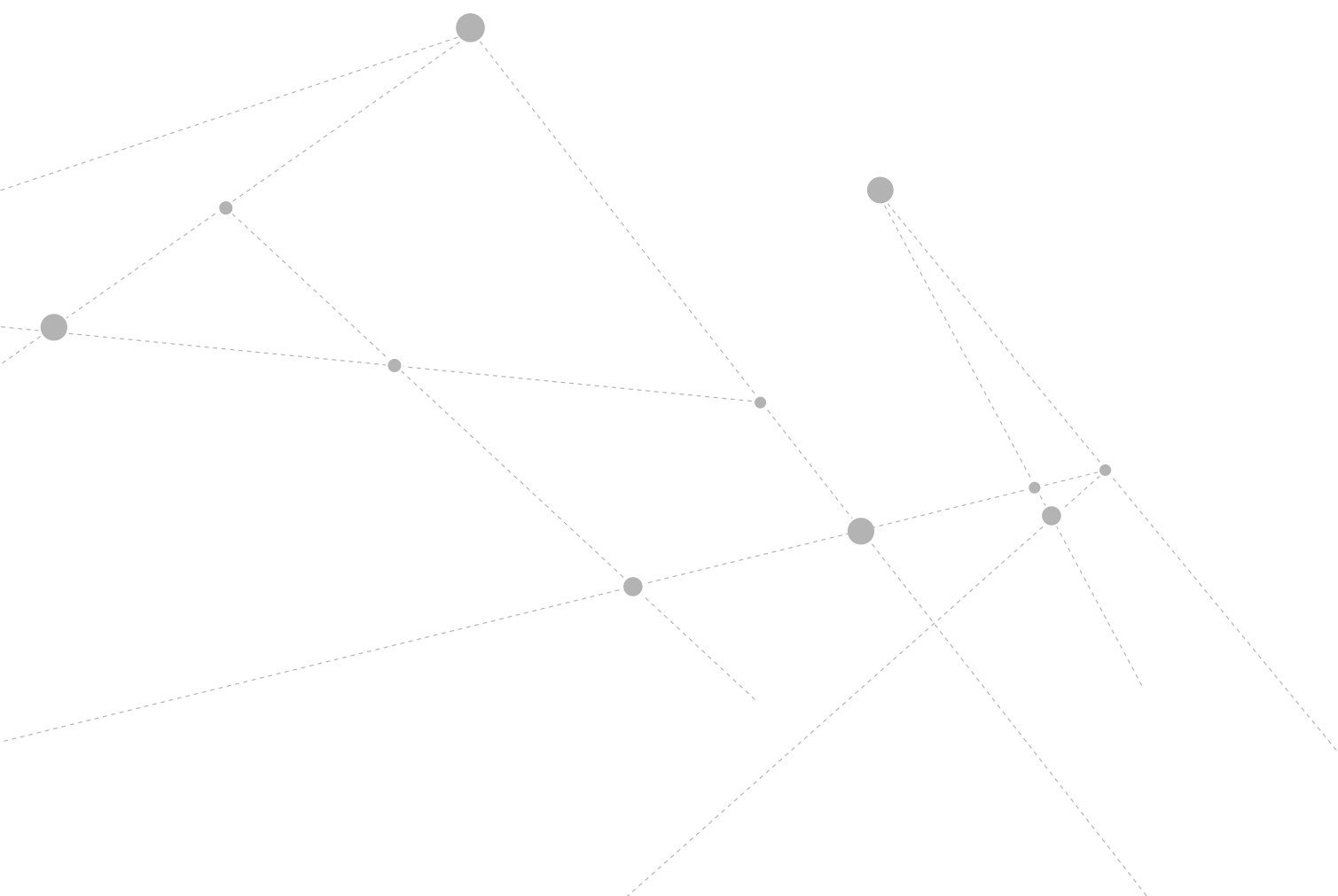


FINCANTIERI GROUP TAX STRATEGY

FINCANTIERI

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INTRODUCTION

For international groups, such as Fincantieri¹, which operate in situations of high complexity and culturally diverse contexts, a clear and documented tax strategy, besides being one of the essential elements of an effective tax risk control system, is a key factor in ensuring the integrity of the company's assets and preserving the reputation of the Group in the interest of shareholders and other stakeholders.

In this perspective, the Board of Directors of Fincantieri S.p.A. (hereinafter also "Parent Company") defines the objectives and the principles underlying the Group tax strategy and sets the guidelines for their concrete implementation.

SCOPE

Fincantieri's tax strategy aims to achieve the following objectives:

- ensuring the payment of taxes within the prescribed deadlines and for the amount actually due by law, as well as the timely fulfillment of all other tax obligations;
 - safeguarding the accurate taxation of the Group at a global level, avoiding double taxation as far as possible and making use of the instruments envisaged in the various legal systems to optimize the tax burden to the extent permitted by law;
 - monitoring and mitigating tax risk, defined as the risk of acting in violation of tax laws or contrary to the principles or aims of the tax regulations.
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PRINCIPLES

The tax strategy is inspired by the principles set forth in the Fincantieri Group Code of Conduct (hereinafter the "Code"), which inter alia:

- defines the standards of conduct to which all those who work at Fincantieri are required to comply with and the sanctions applicable in case of non-compliance;
- establishes the Group's commitment to promoting social responsibility, interpreted as a social and environmental concern integrated into its business model.

¹In this document, "FINCANTIERI S.p.A" and the companies it controls are called "Fincantieri", "Fincantieri Group" or "Group".

Within the tax strategy framework, the above principles are declined as follows:



Values

Fincantieri acts with honesty and integrity when managing tax-related activities, aware that revenue deriving from taxes (both those borne by the Group and those paid as withholding agent) are one of the main sources of contribution to the economic and social development of the countries in which it operates.



Legality

Fincantieri complies with the applicable tax laws and regulations in the countries in which it operates and interprets them in consistency with a responsible tax risk management.



Tone at the top

The tax strategy is defined by the Parent Company's Board of Directors, which ensures that the strategy is known throughout the Group and promotes the dissemination at all levels of a culture aimed at complying with tax regulations and at raising the employees' awareness of tax risk. Top management is duly informed about the most complex and important tax issues.



Transparency

Fincantieri establishes relationships of loyal collaboration and transparency with the tax authorities of the countries in which it operates and does not adopt any conduct that might interfere with tax audit activities.



Shareholder value

Fincantieri considers taxes as a business cost, which as such needs to be managed in compliance with the principle of legality, in order to create value for shareholders in the medium/long term.

GUIDELINES FOR THE IMPLEMENTATION OF THE TAX STRATEGY

In order to ensure the effective implementation of the principles outlined in the strategy, the following guidelines are provided:



Correct application of tax laws

Fincantieri is committed to complying with the tax regulations in force in the countries in which it operates, consistent with the wording and the spirit of the pertinent provisions. Where tax regulations give rise to interpretative doubts or uncertainties in their application, Fincantieri shall adopt a reasonable interpretation, resorting, where necessary, to the support of qualified external consultants and engaging in appropriate forms of dialogue with the tax authorities to solve doubts and uncertainties.



Agree to disagree

To safeguard the interests of the Company and its shareholders, Fincantieri considers it legitimate to uphold, even during litigation, the positions reasonably adopted, even if they disagree with the guidelines expressed by the competent tax authorities.



Relationship with tax authorities

Fincantieri guarantees fairness and transparency in its relations with the tax authorities, ensuring full cooperation during inspections and providing complete and timely responses to all requests received. Where errors are discovered in the application of tax provisions, the Group makes use of remedial instruments, aimed at minimizing tax penalties. In order to enhance transparency towards the tax authorities, Fincantieri S.p.A. adheres to the guidelines on transfer pricing in compliance with the OECD guidelines.



Incentives and tax benefits

Fincantieri is committed to taking advantage of the incentives and tax benefits offered by the system in accordance with the established requirements and consistent with the tax strategy.



Tax Planning

Fincantieri does not engage in or encourage transactions or activities that do not have any economic substance or from which it is reasonable to expect undue tax advantages and does not propose to its counterparties transactions that pursue such aims. The Group does not adopt management incentive mechanisms based on tax reduction objectives that are not consistent with the principles of its tax strategy.



Tax Management

In order to guarantee adequate monitoring of fiscal aspects, Fincantieri S.p.A. has set up a specific tax function with the task of ensuring the correct fulfillment of tax obligations and providing support to the various corporate functions of the Parent Company with regard to the tax effects of both ordinary and extraordinary operations. To this end, such functions ensure the timely involvement of the Parent Company's tax function for all more complex or important issues. At organizational level, roles and responsibilities are assigned in a clear manner and according to the segregation of duties principle. Through adequate service contracts, the Parent Company's tax function also provides assistance to its Italian subsidiaries in those cases where they do not have adequate monitoring. A similar model of centralized management on a geographical basis is adopted in countries where the presence of the Group is more significant, by setting up dedicated tax functions at the Group's main foreign subsidiaries. In agreement with the Parent Company, these subsidiaries also consider using qualified external providers for tax compliance and management support. In general, it is ensured that the functions entrusted with tax management activities (at the Parent Company and, where present, at other Group companies) have the necessary (human and material) resources as well as the organizational relevance to perform their tasks. The Group supports the development and strengthening of the personal and professional skills of the resources involved in the management of tax aspects and the associated risks. In order to maximize the quality and accuracy of the tax data in the various obligations, Group companies consider adopting appropriate technological solutions for tax-related purposes.



Intercompany Transactions

Cross-border relations between Group companies are regulated, for tax purposes, on the basis of the arm's length principle, as developed by the OECD, with the aim of aligning transfer conditions and prices as correctly as possible with the places where value is created in the Group.



Country-by-Country Reporting

Under Law No. 208/2015, the parent companies of multinational groups resident in Italy are required to prepare and submit annually to the Italian tax authority a report (so-called Country-by-Country Reporting - CbCR) showing, for each jurisdiction in which the group operates, the aggregate data of all the companies belonging to the group concerning, among others, revenues, gross profits, income taxes paid and accrued, tangible assets, number of employees. The CbCR is shared by the Italian tax authority with all relevant tax authorities via the automatic exchange of information.

Fincantieri S.p.A., aware that the CbCR is an important source of data available to tax authorities for the risk assessment of multinational groups, in collaboration with its subsidiaries, undertakes to provide its ultimate parent company, which is in charge for the CbCR filing obligation, with the relevant data and information of the entities within the scope of its remit.



Organizational Model ex Legislative Decree No. 231/2001 and Tax Control Framework

The Organizational, Management and Control Model adopted by the Parent Company pursuant to Legislative Decree no. 231/2001 takes into account the tax offences which are included among crimes underlying criminal liability under the aforementioned regulations.

Fincantieri, in order to strengthen its Internal Control and Risk Management System ("ICRMS"), is considering the implementation of a Tax Control Framework in line with OECD recommendations, starting from the Parent Company and progressively extending it to the most significant companies.

ADOPTION, INCORPORATION, PUBLICATION, VALIDITY AND UPDATE

The tax strategy of the Fincantieri Group is defined by Fincantieri S.p.A., as Parent Company, and approved by its Board of Directors. The governing bodies of the Group's companies implement the tax strategy, ensuring its knowledge and application throughout their respective companies, and promote the dissemination at all company levels of a culture of compliance with tax regulations and employees' awareness of tax risk.

The Parent Company, in reason of the complexity of the processes, the activities carried out and the specific organizational characteristics, defines and shares with each Group company the methods and timelines for the implementation of the instruments necessary for the concrete implementation of the principles and objectives of the tax strategy.

After its approval, the tax strategy becomes applicable and is available on the website.

The interpretation of the tax strategy is responsibility of the Parent Company, through its tax function, which is responsible for its annual review and proposes any update.