



fincantieri

## remuneration report

pursuant to Article 123-*ter* of Legislative Decree no. 58 of 24 February 1998 (Italian Consolidated Financial Law – TUF) and pursuant to Article 84-*quater* of CONSOB Resolution no. 111971 of 14 May 1999 (“Issuers’ Regulation”)

Approved by the Board of Directors  
on 9<sup>th</sup> March 2017

**FINCANTIERI**  
The sea ahead



fincantieri

## remuneration report

pursuant to Article 123-*ter* of Legislative Decree no. 58 dated 24 February 1998 (Italian Consolidated Financial Law – TUF) and pursuant to Article 84-*quater* of CONSOB Resolution no. 111971, dated 14 May 1999 (“Issuers’ Regulation”)

Approved by the Board of Directors  
on 9<sup>th</sup> March 2017

**FINCANTIERI**  
The sea ahead



# Glossary

## **Directors**

Members of the Board of Directors

## **Executive Directors**

The Directors vested with particular duties by the Board of Directors, specifically the Chairman and Chief Executive Officer

## **Claw-back clauses**

Contractual agreements which permit the Company to request restitution, in whole or in part, of variable components of remuneration paid (or to retain sums that are the subject of deferment) that were calculated based on information that is later revealed to be manifestly erroneous or false, or in cases of fraud or wilfully wrongful or negligent conduct to the detriment of the Company, on the condition that the satisfaction of the above requirements is verified based on information ascertained by proven methods by the competent corporate departments within three years from payment of the cash incentive (or from the allocation of the incentive that was the subject of deferment)

## **Corporate Governance Code or Code**

The Corporate Governance Code for listed companies promoted by the Corporate Governance Committee established by Borsa Italiana S.p.A., ABI, Ania, Assonime, Confindustria and Assogestioni

## **Remuneration Committee or Committee**

The Remuneration Committee set up by the Fincantieri Board of Directors pursuant to the Code

## **Board of Directors or Board**

Fincantieri's Board of Directors

## **General Manager**

The General Manager of Fincantieri

## **Key Executives\***

The following executives of Fincantieri, who hold organisational positions of significant impact with regard to achieving the company's objectives:

---

\* The Key Executives who are also identified as Executives with Strategic Responsibilities pursuant to Annex 1 of CONSOB Regulation No. 17221 of 12 March 2010, are shown in bold.

**Deputy General Manager**  
**SEVP Merchant Ships**  
**SEVP Merchant Ships - New Building**  
**SEVP Merchant Ships - Operations**  
**SEVP Naval Vessels**  
**SEVP Services**  
**SEVP Systems and Components**  
**SEVP Offshore**  
**Chief Financial Officer**  
**SEVP Business Development**  
**SEVP Operations**  
SVP Mega Yachts  
SVP Accomodation & Entertainment  
SVP Steel Infrastructures  
SVP Systems and Mechanical Components  
SVP Naval Services  
SVP Marketing and Communication and Media Relations  
SVP Human Resources and Industrial Relations  
General Counsel  
Chief Information Officer  
SVP Procurement  
SVP Italian Naval Vessels  
SVP Foreign Naval Vessels  
SVP Monfalcone Plant  
SVP Marghera Plant  
SVP Integrated Military Shipyard

#### **Executives with Strategic Responsibilities**

*“Those parties who have the power and the responsibility, whether directly or indirectly, for the planning, management and control of the Company’s activities, including Directors (executive or otherwise) of the Company”*

#### **EBITDA**

Profit gross of taxable interest, taxes, depreciation and amortisation on tangible and intangible assets

#### **EBITDA Margin**

The relationship between EBITDA and the Group revenue in the reference period

#### **FTSE Italia All Share Modified**

FTSE Italia All Share index, the value of which is published daily by Borsa Italiana, adjusted by excluding companies that mainly offering banking, asset management or insurance services

**Fincantieri**

FINCANTIERI S.p.A.

**Group**

Fincantieri and the Companies controlled by the same pursuant to Article 93 of the Consolidated Financial Law [TUF]

**MBO**

Management by Objectives, i.e., the short-term variable component of remuneration consisting of an annual bonus in cash to be paid on the basis of the achievement of fixed annual targets

**Target objective**

Standard level of attainment of the target which entitles one to obtain 100% of the incentive (without prejudice to multipliers or discretionary parameters)

**International Peer Group**

Panel of Companies listed on the international stock exchanges and indicated as a reference parameter in the Information Document on the LTI Plan

**Performance Share Plan or LTI Plan or Plan**

The medium-long term variable incentive scheme which provides for the free allocation to beneficiaries of rights to acquire a pre-set quota of Fincantieri ordinary shares of no par value, upon achieving specific performance targets

**Remuneration Policy or Policy**

Remuneration Policy approved by the Board of Directors and described in the first Section of this Report

**Committee Regulations**

The Remuneration Committee Regulations

**Issuers' Regulation**

Regulations issued by CONSOB by Resolution No. 11971 of 14 May 1999 on issuers, as amended

**Remuneration Report or Report**

This Remuneration Report, prepared pursuant to Article 123-ter of the Consolidated Financial Law [TUF]

**Company**

FINCANTIERI S.p.A.

**TSR - Total Shareholder Return**

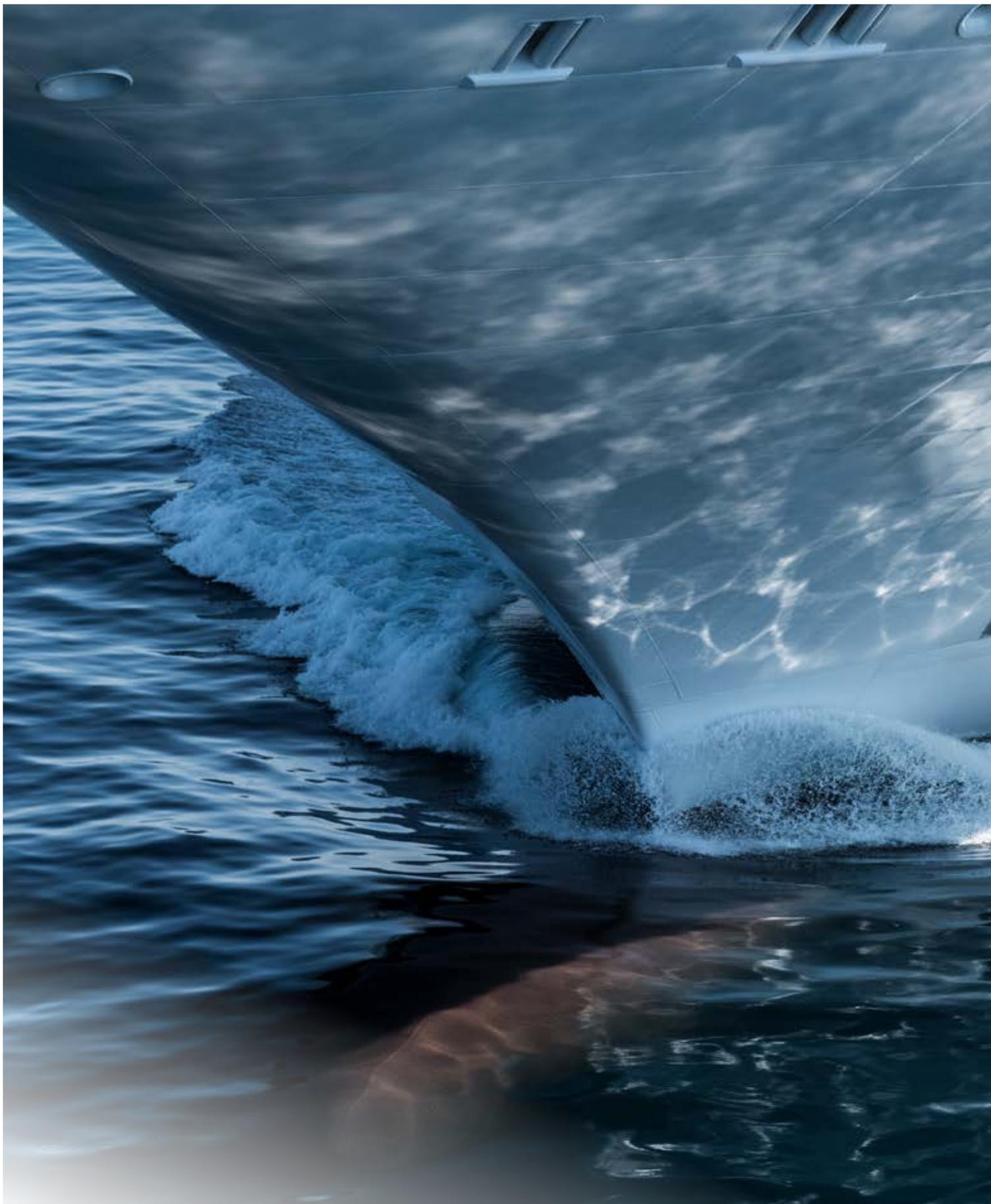
The return for an investor that is calculated considering both the variations in the price of the share during a given period, and the dividends distributed in the same period, assuming that such dividends are immediately reinvested in that same company's shares

**TUF - The Consolidated Financial Law**

Legislative Decree No. 58 of 24 February 1998 (as amended), containing the "*Consolidated text of the provisions on the subject of financial intermediation*"

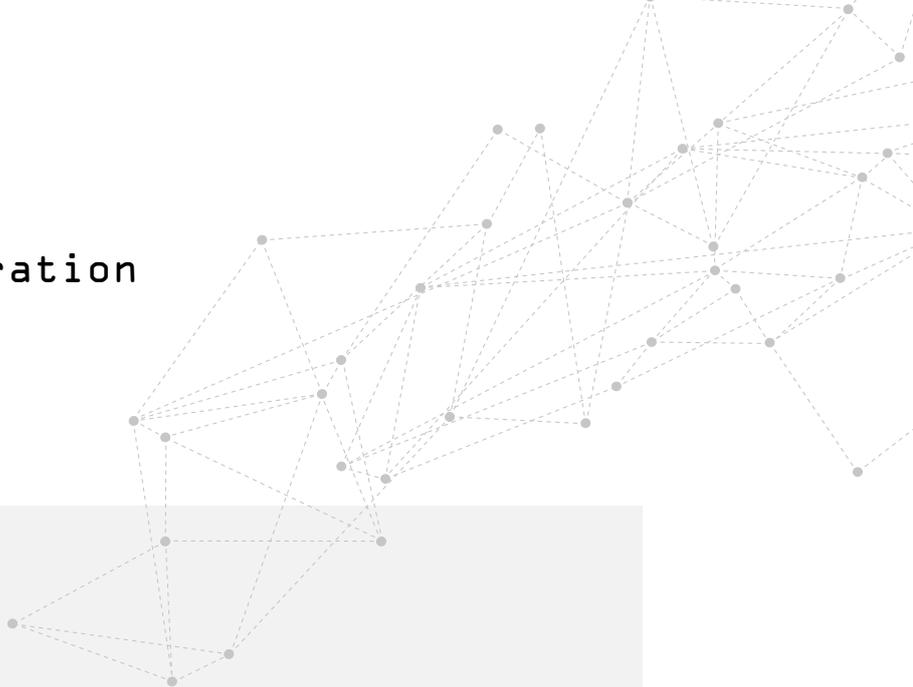
**Disclaimer**

This Report has been translated into English solely for the convenience of the international reader. In the event of conflict or inconsistency between the terms used in the Italian version of the Report and the English version, the Italian version shall prevail, as the Italian version constitutes the sole official document.





# remuneration report



pagina	
9	<b>LETTER OF THE CHAIRMAN OF THE BOARD OF DIRECTORS AND OF THE CHAIRMAN OF THE REMUNERATION COMMITTEE</b>
13	<b>Introduction</b>
13	<b>SECTION I</b>
13	Remuneration Policy of the members of the Board of Directors, the General Manager and the Executives with Strategic Responsibilities. Procedures for adoption and implementation of the Remuneration Policy
17	Remuneration Policy content
27	<b>SECTION II - Remuneration received in the financial year 2016 by the members of the Board of Directors and the Board of Statutory Auditors, the General Manager and Key Executives / Executives with Strategic Responsibilities</b>
27	<b>First Part - Items making up the remuneration</b>
27	Board of Directors
34	Board of Statutory Auditors
34	Department for General Management
35	Key Executives / Executives with Strategic Responsibilities
36	Agreements for payment of indemnities in the event of early termination of the employment relationship
38	<b>Second Part - Tables</b>
44	<b>SECTION III - Information on shareholdings of the members of the Board of Directors and the Board of Statutory Auditors, the General Manager and Executives with Strategic Responsibilities</b>



# letter of the Chairman of the Board of Directors and of the Chairman of the Remuneration Committee

Dear Shareholders,

Fincantieri's annual Remuneration Report that we present you with describes the Remuneration Policy for the 2017 financial year and the salaries paid during the 2016 financial year to the Directors, Auditors, Managing Director, Executives with Strategic Responsibilities and other Key Executives for the Company.

The Remuneration Report and the Policy for the 2017 financial year described therein, defined in compliance with the Company's governance model, with the recommendations of the Corporate Governance Code and with the best practices applied in the area, were approved by the Board of Directors on 9 March 2017 on proposal from the Remuneration Committee.

Attracting, motivating and retaining a management team equipped with high-level professional skills, capable of guiding the Company to success and profitability, as well as aligning the interests of management to the primary objective of creating value for the Company's shareholders over the medium-long term, are the goals to be pursued. To this end, a substantial portion of remuneration is based on the results actually achieved.

As anticipated in last year's Remuneration Report, in 2016 the Company therefore drafted a medium-long term incentive Plan (Performance Share Plan) for the Company's management. The Board of Directors, on proposal from the Remuneration Committee, with resolution of 10 November 2016, approved the 2016 – 2018 Performance Share Plan subject to approval by the Shareholders' Meeting called to approve the financial statements for the year ending 31 December 2016.

In compliance with the provisions of the Corporate Governance Code as well as the best practices of listed companies, the medium-long term incentive Plan aims to pursue the following objectives:

- improving the alignment of the interests of the beneficiaries with those of the shareholders, linking management's remuneration to specific multi-year performance objectives, whose attainment is strictly connected to improving the Company's performance and growth in value over the medium-long term;
- supporting retention capabilities for key staff, aligning the Company's Remuneration Policy with best market practices, which typically provide medium-long term incentive instruments; and
- making the Group's Remuneration Policy more consistent with the recommendations of the Corporate Governance Code.

The Plan provides for a vesting period for all beneficiaries between the granting date of entitlements and the granting date of the shares to those beneficiaries. Furthermore, it provides a lock-up period for members of the Board of Directors and Executives with Strategic Responsibilities on a number of shares equal to at least 20% of the number of net shares delivered. The Plan also includes claw-back clauses.

Following the introduction of the medium-long term incentive Plan, the pay-mix of the remuneration packages of the Chief Executive Officer, Managing Director, Executives with Strategic Responsibilities and other Key Executives shows an increase in the variable component. The increase is based on the Company's strategic objectives and risk management policy and favours the variable components over the fixed component, in line with the best practices of the market.

We therefore believe that, being closely linked to clear and measurable performance objectives, both of a financial and economic nature as well as connected to Fincantieri's share performance, the Remuneration Policy outlined in this Report pursues the twofold objective of creating value for shareholders over the medium-long term and ensuring an adequate and transparent Remuneration Policy that is able to attract, motivate and remunerate the Company's key personnel.

We take this occasion to thank you in advance for your vote and for any suggestions that you wish to give us at the next Shareholder's Meeting. We are pleased to renew, on behalf of all the Directors of the Board, our utmost commitment to these issues also for 2017.



**Paola Muratorio**  
The Chairman  
of the Remuneration Committee



**Giampiero Massolo**  
The Chairman  
of the Board of Directors





---

# Introduction

This Report, prepared in compliance with current law and the Corporate Governance Code, was approved by the Board of Directors' Meeting of 9 March 2017 on a proposal by the Remuneration Committee.

In compliance with the provisions of Article 123-ter of the Consolidated Financial Law, this Report is divided into two sections:

- **the first section** illustrates the Policy adopted by Fincantieri on the remuneration of the members of the Board of Directors, the General Manager, Executives with Strategic Responsibilities and Key Executives with reference to the 2017 financial year and until the approval of a new Remuneration Policy; in accordance with the provisions of Article 123-ter of the Consolidated Financial Law, this section is subject to the consultative vote of the Shareholders' Meeting convened for the approval of the financial statements as of 31 December 2016;
- **the second section** provides detailed information on the remuneration payable to the aforementioned subjects and the statutory auditors for the 2016 financial year.

This Report is made available to the public at the Fincantieri company headquarters (in via Genova, 1 - Trieste) and on the Company's website ([www.fincantieri.com](http://www.fincantieri.com)).

## section I

### 1. Remuneration Policy of the members of the Board of Directors, the General Manager and the Executives with Strategic Responsibilities. Procedures for adoption and implementation of the Remuneration Policy

#### 1.1 PROCEDURES FOR ADOPTION AND IMPLEMENTATION OF THE REMUNERATION POLICY

##### 1.1.1 Boards and parties involved in preparing, approving and implementing the Policy

Fincantieri's Remuneration Policy is approved annually by the Board of Directors on proposal by the Remuneration Committee. This Policy's purpose is to: (i) attract, motivate and retain the most suitable resources to successfully manage the company; (ii) stimulate the achievement of strategic objectives; (iii) align the interests of top management with the priority objective of the creation of sustainable shareholder value in the medium-long term; and (iv) promote the Company's mission and its corporate values.

In accordance with the rules of the Corporate Governance Code and with the provisions of the Remuneration Committee's regulations, the Remuneration Committee shall periodically evaluate the adequacy, overall consistency and the due application of the Remuneration Policy of the parties concerned.

The corporate board responsible for the correct implementation of the Remuneration Policy is the Board of Directors, being supported by the Remuneration Committee, which makes proposals and carries out advisory functions.

The management of the Remuneration Policy of the General Manager, Executives with Strategic Responsibilities and other Key Executives is entrusted to the Chief Executive Officer who, with the assistance of the Human Resources and Industrial Relations Directorate of the Company, constantly monitors the adequacy, overall consistency, and the actual implementation of the Policy itself, regularly informing the Remuneration Committee.

The verification of the level of achievement of the quantitative and qualitative performance targets, and the consequent determination of the sums of money to the subjects concerned, shall be performed after the approval of the consolidated financial statements, following verification by the Chief Executive Officer.

## 1.2 REMUNERATION COMMITTEE: COMPOSITION, METHOD OF FUNCTIONING, DUTIES AND ACTIVITIES PERFORMED

The composition, appointment, duties and operating procedures of the Remuneration Committee is governed by special Regulations approved by the Board of Directors.

In line with the provisions of these Regulations, the Committee is composed of three non-executive Directors, the majority of whom are independent. At least one member of the Remuneration Committee shall possess adequate knowledge and experience in finance and Remuneration Policy matters, which the Board of Directors shall evaluate at the time of appointment.

From 1 January 2016 until 21 March 2016, the Committee consisted of the Directors Simone Anichini (independent) with the office of Chairman, Paolo Scudieri (independent) and Anna Molinotti, all possessing adequate knowledge and experience in financial matters or Remuneration Policies. Following the resignation of Ms Anna Molinotti from both the Board of Directors and the Remuneration Committee, such resignation taking place on 21 March 2016 with immediate effect, the Committee was composed, up to the natural expiry of the entire Board of Directors on 19 May 2016, by the Directors Simone Anichini and Paolo Scudieri.

The Shareholders' Meeting, on 19 May 2016, nominated the new Board of Directors, which, on 8 June 2016, appointed the members of the new Remuneration Committee, which consists of Directors Paola Muratorio (independent) with the office of Chairman, Donatella Treu (independent) and Fabrizio Palermo. All members possess adequate knowledge and experience in financial matters or Remuneration Policies.

Pursuant to its Regulations, the Committee meets periodically with the frequency necessary to perform its activities. Meetings are convened by the Committee Chairman, or when a request is made by at least two of its members, for the discussion of specific matters that are considered particularly relevant.

The Committee is quorate when the majority of the members in office are present and decides by absolute majority vote of those in attendance. In the event of a tie, the Chairman of the Committee holds the deciding vote.

The following people can also attend the Committee meetings: Chairman of the Board of Directors, Chief Executive Officer and Chairman of the Board of Statutory Auditors (or other permanent auditor appointed by them). Other permanent auditors, however, may also attend the meetings and, upon invitation of the Committee itself, other parties as well may attend, including other

---

Board members or top management to provide information and express evaluations on matters falling within their remits with reference to the individual items on the Agenda of the meetings. More specifically, as a general rule, the SVP of the Human Resources and Industrial Relations Directorate should attend. No Director shall take part in those Committee meetings at which proposals are submitted to the Board of Directors concerning their own remuneration.

In accordance with the Corporate Governance Code and its own Regulations, the Remuneration Committee carries out the following advisory duties and makes proposals in relation to remuneration:

- submits proposals to the Board of Directors on the Remuneration Policy of Directors and Key Executives, using, with respect to those executives, the information provided by the Chief Executive Officer, which may refer to market practices on Remuneration Policies;
- periodically assesses the adequacy, overall consistency and due application of the adopted Policy;
- submits proposals and expresses opinions to the Board of Directors on the remuneration of executive Directors and other directors who hold particular positions, as well as on setting of performance targets related to the variable component of such remuneration;
- monitors the application of the decisions taken by the Board on matters on which it has submitted proposals and expressed opinions, verifying, more specifically, the actual achievement of the performance targets.

In carrying out these functions and for the purposes of performing its duties, the Committee shall prepare and submit to the Board of Directors proposals for medium-long term incentive schemes for top management, including any share-based compensation plans, monitoring their application.

In carrying out its functions, it also reports to the Shareholders' Meeting called to approve the financial statements, either by the Committee Chairman or another designated member. On an interim basis, the Committee has been assigned functions relating to transactions with related parties in the case of resolutions concerning remuneration.

In the performance of its duties, the Committee shall ensure suitable functional and operational communications with the competent corporate departments.

The Committee: *(i)* has access to the information and is assisted by the corporate departments necessary to perform its duties; *(ii)* in order to fulfil its duties, it may access, through the structures of the Company, external consultants, provided that they are adequately bound to the necessary confidentiality; and *(iii)* if it considers it necessary, it may prepare an annual budget for its own activities to be proposed to the Board of Directors.

During 2016, the Remuneration Committee met 10 times in order to:

- i verify the adequacy, overall consistency and due application of the Policy adopted in the previous financial year;
- ii analyse the legislation, market trends and best practices on incentive systems;
- iii report on the company results and the other objectives of the MBO for the year 2016 and define the performance targets of the MBO for the 2017, in relation to the Chairman and the Chief Executive Officer;
- iv prepare the contents of the Remuneration Policy for the 2017 financial year to be submitted for approval to the Board of Directors.

As part of this last activity, the Committee also actively participated in the Company's provision of a medium-long term incentive Plan (Performance Share Plan) for the Company management (see subsequent paragraphs 1.3 and 2.3.2).

More specifically, on a proposal from the Remuneration Committee, by its resolution dated 10 November 2016, the Board of Directors approved the project of the Performance Share Plan subject to its approval by the Shareholders' Meeting.

With the same resolution, the Board of Directors, therefore, has decided to submit the approval of the Plan – pursuant to Article 114-*bis* (1) of the Consolidated Financial Law – to the Shareholders’ Meeting convened for the approval of the financial statements as of 31 December 2016. The purpose of this is to avoid incurring the additional economic costs arising from convening an *ad hoc* Shareholders’ Meeting, in the framework of the corporate cost-cutting policy.

Illustrated below is the cycle of activities performed by the Committee in 2016:



### 1.3 INDEPENDENT EXPERTS TAKING PART IN THE PREPARATION OF THE REMUNERATION POLICY AND INFORMATION REGARDING THE USE, AS REFERENCE, OF REMUNERATION POLICIES OF OTHER COMPANIES

In drafting of the Remuneration Policy, reference was made to benchmarks, remuneration surveys and market analyses conducted by leading consultancy companies, including at an international level, with the intent of aligning this Policy with the most prevalent market practices of listed companies.

With the support of Willis Towers Watson, the Company, in line with the best practices of international listed companies, has developed a proposal for a medium-long term incentive Plan for the top management of Fincantieri.

The Plan proposal was submitted to the Remuneration Committee for its examination, assisted in this activity by the Mercer Company, an independent consultancy company appointed by the same Committee.

That Plan proposal, approved by the above-mentioned Remuneration Committee, was therefore submitted to the Board of Directors for its perusal. Albeit sharing its objectives and methods - on proposal of the said Committee and in view of the forthcoming end of the office term of the current Board of Directors and the Committee itself - the Board of Directors decided to postpone decisions on any approval to the new Board of Directors to be appointed by the Shareholders’ Meeting.

---

The new Board of Directors, on a proposal from the new Remuneration Committee, by resolution of 10 November 2016, endorsed the project for the medium-long term incentive Plan based on Fincantieri shares and named the Performance Share Plan for management, subject to its approval by the Shareholders' Meeting. This will be convened for approval of the financial statements as of 31 December 2016, as stated in the Information Document relating to that Plan, published by the Company pursuant to law.

## 2. Remuneration Policy content

### 2.1 PURPOSES PURSUED BY THE REMUNERATION POLICY, BASIC PRINCIPLES AND CHANGES WITH RESPECT TO THE POLICY ADOPTED FOR THE 2016 FINANCIAL YEAR

The Company's Remuneration Policy is defined in compliance with the Company's governance model and with the recommendations of the Corporate Governance Code, to promote the Company's mission and its corporate values, to attract, motivate and retain management with high-level professional skills, capable of guiding the Company to success and profitability. Its purpose is also to align the interests of that same management with the primary objective of the creation of value for the Company's shareholders, over the medium-long term, ensuring that remuneration is based on the results achieved.

To this end, the Company examines market practices on Remuneration Policies, thus ensuring an adequate level of its competitiveness in the labour market.

The Company, in fact, in view of its new organisational structure, completed in January 2017, and with a view toward increasing alignment of the remuneration packages of Key Executives, as well as those of other managers, to the best market practices, has initiated a project to update its evaluation of managerial positions, with the support of Willis Towers Watson, to verify the Company's remuneration positioning compared to the market. Based on this analysis, the Company will implement, where necessary, a multi-annual review plan for remuneration packages, aimed at gradually adapting those which are not in line with market levels. A more aggressive remuneration policy may also be initiated towards key human resources, including in the view of retaining them, to adapt the relative remuneration levels to those companies that are comparable by size, complexity and international presence.

The Remuneration Policy applies to the Chief Executive Officer, the Chairman, the other Directors who may hold particular positions, the General Manager, Executives with Strategic Responsibilities and other Key Executives. It aims at incentivising their performance within the Company and the achievement of its strategic objectives. It also seeks to encourage management loyalty, both by paying a suitable fixed component of remuneration, as well as by implementing variable remuneration systems linked to the achievement of certain pre-set individual and Group performance objectives. More specifically, to strengthen the link between remuneration and the medium-long term interest of the Company, the Remuneration Policy envisages that:

- i the fixed and the variable components are appropriately balanced and, with respect to the latter, the short-term and the medium-long term variable component;
- ii the fixed component is suitable to compensate the concerned party's performance if the variable component is not disbursed due to the failure to achieve the performance objectives;

- iii a significant portion of the remuneration of those concerned is based on the three-year incentive Plans;
- iv the remuneration relating to these plans shall be disbursed to achieve the performance objectives, which are also based on a three-year cycle;
- v these objectives are predetermined, measurable and indicative of the Company's operational efficiency, as well as its capacity to remunerate the invested capital and to generate cash for the shareholders in the medium-long term;
- vi the Company may request restitution, in whole or in part, of variable components of the remuneration paid (or to retain sums that are the subject of deferment) that were calculated based on information that later proves to be manifestly erroneous (so-called claw-back).

The Remuneration Policy applied to the parties above is thus oriented toward evaluating sustainable performance and the achievement of the Company's strategic priorities.

In accordance with the provisions of the Corporate Governance Code, is commensurate with the commitment requested from each of these, the remuneration of non-executive Directors, also taking into account their participation on one or more Committees of the Board of Directors and does not foresee any variable components.

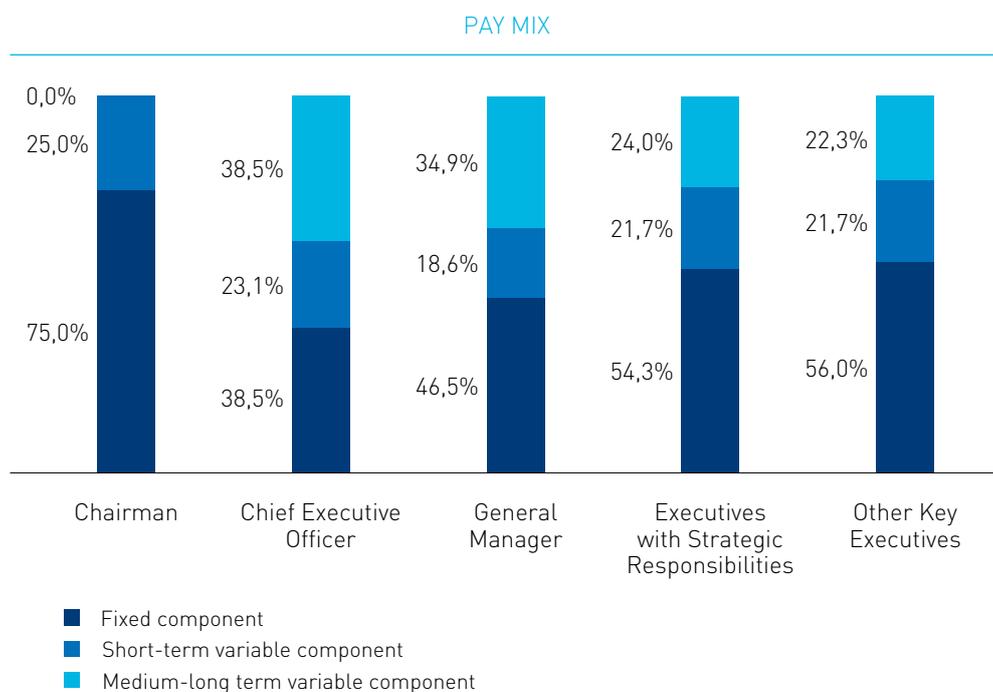
## 2.2 SIGNIFICANT AMENDMENTS TO THE REMUNERATION POLICY FOR THE 2017 FINANCIAL YEAR WITH RESPECT TO THAT OF 2016

The Remuneration Policy for the 2017 financial year does not involve any significant modifications with respect to the 2016 financial year.



### 2.3 STRUCTURE OF THE REMUNERATION: FIXED COMPONENTS AND VARIABLE COMPONENTS; PERFORMANCE OBJECTIVES BASED ON WHICH THE VARIABLE COMPONENTS ARE ASSIGNED, AND INFORMATION ON THE CONNECTION BETWEEN CHANGES IN RESULTS AND CHANGES IN REMUNERATION

The remuneration of the Chief Executive Officer, Chairman, General Manager, Executives with Strategic Responsibilities and other Key Executives is defined in such a way as to align their interests with the pursuit of the primary objective of value creation for the shareholders over the medium-long term. In addition, as highlighted in the following chart, following the introduction of the Performance Share Plan, the pay-mix has shown an increase in the variable component. The pay-mix, therefore, is balanced on the basis on the Company's strategic objectives and risk management policy, taking account of the industry in which it operates and the features of the business as it performs. For those roles of greater responsibility, the variable components are emphasised in relation to the fixed component, in line with the best practices of the market:



In the graph, the values of the variable components were calculated as follows:

- Short-term variable component: shows the annual value of the incentive that may be obtained upon achievement of the target;
- Medium-long term variable component: shows the value of the incentive in terms of the number of shares that may be acquired in the event of reaching all targeted objectives in the Plan's first three-year duration cycle. This incentive was quantified by referring to the value of the shares when these granted, assuming that the beneficiaries will participate in all three cycles of the Plan, as well as the permanence of the same, even after the completion of the three cycles.

Based on the foregoing, the parties mentioned above shall receive a remuneration package structured as follows:

TYPE OF REMUNERATION	PURPOSE	POPULATION INVOLVED
Fixed remuneration	Remunerates the role and more specifically the responsibilities assigned to the recipient, taking account, among other things, of experience, quality of contribution made to achieving the business results and level of excellence with respect to the assigned duties	<ul style="list-style-type: none"> <li>- Chairman</li> <li>- Chief Executive Officer</li> <li>- Non-executive Directors</li> <li>- General Manager</li> <li>- Executives with Strategic Responsibilities</li> <li>- Other Key Executives</li> </ul>
Short-term variable remuneration (annual MBO)	Remunerates results achieved in the short term and is aimed at translating the industrial plan strategies into a series of annual, individual and group objectives, capable of decisively influencing performance of the executives involved	<ul style="list-style-type: none"> <li>- Chairman</li> <li>- Chief Executive Officer</li> <li>- General Manager</li> <li>- Executives with Strategic Responsibilities</li> <li>- Other Key Executives</li> </ul>
Medium-long term variable remuneration (Performance Share Plan)	Remunerates results achieved in the medium-long term and is aimed at improving the alignment of interests of the recipients with those of the shareholders and supporting the retention capabilities for key resources	<p>The beneficiaries are individually identified at the discretion of the Board of Directors, having heard the Remuneration Committee, among the following parties:</p> <ul style="list-style-type: none"> <li>- Chief Executive Officer and, according to the indications of the Chief Executive Officer, the following parties:</li> <li>- General Manager</li> <li>- Other Executives with Strategic Responsibilities</li> <li>- Other Key Executives</li> </ul>

### 2.3.1. Fixed component

The fixed salary component is commensurate to the role, the commitment required and the connected responsibilities. It is sufficient to remunerate the services performed in the event of no payment or only partial payment of the variable components, where envisaged. This is determined taking account of the level of experience of the individual party, of the professional contribution that the same brings to the attainment of the business results, as well as the level of excellence with respect to the duties assigned.

The fixed component is also such as to ensure a suitably competitive position with respect to the level of salary paid by the market for the specific position.

In line with the recommendations of the Corporate Governance Code and with the purposes described in paragraph 2.1 hereof, the Policy provides that the fixed component of the remuneration is made up of:

- for the **Chief Executive Officer:**
  - the salary resolved by the Shareholders' Meeting for the office of member of the Board of Directors pursuant to Article 2389(1) of the Italian Civil Code;
  - the salary by the Board of Directors pursuant to Article 2389(3) of the Italian Civil Code, on proposal from the Remuneration Committee, having heard the opinion of the Board of Statutory Auditors, for the role of Chief Executive Officer;
- for the **Chairman of the Board of Directors:**
  - the salary resolved by the Shareholders' Meeting for the role of Chairman pursuant to Article 2389(1) of the Italian Civil Code;

- the salary resolved by the Board of Directors pursuant to Article 2389(3) of the Italian Civil Code, on proposal from the Remuneration Committee, having heard the opinion of the Board of Statutory Auditors, in consideration of the breadth and nature of the specific duties which may be assigned;
- **for non-executive Directors:**
- the salary resolved by the Shareholders' Meeting for the role of member of the Board of Directors pursuant to Article 2389(1) of the Italian Civil Code;
- the amounts resolved by the Board of Directors and payable to the chairman and the members of the internal committees of the Board of Directors (for the Directors holding those roles);
- **for the General Manager, Executives with Strategic Responsibilities and for other Key Executives:**
- the gross annual salary provided according to their individual contract, in compliance with the provisions of the applicable collective laws. Furthermore, the abovementioned executives receive allowances for travelling either nationally or abroad, in line with the provisions under the applicable National Collective Bargaining Agreements and company level contracts.

### 2.3.2. Variable component

The aim of the variable component is to remunerate management for the results achieved in the short and medium-long term. The direct relationship between results achieved and payment of the incentives allows the implementation of a merit-based system, differentiating the contribution of each person and at the same time motivating the human resources.

The pay mix relative to the variable part of the remuneration consists of:

- a short-term component, based on short-term variable incentive Plans on an annual basis (MBO); and
- a medium-long term component, based on the share Plan (Performance Share Plan).

The variable remuneration utilises different incentive programmes and instruments, depending on the resources involved and the timescale taken into consideration, to mitigate the management's risk assumption and to incentivise the creation of sustainable shareholder value over the medium-long term.

Recipients of the short-term variable remuneration are: the Chief Executive Officer, Chairman, General Manager, Executives with Strategic Responsibilities and Key Executives.

The recipients of the medium-long term remuneration are individually identified at the discretion of the Board of Directors, having heard the Remuneration Committee, for the Chairman and the Chief Executive Officer, and based on the indications of the Chief Executive Officer in relation to the General Manager, other Executives with Strategic Responsibilities, other Key Executives and other key resources identified with the purposes of incentivising and retaining [talented employees].

#### ■ Short-term component

The use of a short-term variable incentive Plan on an annual basis (MBO) aims at translating the industrial plan's strategies into a series of annual objectives. The MBO can decisively influence the performance of the executives involved.

The objectives, identified in line with the industrial plan, are predetermined and measurable and are assigned annually by way of plans discussed with the individual recipients.

Based on the level of attainment of their own targets, the executives involved receive a bonus consisting of a predefined percentage of their base salary, in accordance with the MBO group to which they belong, equal to 30% (1<sup>st</sup> bracket), 35% (2<sup>nd</sup> bracket), 40% (3<sup>rd</sup> bracket) and, for the General Manager, 50%. These percentages relate to the target; in the event of over performance,

however, these will not exceed: 33.0% (1<sup>st</sup> bracket), 38.2% (2<sup>nd</sup> bracket), 43.5% (3<sup>rd</sup> bracket) and, for the General Manager, 54%.

The short-term incentive of the Chief Executive Officer is 60% of the annual fixed component, relative to the target and, however, will not exceed 65% in the event of over performance. The Chairman's short-term incentive is defined as a fixed figure by the Board of Directors, on a proposal from the Remuneration Committee.

The MBO is subject to claw-back clauses.

#### ■ Medium-long term component

Without prejudice to that specified in paragraph 2.1 of this Report, and in compliance with the provisions of the Corporate Governance Code as well as the best practices of listed companies, the Company's Remuneration Policy also provides for a medium-long term variable component (Performance Share Plan) aimed at achieving the following objectives:

- improving alignment of the interests of the beneficiaries with those of the shareholders, linking the management's remuneration to specific multi-year performance objectives whose attainment is strictly connected to improving the Company's performance and value growth over the medium-long term;
- supporting [the Company's] capability for retaining key resources, aligning the Company's Remuneration Policy with best market practices, which typically provide medium-long term incentive instruments;
- making the Group's Remuneration Policy closer to the recommendations of the Corporate Governance Code.

More specifically, this component provides for the free allocation, to each of the beneficiaries identified, as provided for in the regulations governing the Plan, of the rights to acquire free Company shares of no par value at the end of a certain period of performance and subject to:

- achieving the performance objectives; and
- the other conditions laid down in the Plan's regulations.

This medium-long term Plan is characterised by the following elements:

- it is based on the allocation to the beneficiaries of the shares of Fincantieri of no par value, depending on achieving specific performance objectives;
- it consists of three cycles, each of which lasts for three years;
- there is a three-year period of performance envisaged for each of the three cycles (2016-2018 for the 1<sup>st</sup> cycle; 2017-2019 for the 2<sup>nd</sup> cycle; 2018-2020 for the 3<sup>rd</sup> cycle);
- a three-year vesting period is planned;
- shares are granted to each beneficiary, at the end of the performance period, upon achieving performance objectives, both economic and financial (such as EBITDA), as well as connected to the share performance (such as TSR with respect to either the Modified FTSE Italia All Share index, or to an international Peer Group). This is without prejudice to all other conditions laid down in the Plan's regulations. The Board of Directors identifies the performance objectives, having heard the Remuneration Committee. For the first cycle, the performance objectives, EBITDA and TSR, have a respective weight of 70% and 30% of the total rights allocated to each beneficiary;
- there is a lock-up period during which, subject to any exceptions authorised by the Board of Directors, having consulted the Remuneration Committee, the beneficiaries who are members of the Board of Directors, the General Manager or Executives with Strategic Responsibilities must hold, and not dispose of in any manner, a portion of the shares granted under the Plan (equal to 20% of the difference between the shares granted under the Plan, minus the shares

---

necessary for the fulfilment of the tax burdens arising from the delivery of such shares) for a maximum period of three years (in the case of permanent employment), or until the end of one's office or contract (for Directors or in the case of fixed-term contracts);

- a limit is envisaged (known as 'cap') for the maximum value of the shares which may be granted under the Plan to each beneficiary, obtained by multiplying the number of shares which may be granted at the allocation date based on the level of achievement of the performance objectives, by the quadruple of their market price at the date of the free assignment of the related rights.

#### ■ Pay mix of variable components

Based on the foregoing, as regards the variable components of the remuneration, the pay mix for the Chief Executive Officer, Chairman, other Executives with Strategic Responsibilities and other Key Executives is made up of:

- for the **Chief Executive Officer:**
  - an MBO Plan with both annual quantitative objectives, both financial and economic (such as the EBITDA Margin or the value of purchase orders), as well as qualitative objectives linked to achieving specific results. The percentage target was defined by the Board of Directors, on a proposal from the Remuneration Committee, in the amount of 60% of the annual fixed component, which can be increased up to 65% in the event of over performance. The incentive accrued is distributed following verification by the Board of Directors, having heard the Remuneration Committee, of the attainment of the pre-set objectives, following approval of the consolidated financial statements for the financial year in question and in compliance with the provisions of the relative Plan.
  - an LTI Plan or Performance Share Plan with multi-year objectives, of a financial and economic nature and connected to share performance. At the time of the assignment of the rights to acquire free shares of the Company under the LTI Plan, the number of such rights is equal to 100% of the fixed remuneration component, which can be increased up to 130% in the case of over performance. The value of rights that be assigned is subject to the above cap. The incentive accrued is granted and distributed following verification by the Board of Directors, having heard the Remuneration Committee, of the attainment of the pre-set objectives, following approval of the consolidated financial statements relating to the financial year in question for each cycle of the Plan, as well as the existence of all other conditions laid down in the Plan's rules, and is therefore disbursed in accordance with those same rules.
- for the **Chairman:**
  - a short-term variable incentive Plan with annual objectives (MBO), both quantitative, of a financial and economic nature (such as the EBITDA Margin or the value of purchase orders), as well as qualitative and quantitative, linked to achieving specific results. The amount is defined as a figure fixed by the Board of Directors, following a proposal by the Remuneration Committee, and paid following a specific resolution in relation to the achievement of pre-set annual objectives.
- for the **General Manager, Executives with Strategic Responsibilities and other Key Executives:**
  - an MBO plan with annual targets of both quantitative, of a financial and economic nature, as well as qualitative, for both the Company and the individual, which take into consideration the role held (such as the value of purchase orders, the containing of certain structure costs, or specific qualitative and quantitative objectives). The target amount of the short-term variable component of the remuneration (MBO) of the General Manager is equal to 50% of the fixed remuneration component, which may be increased up to 54% in the case of over performance.

The maximum target amount of the short-term variable component of the remuneration (MBO) of Executives with Strategic Responsibilities and Key Executives is equal, depending on the bracket's range in which they fall, to 30%, 35% and 40% of the base salary, to be increased to 33%, 38.2%, and 43.5% in the case of over performance. The incentive accrued is assigned and disbursed following verification by the Chief Executive Officer of the degree of attainment of the pre-set objectives, following approval of the consolidated financial statements relating to the financial year in question, and is therefore distributed in compliance with the relative Plan.

- an LTI Plan with multi-year objectives, whether financial and economic, as well as linked to share performance. The accrued incentive shall be paid after the Board of Directors, having consulted, within its scope of competence, the Remuneration Committee, has verified the achievement of the pre-set objectives, following the approval of the consolidated financial statements concerning the latest financial year for each cycle of the Plan, as well as the existence of all other conditions laid down in the Plan's rules, and is therefore disbursed in accordance with those same rules. Within the limits of the cap referred to in the Plan, the size of the incentive is equal to the following percentage of the fixed remuneration component linked to the bracket's range in which the recipient falls, determined by the Board of Directors, having heard the Remuneration Committee on a proposal from the Chief Executive Officer, based on the impact of its role on the company's results:
  - for the General Manager: 75% when target objectives are met, increasing up to 97.5% in the event of over performance;
  - for the deputy General Manager, the Senior Executive Vice President Military Division and the Senior Executive Vice President Merchant Division: 60% when target objectives are met, increasing up to 78% in the event of over performance;
  - for the other positions falling in the 1<sup>st</sup> bracket: 50% when target objectives are met, increasing up to 65% in the event of over performance;
  - for other positions falling in the 2<sup>nd</sup> bracket: 40% when target objectives are met, increasing up to 52% in case of over performance.

Furthermore, based the provisions of the Plan's Regulations, this form of medium-long term incentive, for the first cycle, has also been extended to a selected number of other executives, depending on the duties entrusted to them, in a percentage equal to 33% of the fixed component of their base remuneration when target objectives are met, increasing up to 42.9% in case of over performance. For every aspect of the details, reference is made to the contents of the Information Document, drawn up pursuant to Article 114-*bis* of the Consolidated Financial Law and Article 84-*bis* of the Issuers' Regulation, published by the Company.

#### ■ Extraordinary remuneration

In exceptional and extraordinary circumstances with respect to the Remuneration Policy, and with the view of attracting key market figures or motivating and retaining the best human resources, the Company may pay sums of money in terms of a one-off or entry bonus/retention bonus at the executive recruitment stage, or at any other time when the need may arise, to an extent that is in keeping with the most widespread market practices.

Where intended for the Chairman or Chief Executive Officer, those extraordinary salary components are subject to resolution by the Board of Directors, on proposal of the Remuneration Committee. For the General Manager, Executives with Strategic Responsibilities and other Key Executives, the issuance is remitted to the exclusive evaluation of the Chief Executive Officer.

---

On proposal by the Remuneration Committee, the Board of Directors also has the power, within its competence, to resolve on the payment of any exceptional bonuses in connection with extraordinary transactions and/or results (such as for example, acquisitions, mergers, or divestments) having a significant impact on the Company, and as such are unlikely to be adequately recompensed within the ordinary variable remuneration systems.

### 2.3.3. Non-monetary benefits

The Chief Executive Officer, Chairman, General Manager, other Executives with Strategic Responsibilities, and other Key Executives are given the use of a company car for both business and private use with the relative fuel. Also, where appropriate, they are granted use of an apartment for longer stays as an alternative to hotel accommodation, limited in time, however, according to economic criteria.

### 2.3.4. Criteria used for evaluation of performance targets at the basis of the assignment of variable salary components and information aimed at highlighting the coherence of the Remuneration Policy with the pursuit of the Company's long-term interests and risk management policy

The performance targets provided by the Remuneration Policy for the disbursement of the variable salary component are identified by taking account of the specific activities performed by the Company and of their connected risk profiles.

More specifically, the payment of the variable component of the short-term incentive Plan is normally tied to the attainment of pre-set financial and economic performance objectives related to the annual budget. The comparison of the final balance figures with the assigned objectives determines the amount of the variable component of the remuneration paid.

The payment of what is envisaged, however, regarding the medium-long term variable component, is aimed at the creation of value for all the shareholders in the medium-long term. It is therefore usually connected to the attainment of pre-set financial and economic performance objectives referred to in the industrial plan and/or to the stages thereof, or based on share performance and/or the financial return for the shareholders in the medium-long term.

### 2.3.5. Deferred payment systems, with indication of the deferment periods and criteria used for determination of those periods and *ex post* correction mechanisms

For the medium-long term variable component, there is envisaged a vesting period of approximately three-years and a lock-up period, unless the Board of Directors, after consulting the Remuneration Committee, grants exceptions as indicated in paragraph 2.3.2.

Claw-back clauses are provided for in relation to all variable remuneration components.

### 2.3.6. Policy relating to salary packages in the event of the end of term of office or termination of the employment contract

The treatment envisaged in the event of the end of office term or the termination of the employment contract is regulated by the current National Collective Bargaining Agreement for executives of companies that produce goods or services, as well as being left to the stipulation of specific agreements with the individual parties involved. In any event, such agreements may not provide for the payment of an indemnity which may not exceed an amount equivalent to 36 gross monthly salaries, including the instalment of the thirteenth month of the annual salary.

Pursuant to Article 2125 of the Italian Civil Code, specific compensation may also be provided for those cases in which there is the need to conclude non-competition agreements with the members of the Board of Directors, General Manager, Executives with Strategic Responsibilities and other Key Executives.

### 2.3.7. Information on the presence of insurance cover, or welfare or pension benefits, other than obligatory treatment

The Chairman and Chief Executive Officer are provided with determinate insurance cover. For the General Manager, Executives with Strategic Responsibilities and other Key Executives, as well as for the other Company executives, supplementary insurance, welfare and pension benefits are provided which are more generous than those established by the National Collective Bargaining Agreement which applies to the executives of the Group.

### 2.3.8. Remuneration Policy followed regarding: *(i)* the independent Directors, *(ii)* taking part in Committees and *(iii)* performance of particular appointments

The remuneration of the independent Directors is the same as that described in paragraph 2.3.1 herein regarding non-executive Directors.

For Directors participating in the internal Committees of the Board of Directors, the Remuneration Policy stipulates that they shall receive, for their participation in each Committee, additional remuneration determined by the Board of Directors, after a proposal from the Remuneration Committee, as stated in the preceding paragraph 2.3.1.



---

## section II

Remuneration received in the financial year 2016 by the members of the Board of Directors and the Board of Statutory Auditors, the General Manager and Key Executives / Executives with Strategic Responsibilities

### First Part

#### Items making up the remuneration

Where the 2016 financial year is concerned, this part of Section II of the Report sets out: (i) the salaries payable to individuals who held the roles of Director, Statutory Auditor or General Manager during that year or for part thereof, set out by name, and (ii) the salaries payable to Key Executives / Executive with Strategic Responsibilities, shown in aggregate. These items are also shown in summary form in the tables in the Second Part of this Section.

## 1. Board of Directors

### 1.1 THE CHAIRMAN OF THE BOARD OF DIRECTORS

Between 1 January and 19 May 2016, the role of Chairman of the Board of Directors was held by Ambassador Vincenzo Petrone, whose remuneration for that period was made up as follows:

- Fixed component: EUR 127,339, of which:
  - EUR 40,000 as salary resolved by the Shareholders' Meeting on 27 June 2013, in relation to 2015, for the role of Chairman of the Board of Directors, pursuant to Article 2389, paragraph 1, of the Italian Civil Code and paid in 2016;
  - EUR 15,300,55 as salary *pro rata* (for the period 1 January - 19 May 2016) resolved by the Shareholders' Meeting on 27 June 2013 for the role of Chairman of the Board of Directors, pursuant to Article 2389, paragraph 1, of the Italian Civil Code and paid in 2016;
  - EUR 72,038,45 as salary *pro rata* (for the period 1 January - 19 May 2016) resolved by the Board of Directors on 5 May 2014, pursuant to Article 2389, paragraph 3, of the Italian Civil Code, on the proposal of the Remuneration Committee and having consulted the Board of Statutory Auditors, given the broad extent and nature of the specific delegations assigned; this amount was paid in 2016.
- Short-term variable component:
  - MBO Plan 2015: the maximum amount payable for the financial year 2015, as established by the Board of Directors on 5 May 2014 on the proposal of the Remuneration Committee, is EUR 68,000. On 11 May 2016, on the proposal of the Remuneration Committee, on the basis of the results of the financial statements and specific account rendering, the Board of Directors established that the relevant performance targets had been met in full and established the incentive due. The amount of EUR 68,000 was paid in 2016.

- Non-monetary benefits: provision of a company car for business and private use plus fuel, supplementary health package, insurance and further minor benefits, in the total amount of EUR 967, established on the basis of taxable income criteria.

No payments are made where the appointment is terminated.

Between 20 May and 31 December 2016, the role of Chairman of the Board of Directors was held by Ambassador Giampiero Massolo. Ambassador Massolo's remuneration for the financial year 2016 is as follows:

- Fixed component: EUR 180,560,45, of which:
  - EUR 24,699,45 as part of the salary, *pro rata*, resolved by the Shareholders' Meeting on 19 May 2016 for the role of Chairman of the Board of Directors, pursuant to Article 2389, paragraph 1, of the Italian Civil Code and paid in 2017;
  - EUR 155,861 as part of the salary, *pro rata*, (for the period 20 May - 31 December 2016) resolved by the Board of Directors on 20 July 2016, pursuant to Article 2389, paragraph 3, of the Italian Civil Code, at the proposal of the Remuneration Committee and having consulted the Board of Statutory Auditors, given the broad extent and nature of the specific delegations assigned; this amount was paid in 2016.
- Short-term variable component:
  - 2016 MBO Plan: as specified by the Board of Directors on 20 July 1996 on the proposal of the Remuneration Committee, the short-term variable component is EUR 100,000, subject to adjustment up to a maximum of EUR 120,000 in the event of over performance; the task of establishing whether targets have been reached and specifying the actual incentive due will be carried out by the Board of Directors, on the proposal of the Remuneration Committee, on the basis of the results of the financial statements for the financial year 2016 and specific account rendering. Any amount due will be paid in 2017.
- Non-monetary benefits: provision of a company car for business and private use plus fuel, supplementary health package, insurance and further minor benefits, in the total amount of EUR 980, established on the basis of taxable income criteria.

No payments are made where the appointment is terminated.

## 1.2 CHIEF EXECUTIVE OFFICER

During the financial year 2016, the role of Chief Executive Officer was held by Giuseppe Bono.

Mr Bono's remuneration between 1 January and 25 May 2016 was as follows:

- Fixed component of EUR 735,000 (per annum), of which:
  - EUR 27,000 as salary for the financial year 2015 resolved by the Shareholders' Meeting on 27 June 2013 for the role of member of the Board of Directors, pursuant to Article 2389, paragraph 1, of the Italian Civil Code and paid in 2016;
  - EUR 708,000 as salary resolved by the Board of Directors on 19 December 2014, pursuant to Article 2389, paragraph 3, of the Italian Civil Code, on the proposal of the Remuneration Committee and having consulted the Board of Statutory Auditors, for the role of Chief Executive Officer.
- Medium-term variable component:
  - As set out in last year's Remuneration Policy, the Board of Directors allocated a medium-term incentive to the Chief Executive Officer, which is linked to qualitative parameters. The period of time that this incentive, in the amount of EUR 430,000, related to was eighteen months (1 January 2015 - 30 June 2016). Having consulted the Remuneration Committee, on

---

20 July 2016 the Board of Directors established that the specific performance conditions had been met in full; as a result, in 2016 the amount of EUR 430,000 was paid, comprising EUR 287,000 for the financial year 2015 and EUR 143,000 for the financial year 2016.

- Short-term variable component:
- MBO Plan 2015: the maximum amount payable for the financial year 2015, as established by the Board of Directors on 19 December 2014 on the proposal of the Remuneration Committee, was EUR 450,000. On 11 May 2016, on the proposal of the Remuneration Committee, on the basis of the results of the 2015 financial statements and specific account rendering, the Board of Directors established that the relevant performance targets had been met in part, therefore approving payment of EUR 294,750. The aforementioned incentive was paid in 2016.

With effect from 26 May 2016, Mr Bono's remuneration is as follows:

- Fixed component: EUR 950,000 (per annum), of which:
  - EUR 27,000 as salary, *pro rata*, approved by the Shareholders' Meeting on 19 May 2016 for the role of member of the Board of Directors, pursuant to Article 2389, paragraph 1, of the Italian Civil Code, which amount will be paid in 2017;
  - EUR 923,000 as salary resolved by the Board of Directors on 20 July 2016, pursuant to Article 2389, paragraph 3, of the Italian Civil Code, on the proposal of the Remuneration Committee and having consulted the Board of Statutory Auditors, for the role of Chief Executive Officer.
- Short-term variable component:
  - 2016 MBO Plan: as specified by the Board of Directors on 20 July 2016, on the proposal of the Remuneration Committee, the short-term variable component is EUR 570,000 where targets are reached, with an adjustment up to a maximum of EUR 617,500 in the event of over performance. The task of establishing whether targets have been reached and establishing the actual incentive due will be carried out by the Board of Directors, on the proposal of the Remuneration Committee, during 2017, on the basis of the results of the 2016 financial statements and specific account rendering. Any amount due will be paid in 2017.
- Medium-long term variable component:
  - 2016-2018 LTI Plan: where the first cycle is concerned (2016-2018), on 15 December 2016 the Board of Directors established that 2,237,927 rights to receive ordinary shares in Fincantieri would be allocated free of charge if all targets were met and subject to the conditions imposed by the Regulations that govern the Plan being in place; this decision was subject to the Plan being approved by the Shareholders' Meeting called to approve the 2016 financial statements. In the event of over performance, the number of rights can be increased by a maximum of 30%. Any allocation in relation to the first cycle will take place in 2019.

Remuneration paid to Mr Bono during the financial year 2016 is:

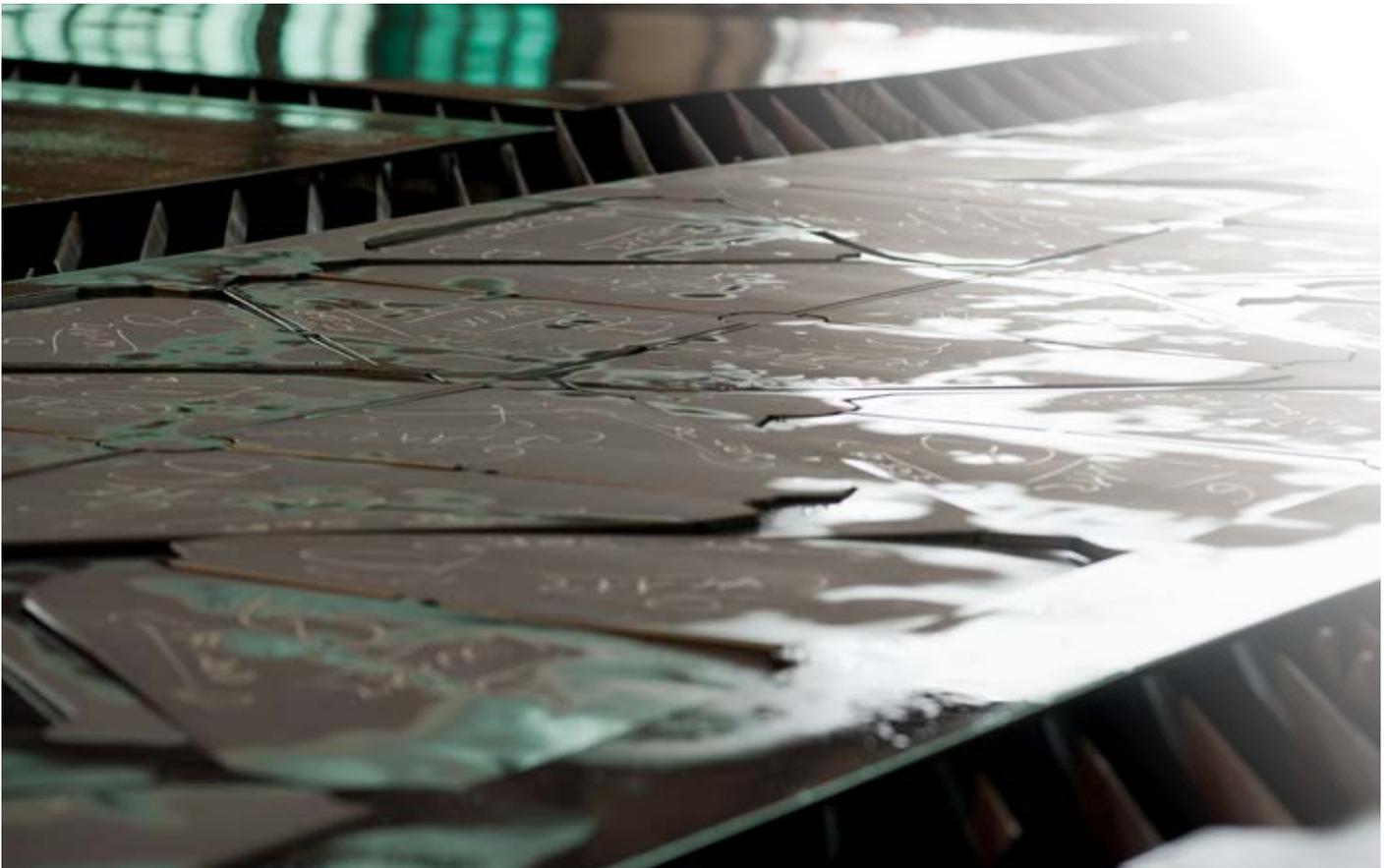
- Fixed component<sup>1</sup>: EUR 863,885, of which:
  - EUR 27,000 as salary for the financial year 2015 resolved by the Shareholders' Meeting on 27 June 2013 for the role of member of the Board of Directors, pursuant to Article 2389, paragraph 1, of the Italian Civil Code and paid in 2016;

---

1. On 30 September 2016, Mr Bono resigned as Chairman of both the VARD Group AS and VARD Holdings Limited. The VARD remuneration for 2016 (1 January - 29 September 2016) for both positions is SGD 243,750 (EUR 163,333) and SGD 150,000 (Euro 100,513) respectively, totalling SGD 393,750 (EUR 263,845 at the average exchange rate for 22 February 2016 – SGD/EUR = 0.67008). The amount of SGD 150,000 was paid in 2016 and was transferred by the Chief Executive Officer to Fincantieri in full. The amount of SGD 243,750 will be paid, and transferred, in 2017. Note also that the remuneration referred to above in this note and any remuneration in relation to other subsidiaries and affiliated companies are not included in the total of EUR 863,885, having been transferred to Fincantieri.

- EUR 836,885 as the total amount of salary, *pro rata*, accrued during the financial year 2016, as approved by the Board of Directors on 19 December 2014 and 20 July 2016 respectively, pursuant to Article 2389, paragraph 3, of the Italian Civil Code, on the proposal of the Remuneration Committee and having consulted the Board of Statutory Auditors, for the role of Chief Executive Officer; this amount was paid in 2016.
- Medium-term variable component:
  - Having consulted the Remuneration Committee, on 20 July 2016 the Board of Directors ascertained that the specific performance conditions had been met in full; as a result, in 2016 the amount of EUR 430,000 was paid (for the period 1 January 2015 - 30 June 2016), comprising EUR 287,000 for the financial year 2015 and EUR 143,000 for the financial year 2016.
- Short-term variable component:
  - MBO Plan 2015: the maximum amount payable for the financial year 2015, as established by the Board of Directors on 19 December 2014 on the proposal of the Remuneration Committee, was EUR 450,000. On 11 May 2016, on the proposal of the Remuneration Committee, on the basis of the results of the 2015 financial statements and specific account rendering, the Board of Directors established that the relevant performance targets had been met in part, therefore approving payment of EUR 294,750. The aforementioned incentive was paid in 2016.
- Non-monetary benefits: provision of a company car for business and private use plus fuel, supplementary health package, insurance and further minor benefits, in the total amount of EUR 2,021, established on the basis of taxable income criteria.
- Apartment: when in Trieste, Mr Bono uses an apartment rather than a hotel, for reasons of economy.

No payments are made where the appointment is terminated.



---

### 1.3 OTHER MEMBERS OF THE BOARD OF DIRECTORS

For the period 1 January - 19 May 2016, in addition to Directors Vincenzo Petrone and Giuseppe Bono, the following Directors were members of the Board of Directors:

- Anna Molinotti<sup>2</sup>, appointed by the Shareholders' Meeting on 27 June 2013, Leone Pattofatto, Simone Anichini, Massimiliano Cesare (Lawyer), Paola Santarelli and Paolo Scudieri (Engineer), appointed by the Shareholders' Meeting on 28 May 2014, with effect from the date on which shares in the Company started to trade on the Mercato Telematico Azionario [Online Stock Market] operated by Borsa Italiana S.p.A.

The salaries paid to the members of the Board of Directors mentioned above, all of whom are non-executive, cover the period in which they were in office from 1 January to 19 May 2016 (save for Anna Molinotti, see note 2) comprises a fixed part alone. More specifically:

- The salary for Director Simone Anichini for the financial year 2016, which will be paid in 2017, is EUR 33,278,69, of which:
  - EUR 10,327,87 as salary *pro rata* resolved by the Shareholders' Meeting on 28 May 2014 for the role of member of the Board of Directors;
  - EUR 11,475,41 as salary *pro rata* for the role of Chairman of the Remuneration Committee;
  - EUR 11,475,41 as salary *pro rata* for the role of Chairman of the Appointments Committee.
- The salary for Director Massimiliano Cesare for the financial year 2016, which will be paid in 2017, is EUR 29,453,55, of which:
  - EUR 10,327,87 as salary *pro rata* resolved by the Shareholders' Meeting on 28 May 2014 for the role of member of the Board of Directors;
  - EUR 11,475,41 as salary *pro rata* for the role of Chairman of the Internal Control and Risk Committee;
  - EUR 7,650,27 as salary *pro rata* for the role of member of the Appointments Committee.
- In relation to Director Anna Molinotti, salary for the financial year 2016 (1 January - 20 March 2016), transferred to Finteca in 2016, is EUR 10,273,22, of which:
  - EUR 5,901,64 as salary *pro rata* resolved by the Shareholders' Meeting on 27 June 2013 for the role of member of the Board of Directors;
  - EUR 4,371,58 as salary *pro rata* for the role of member of the Remuneration Committee.

As mentioned previously, on 21 March 2016, Anna Molinotti resigned with immediate effect as a member of the Board of Directors and as a member of the Remuneration Committee (see note 2).

- In relation to Director Leone Pattofatto, salary for the financial year 2016, which will be paid in 2017, is EUR 25,628,41, of which:
  - EUR 10,327,87 as salary *pro rata* resolved by the Shareholders' Meeting on 27 June 2013 for the role of member of the Board of Directors;
  - EUR 7,650,27 as salary *pro rata* for the role of member of the Appointments Committee;
  - EUR 7,650,27 as salary *pro rata* for the role of member of the Internal Control and Risk Committee.
- In relation to Director Paola Santarelli, the salary for the role of member of the Board of Directors for 2016 is EUR 10,327,87, as resolved by the Shareholders' Meeting on 28 May 2014. Paid in 2016.
- In relation to Director Paolo Scudieri, salary for the financial year 2016 and paid in 2016 is EUR 25,628,41, of which:
  - EUR 10,327,87 as salary *pro rata* resolved by the Shareholders' Meeting on 28 May 2014 for the role of member of the Board of Directors;

---

2. On 21 March 2016, Anna Molinotti resigned with immediate effect as a member of the Board of Directors and as a member of the Remuneration Committee.

- EUR 7,650,27 as salary *pro rata* for the role of member of the Internal Control and Risk Committee;
- EUR 7,650,27 as salary *pro rata* for the role of member of the Remuneration Committee.

On 19 May 2016, the Shareholders' Meeting appointed the new Board of Directors for the three-year period 2016-2018.

In addition to Directors Ambassador Giampiero Massolo and Giuseppe Bono, the following Directors are members of the Board of Directors:

- Gianfranco Agostinetto (Architect) (independent), Simone Anichini (independent), Massimiliano Cesare (Lawyer) (independent), Nicoletta Giadrossi (independent), Paola Muratorio (Architect) (independent), Fabrizio Palermo (not independent) and Donatella Treu (independent).

On 8 June 2016, the Board of Directors appointed the Advisory Committees and its members and established their remuneration.

More specifically, it appointed the following:

- Internal Control and Risk Committee. Made up of Massimiliano Cesare (Lawyer) (Chairman), Nicoletta Giadrossi and Fabrizio Palermo, this Committee also operates as the Transactions with Related Parties Committee; when analysing Transactions of Major Significance, Mr Palermo is replaced by the independent director Gianfranco Agostinetto (Architect);
- Remuneration Committee, made up of Paola Muratorio (Architect) (Chairman), Donatella Treu and Fabrizio Palermo;
- Appointments Committee, made up of Donatella Treu (Chairman), Simone Anichini and Fabrizio Palermo;
- Sustainability Committee, made up of Gianfranco Agostinetto (Architect) (Chairman), Simone Anichini and Massimiliano Cesare (Lawyer).

On 21 June 2016, the Board of Directors appointed an additional member to the Sustainability Committee: Nicoletta Giadrossi. On the same date, the Board also resolved the salary to be paid to the Director Gianfranco Agostinetto (Architect) in the amount of EUR 2,000 for each meeting of the Internal Control and Risk Committee, in his capacity as a member of the same on the Transactions with Related Parties Committee when called upon to replace Fabrizio Palermo when the Committee is required to analyse Transactions of Major Significance.

The salaries resolved in relation to the aforementioned members of the Board of Directors are made up of a fixed part alone, which will be paid during the course of the financial year 2017.

More specifically:

- In relation to Director Gianfranco Agostinetto, salary for the financial year 2016 is EUR 37,639,34, of which:
  - EUR 16,672,13 as salary *pro rata* resolved by the Shareholders' Meeting on 19 May 2016 (for the period 20 May - 31 December 2016) for the role of member of the Board of Directors;
  - EUR 4,000 as salary *pro rata* (for the period 21 June - 31 December 2016), for the role of member of the Internal Control and Risk Committee, in his capacity as a member of the Transactions with Related Parties Committee, replacing Fabrizio Palermo where the Committee is required to analyse Transactions of Major Significance;
  - EUR 16,967,21 as salary *pro rata* (for the period 8 June - 31 December 2016) for the role of Chairman of the Sustainability Committee.
- In relation to Director Simone Anichini, salary for the financial year 2016 is EUR 39,295,09, of which:
  - EUR 16,672,13 as salary *pro rata* resolved by the Shareholders' Meeting on 19 May 2016 (20 May - 31 December 2016) for the role of member of the Board of Directors;

- EUR 11,311,48 as salary *pro rata* (for the period 8 June - 31 December 2016) for the role of member of the Appointments Committee;
- EUR 11,311,48 as salary *pro rata* (for the period 8 June - 31 December 2016) for the role of member of the Appointments Committee.
- In relation to Director Massimiliano Cesare, salary for the financial year 2016 is EUR 44,950,82, of which:
  - EUR 16,672,13 as salary *pro rata* resolved by the Shareholders' Meeting on 19 May 2016 (for the period 20 May - 31 December 2016) for the role of member of the Board of Directors;
  - EUR 16,967,21 as salary *pro rata* (for the period 8 June - 31 December 2016), for the role of Chairman of the Internal Control and Risk Committee;
  - EUR 11,311,48 as salary *pro rata* (for the period 8 June - 31 December 2016) for the role of member of the Sustainability Committee.
- In relation to Director Nicoletta Giadrossi, salary for the financial year 2016 is EUR 38,584,70, of which:
  - EUR 16,672,13 as salary *pro rata* resolved by the Shareholders' Meeting on 19 May 2016 (for the period 20 May - 31 December 2016) for the role of member of the Board of Directors;
  - EUR 11,311,48 as salary *pro rata* (for the period 8 June - 31 December 2016), for the role of Chairman of the Internal Control and Risk Committee;
  - EUR 10,601,09 as salary *pro rata* (for the period 21 June - 31 December 2016) for the role of member of the Sustainability Committee.
- In relation to Director Paola Muratorio, salary for the financial year 2016 is EUR 33,639,34, of which:
  - EUR 16,672,13 as salary *pro rata* resolved by the Shareholders' Meeting on 19 May 2016 (20 May - 31 December 2016) for the role of member of the Board of Directors;
  - EUR 16,967,21 as salary *pro rata* (for the period 8 June - 31 December 2016) for the role of Chairman of the Remuneration Committee.
- In relation to Director Fabrizio Palermo, salary for the financial year 2016 is EUR 50,606,57, of which:
  - EUR 16,672,13 as salary *pro rata* resolved by the Shareholders' Meeting on 19 May 2016 for the role of member of the Board of Directors;
  - EUR 11,311,48 as salary *pro rata* (for the period 8 June - 31 December 2016) for the role of member of the Remuneration Committee;
  - EUR 11,311,48 as salary *pro rata* (for the period 8 June - 31 December 2016) for the role of member of the Appointments Committee;
  - EUR 11,311,48 as salary *pro rata* (for the period 8 June - 31 December 2016), for the role of member of the Internal Control and Risk Committee.
- In relation to Director Donatella Treu, salary for the financial year 2016 is EUR 44,950,82, of which:
  - EUR 16,672,13 as salary *pro rata* resolved by the Shareholders' Meeting on 19 May 2016 (for the period 20 May - 31 December 2016) for the role of member of the Board of Directors;
  - EUR 16,967,21 as salary *pro rata* (for the period 8 June - 31 December 2016) for the role of Chairman of the Appointments Committee;
  - EUR 11,311,48 as salary *pro rata* (for the period 8 June - 31 December 2016) for the role of member of the Remuneration Committee.

No payments are made where the appointment is terminated.

## 1.4 MEMBERS OF THE BOARD OF DIRECTORS' INTERNAL COMMITTEES

As mentioned previously, the members of the Internal Control and Risk Committee, the Appointments Committee, the Remuneration Committee and the Sustainability Committee receive an additional salary established by the Board of Directors, on the proposal of the Remuneration Committee, in the amount of EUR 30,000 for the role of Chairman and EUR 20,000 for the other regular members. The salaries for 2016 for those in the role of Chairman and for the members of the Committees are set out in the previous paragraph.

## 2. Board of Statutory Auditors

The Board of Statutory Auditors currently in office was appointed by the Shareholders' Meeting on 28 May 2014 and is made up of regular auditors Gianluca Ferrero (Chairman), Alessandro Michelotti and Fioranna Vittoria Negri.

- For the financial year 2016, the salary resolved by the aforementioned Shareholders' Meeting of 28 May 2014 for the members of the Board of Statutory Auditors is: EUR 37,000 for the Chairman; and
- EUR 26,000 for each regular auditor

The aforementioned amounts will be paid during the course of the financial year 2017.

## 3. Department for General Management

With effect from 26 September 2016, the Department for General Management was re-established. On that date, and on the proposal of the Chief Executive Officer, the Board of Directors appointed Alberto Maestrini (Engineer) as the Company's General Manager and, therefore, as head of the Department for General Management.

Mr Maestrini's salary is made up as follows:

- Fixed component: the amount of EUR 80,464, *pro rata*, (26 September - 31 December 2016) was paid in 2016.
- Short-term variable component:
  - MBO Plan 2016: the maximum amount, *pro rata*, for the financial year 2016 (for the period 26 September - 31 December 2016) is EUR 26,652 where all objectives set are met in full and where the access threshold, which is linked to the strategic objective being achieved, is exceeded. For the financial year 2016, the incentive is paid where the target in relation to the EBITDA Margin is achieved, i.e., the ratio between EBITDA and Group Revenues in the financial year in question (2016), not less than 90% of the amount specified in the 2016 Budget approved by the Company's Board of Directors for the year 2016, in order to ensure a direct link between payment of the incentive and the business's results. Any incentive due will be paid during the course of 2017.
- Extraordinary Remuneration: a one-off payment of EUR 85,000 has been allowed in line with the provisions of Section I, paragraph 2.3.2 of this document, which contemplates the possibility of the Company making one-off payments or entry bonuses/retention bonuses on an entirely exceptional and extraordinary basis in accordance with the Remuneration Policy and in order to attract key individuals on the market or to motivate and retain the best human resources. This amount was paid in 2016.

- Medium-long term variable component:
  - 2016-2018 LTI Plan: where the first cycle is concerned (2016-2018), on 15 December 2016 the Board of Directors established that 432,988 rights to receive ordinary shares in Fincantieri would be allocated free of charge if all objectives meet target and subject to the conditions imposed by the Regulations that govern the Plan being in place; this decision was subject to the Plan being approved by the Shareholders' Meeting. In the event of over performance, the number of rights can be increased by a maximum of 30%. Any allocation in relation to the first cycle will take place in 2019.
- Non-monetary benefits: provision of a company car for business and private use plus fuel, supplementary health package, insurance and further minor benefits, in the total amount of EUR 2,221, established on the basis of taxable income criteria.

## 4. Key Executives / Executives with Strategic Responsibilities

During the course of 2016, hirings/terminations and arrivals/departures on a managerial level in relation to the various roles for the financial year in question resulted in the overall number of persons totalling 25 (during the year or part thereof), 11 of whom are Executives with Strategic Responsibilities.

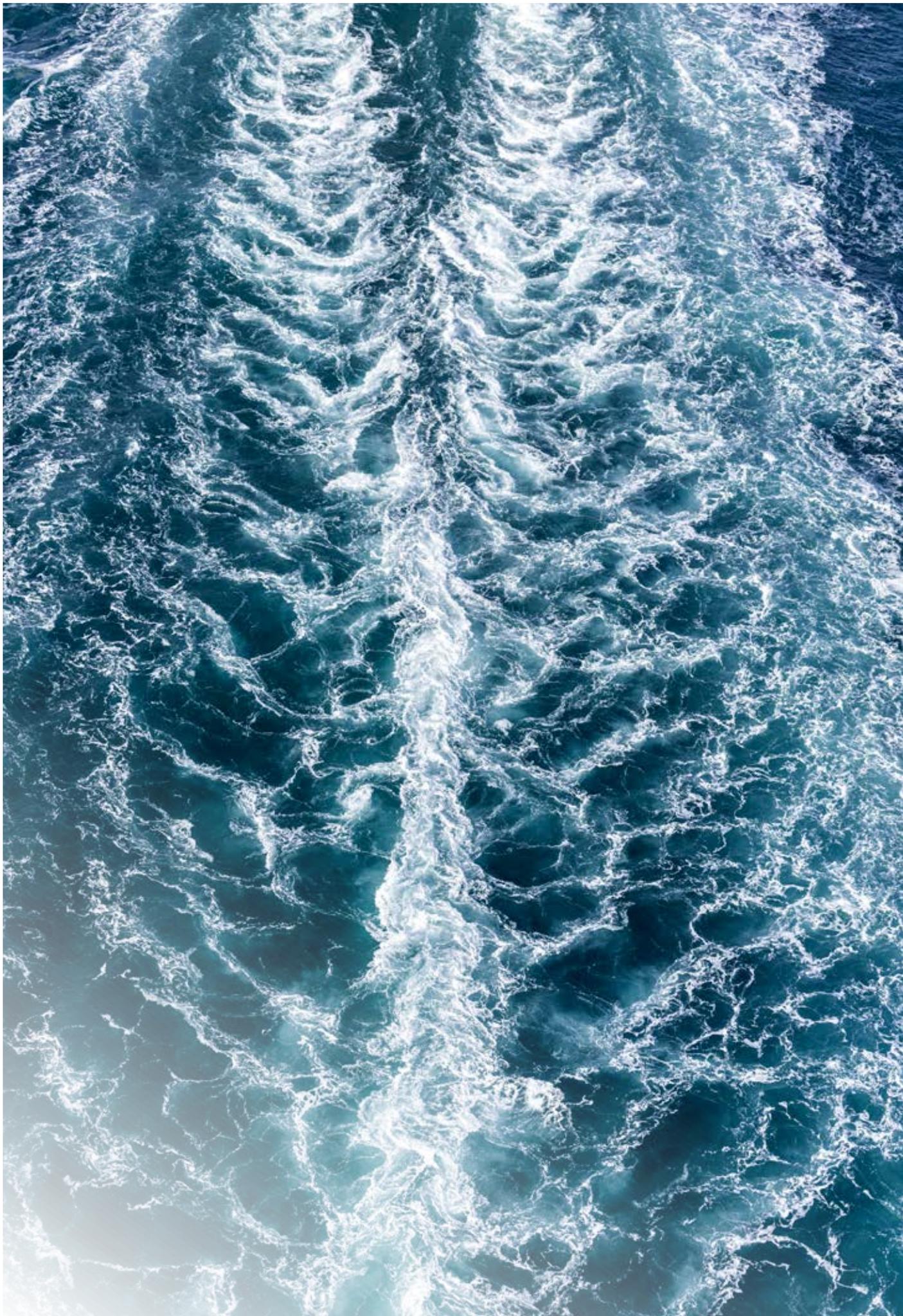
Key Executives' salaries are set out in aggregate, with the salaries for Executives with Strategic Responsibilities specified therein, again in aggregate, as none of the Executives with Strategic Responsibilities were in receipt of salaries greater overall than the highest overall salary received by the members of the Board of Directors, the Board of Statutory Auditors and the General Manager. Set out below, in aggregate, is a description of each of the items that make up the remuneration paid to Key Executives, with details for Executives with Strategic Responsibilities, during the course of the financial year 2016:

- Fixed component: EUR 3,606,597 as gross annual salary, of which EUR 1,566,209 for Executives with Strategic Responsibilities; these amounts were paid in 2016.
- Short-term variable component:
  - MBO Plan 2015: no amount was paid out, as the Chief Executive Officer established that the target in relation to the EBITDA Margin, i.e. the ratio between EBITDA and Group Revenue in the financial year in question (2015) had not been met. This target is in fact the access threshold to be exceeded in order for the incentive to be paid.
  - 2016 MBO Plan: any incentive due will be paid during the course of 2017 where all objectives set have been achieved. Without prejudice to this, payment of the short-term incentive will in any event be subject to an access threshold being exceeded; this access threshold is linked to a strategic objective being achieved. For the financial year 2016, this strategic objective involves meeting a target that relates to the EBITDA Margin, i.e. the relationship between EBITDA and Group Revenues in the financial year in question (2016), not less than 90% of the amount specified in the 2016 Budget approved by the Company's Board of Directors for the year 2016, in order to ensure a direct link between payment of the incentive and the business's results. The maximum MBO amount payable in 2017 is 1,501,136, of which EUR 745,885 relates to Executives with Strategic Responsibilities.

- Medium-long term variable component:
  - 2016-2018 LTI Plan: where the first cycle is concerned (2016-2018), on 15 December 2016 the Board of Directors established that 2,429,514 rights to receive ordinary shares in Fincantieri would be allocated free of charge (of which 1,030,776 for Executives with Strategic Responsibilities) if all objectives meet target and subject to the conditions imposed by the Regulations that govern the Plan being in place; this decision was subject to the Plan being approved by the Shareholders' Meeting. In the event of over performance, this number of rights can be increased by a maximum of 30%. Any allocation in relation to the first cycle will take place in 2019.
- Extraordinary Remuneration: a one-off payment of EUR 385,000 has been allowed, of which EUR 172,000 is for Executives with Strategic Responsibilities; this is in line with the provisions of Section I, paragraph 2.3.2 of this document, which contemplates the possibility of the Company making one-off payments or entry bonuses/retention bonuses on an entirely exceptional and extraordinary basis, in accordance with the Remuneration Policy and in order to attract key individuals on the market or to motivate and retain the best human resources. This amount was paid in 2016.
- Non-monetary benefits: these include provision of a company car for business and private use plus fuel, the use in certain cases of an apartment for longer stays of a limited duration, supplementary insurance cover, welfare and pension benefits that exceed the provisions of the relevant National Collective Bargaining Agreement in force, in the overall amount (on the basis of taxable income criteria) of EUR 259,482 (of which EUR 98,515 for Executives with Strategic Responsibilities).

## 5. Agreements for payment of indemnities in the event of early termination of the employment relationship

Pursuant to specific agreement in place with the General Manager, an indemnity is payable where the employment relationship is terminated early; the indemnity comprises 36 gross monthly salaries, inclusive of the thirteenth month salary bonus, in the event of dismissal without good cause, resignation for good cause and termination of employment by consent.



# Second Part

## Tables

In relation to the financial year 2016, the following tables set out: (i) analytically, the salaries of the members of the Board of Directors and Board of Statutory Auditors and the General Manager, (ii) in aggregate, the salaries of the Key Executives / Executives with Strategic Responsibilities, (iii) the incentive Plans based on financial instruments other than stock options for members of the Board of Directors, the General Manager and the Key Executives / Executives with Strategic Responsibilities.

Trieste, 9 March 2017

For the Board of Directors  
The Chairman  
Giampiero Massolo

Table 1

TABLE SETTING OUT THE SALARIES PAID TO THE MEMBERS OF THE BOARD OF DIRECTORS AND BOARD OF STATUTORY AUDITORS, THE GENERAL MANAGER AND KEY EXECUTIVES / EXECUTIVES WITH STRATEGIC RESPONSIBILITIES DURING THE 2016 FINANCIAL YEAR

The amounts in the Table and in the corresponding notes follow both cash and competence criteria, in compliance with the applicable legislation.

Name and Surname	Role <sup>1</sup>	Office Term	Termination of the Role	Fixed salaries	Salaries for Committee participation	Variable Non-equity Salaries			Total	Fair Value payments	End of office indemnity-termination of employment relationship		
						Bonuses and other incentives	Profit Sharing	Non-monetary benefits					
Figures expressed in EUR													
Vincenzo Petrone	Chairman BoD	01.01.2016-19.05.2016	Approval of 2015 financial statements	Fincantieri Salaries	127,339 <sup>2</sup>	-	68,000 <sup>3</sup>	-	967	-	196,306	-	-
				Salaries - subsidiaries and affiliated companies	-	-	-	-	-	-	-	-	-
				Total	127,339	-	68,000	-	967	-	196,306	-	-
Giampiero Massolo	Chairman BoD	20.05.2016-31.12.2016	Approval of 2018 financial statements	Fincantieri Salaries	180,560,45 <sup>4</sup>	-	.5	-	980	-	181,540,45	-	-
				Salaries - subsidiaries and affiliated companies	-	-	-	-	-	-	-	-	-
				Total	180,560,45	-	-	-	980	-	181,540,45	-	-
Giuseppe Bono	CEO	01.01.2016-31.12.2016	Approval of 2018 financial statements	Fincantieri Salaries	863,885 <sup>6</sup>	-	437,750 <sup>7</sup>	-	2,021	-	1,303,656	-	-
				Salaries - subsidiaries and affiliated companies	.8	-	-	-	-	-	-	-	-
				Total	863,885	-	437,750	-	2,021	-	1,303,656	-	-

Name and Surname	Role <sup>1</sup>	Office Term	Termination of the Role	Variable Non-equity Salaries							Fair Value payments	End of office indemnity-termination of employment relationship	
				Fixed salaries	Salaries for Committee participation	Bonuses and other incentives	Profit Sharing	Non-monetary benefits	Other salaries	Total			
Figures expressed in EUR													
Simone Anichini	Director/ Chairman AC/ Chairman RC	01.01.2016- 19.05.2016		Fincantieri Salaries	10,327,87 <sup>9</sup>	22,950,82 <sup>10</sup>	-	-	-	-	33,278,69	-	-
				Salaries-subsidiaries and affiliated companies	-	-	-	-	-	-	-	-	-
	Director/ Member of the AC Member of the SC	20.05.2016- 31.12.2016	Approval of 2018 financial statements	Fincantieri Salaries	16,672,13 <sup>11</sup>	22,622,96 <sup>12</sup>	-	-	-	-	39,295,09	-	-
				Salaries-subsidiaries and affiliated companies	-	-	-	-	-	-	-	-	-
	Total				27,000,00	45,573,78	-	-	-	-	72,573,78	-	-
Massimiliano Cesare	Director/ Chairman of the CRC/ Member of the AC	01.01.2016- 19.05.2016		Fincantieri Salaries	10,327,87 <sup>13</sup>	19,125,68 <sup>14</sup>	-	-	-	-	29,453,55	-	-
				Salaries-subsidiaries and affiliated companies	-	-	-	-	-	-	-	-	-
	Director/ Chairman of the CRC/ Member of the SC	20.05.2016- 31.12.2016	Approval of 2018 financial statements	Fincantieri Salaries	16,672,13 <sup>15</sup>	28,278,69 <sup>16</sup>	-	-	-	-	44,950,82	-	-
				Salaries-subsidiaries and affiliated companies	-	-	-	-	-	-	-	-	-
	Total				27,000,00	47,404,37	-	-	-	-	74,404,37	-	-
Anna Molinotti	Director/ Member of the RC	01.01.2016- 21.03.2016	Terminated on 21 March 2016	Fincantieri Salaries	5,901,64 <sup>17</sup>	4,371,58 <sup>18</sup>	-	-	-	-	10,273,22	-	-
				Salaries-subsidiaries and affiliated companies	-	-	-	-	-	-	-	-	-
				Total				5,901,64	4,371,58	-	-	-	-
Leone Pattofatto	Director/ Member of the CRC and the AC	01.01.2016- 19.05.2016	Approval of 2015 financial statements	Fincantieri Salaries	10,327,87 <sup>19</sup>	15,300,54 <sup>20</sup>	-	-	-	-	25,628,41	-	-
				Salaries-subsidiaries and affiliated companies	-	-	-	-	-	-	-	-	-
				Total				10,327,87	15,300,54	-	-	-	-
Paola Santarelli	Director	01.01.2016- 19.05.2016	Approval of 2015 financial statements	Fincantieri Salaries	10,327,87 <sup>21</sup>	-	-	-	-	-	10,327,87	-	-
				Salaries-subsidiaries and affiliated companies	-	-	-	-	-	-	-	-	-
				Total				10,327,87	-	-	-	-	-
Paolo Scudieri	Director/ Member of the CRC and the RC	01.01.2016- 19.05.2016	Approval of 2018 financial statements	Fincantieri Salaries	10,327,87 <sup>22</sup>	15,300,54 <sup>23</sup>	-	-	-	-	25,628,41	-	-
				Salaries-subsidiaries and affiliated companies	-	-	-	-	-	-	-	-	-
				Total				10,327,87	15,300,54	-	-	-	-

Name and Surname	Role <sup>1</sup>	Office Term	Termination of the Role		Fixed salaries	Salaries for Committee participation	Variable Non-equity Salaries			Total	Fair Value payments	End of office indemnity-termination of employment relationship		
							Bonuses and other incentives	Profit Sharing	Non-monetary benefits					
<b>Figures expressed in EUR</b>														
Gianfranco Agostinetti	Director/ Chairman of the SC and Member of the CRC	20.05.2016-31.12.2016	Approval of 2018 financial statements	Fincantieri Salaries	16,672,13 <sup>24</sup>	20,967,21 <sup>25</sup>	-	-	-	-	37,639,34	-	-	
				Salaries- subsidiaries and affiliated companies	-	-	-	-	-	-	-	-	-	-
				Total	16,672,13	20,967,21	-	-	-	-	37,639,34	-	-	
Nicoletta Giadrossi	Director/ Member of the CRC and the SC	20.05.2016-31.12.2016	Approval of 2018 financial statements	Fincantieri Salaries	16,672,13 <sup>26</sup>	21,912,57 <sup>27</sup>	-	-	-	-	38,584,70	-	-	
				Salaries- subsidiaries and affiliated companies	-	-	-	-	-	-	-	-	-	
				Total	16,672,13	21,912,57	-	-	-	-	38,584,70	-	-	
Paola Muratorio	Director/ Chairman of the RC	20.05.2016-31.12.2016	Approval of 2018 financial statements	Fincantieri Salaries	16,672,13 <sup>28</sup>	16,967,21 <sup>29</sup>	-	-	-	-	33,639,34	-	-	
				Salaries- subsidiaries and affiliated companies	-	-	-	-	-	-	-	-	-	
				Total	16,672,13	16,967,21	-	-	-	-	33,639,34	-	-	
Fabrizio Palermo	Director/ Member of the RC, the CRC and the AC	20.05.2016-31.12.2016	Approval of 2018 financial statements	Fincantieri Salaries	16,672,13 <sup>30</sup>	33,934,44 <sup>31</sup>	-	-	-	-	50,606,57	-	-	
				Salaries- subsidiaries and affiliated companies	-	-	-	-	-	-	-	-	-	
				Total	16,672,13	33,934,44	-	-	-	-	50,606,57	-	-	
Donatella Treu	Director/ Chairman of the NC and Member of the RC	20.05.2016-31.12.2016	Approval of 2018 financial statements	Fincantieri Salaries	16,672,13 <sup>32</sup>	28,278,69 <sup>33</sup>	-	-	-	-	44,950,82	-	-	
				Salaries- subsidiaries and affiliated companies	-	-	-	-	-	-	-	-	-	
				Total	16,672,13	28,278,69	-	-	-	-	44,950,82	-	-	
Alberto Maestrini	General Manager	26.09.2016-31.12.2016	-	Fincantieri Salaries	80,464 <sup>34</sup>	-	-35	-	2,221	85,000 <sup>36</sup>	167,685	-	-	
				Salaries- subsidiaries and affiliated companies	-	-	-	-	-	-	-	-	-	
				Total	80,464	-	-	-	2,221	85,000	167,685	-	-	

Name and Surname	Role <sup>1</sup>	Office Term	Termination of the Role	Fixed salaries	Salaries for Committee participation	Variable Non-equity Salaries			Total	Fair Value payments	End of office indemnity-termination of employment relationship		
						Bonuses and other incentives	Profit Sharing	Non-monetary benefits					
Figures expressed in EUR													
Gianluca Ferrero	Chairman of the Board of Statutory Auditors	01.01.2016-31.12.2016	Approval of 2016 financial statements	Fincantieri Salaries	37,000	-	-	-	-	37,000	-	-	
				Salaries - subsidiaries and affiliated companies	-	-	-	-	-	-	-	-	
				Total	37,000	-	-	-	-	37,000	-	-	
Alessandro Michelotti	Regular auditor	01.01.2016-31.12.2016	Approval of 2016 financial statements	Fincantieri Salaries	26,000	-	-	-	-	26,000	-	-	
				Salaries - subsidiaries and affiliated companies	-	-	-	-	-	-	-	-	
				Total	26,000	-	-	-	-	26,000	-	-	
Fioranna Vittoria Negri	Regular auditor	01.01.2016-31.12.2016	Approval of 2016 financial statements	Fincantieri Salaries	26,000	-	-	-	-	26,000	-	-	
				Salaries - subsidiaries and affiliated companies	-	-	-	-	-	-	-	-	
				Total	26,000	-	-	-	-	26,000	-	-	
Key Executives <sup>38</sup>	-	01.01.2016-31.12.2016	-	Fincantieri Salaries	3,606,597 <sup>39</sup>	-	-40	-	259,482 <sup>41</sup>	385,000 <sup>42</sup>	4,251,079	-	-
				Salaries - subsidiaries and affiliated companies	-	-	-	-	-	-	-	-	
				Total	3,606,597	-	-	-	259,482	385,000	4,251,079	-	-

<sup>1</sup> In the tables that follow, the following abbreviations are used to indicate the corporate bodies and roles of/in Fincantieri: CEO (Chief Executive Officer); BoD (Board of Directors); (CRC) Internal Control and Risk Committee; AP (Appointments Committee); RC (Remuneration Committee); SC (Sustainability Committee); BSA (Board of Statutory Auditors); GM (General Manager); KE (Key Executives); ESR (Executives with Strategic Responsibilities).

<sup>2</sup> The Chairman's fixed salary is made up of: EUR 40,000 paid during the 2016 financial year and relating to 2015, as payment for the role of Chairman of the Board of Directors, decided by the Shareholders' Meeting of 27 June 2013 pursuant to Article 2389 (1) Civil Code and (ii) EUR 15,300,55, paid during the 2016 financial year, as salary resolved by the Shareholders' Meeting of 27 June 2013 pursuant to Article 2389 (1) Civil Code for the role of Chairman of the Board of Directors (for the period 1 January- 19 May 2016); and (iii) EUR 72,038,45 as salary resolved by the Board of Directors on 5 May 2014 pursuant to Article 2389 (3) Civil Code, on the proposal of the CR, having consulted the Board of Statutory Auditors, given the broad extent and nature of the specific delegations assigned (for the period 1 January- 19 May 2016).

<sup>3</sup> Relates to the MBO Plan 2015 and paid in 2016, the Board of Directors having established on 11 May 2016, on the proposal of the RC, that the performance objectives assigned had been achieved.

<sup>4</sup> The Chairman's fixed salary is made up of: (i) EUR 24,699,45, as salary, *pro rata*, determined by the Shareholders' Meeting on 19 May 2016 for the role of Chairman of the Board of Directors, pursuant to Article 2389 (1) Civil Code, which amount will be paid in the financial year 2017; and (ii) EUR 155,861, as salary, *pro rata* (for the period 20 May-31 December 2016), resolved by the Board of Directors on 20 July 2016 on the proposal of the RC, having also consulted the Board of Statutory Auditors, pursuant to Article 2389 (3) Civil Code, given the broad extent and nature of the specific delegations assigned.

<sup>5</sup> Having consulted the RC, on 20 July 2016 the Board of Directors resolved to pay a variable short-term bonus (MBO Plan 2016) of EUR 100,000, with an adjustment up to a maximum of EUR 120,000 in the event of over performance; this will be paid during the financial year 2017, once it has been established that the performance objectives assigned have been achieved.

<sup>6</sup> The Chief Executive Officer's remuneration is made up of: (i) EUR 27,000, paid during the 2016 financial year and relating to 2015, as remuneration for the role of member of the Board of Directors, decided by the Shareholders' Meeting on 27 June 2013 pursuant to Article 2389 (1) of the Italian Civil Code and (ii) EUR 836,885, as remuneration, *pro rata*, for the 2016 financial year, resolved by the Board of Directors on 19 December 2014 and 20 July 2016, pursuant to Article 2389 (3) of the Italian Civil Code, on the proposal of the Remuneration Committee and having also consulted the Board of Statutory Auditors, for the role of Chief Executive Officer. The remuneration for the role of member in the Board of Directors decided by the Shareholders' Meeting on 19 May 2016, pursuant to Article 2389 (1) of the Italian Civil Code, is EUR 27,000 and will be paid in 2017. Note that Mr. Bono has resigned as Chairman of both the VARD Group AS and VARD Holdings Limited on 30 September 2016. The VARD remuneration for 2016 (1 January-29 September 2016) for both positions is SGD 243,750 (EUR 163,333) and SGD 150,000 (EUR 100,513) respectively, totalling SGD 393,750 (EUR 263,845 at the average exchange rate for 22 February 2016- SGD/EUR = 0.67008). The amount of SGD 150,000 was paid in 2016 and was transferred by the Chief Executive Officer to Fincantieri in full. The amount of SGD 243,750 will be paid, and transferred, in 2017. Note also that the remuneration referred to above, in this note, and any remuneration in relation to other subsidiaries and affiliated companies are not included in the total of EUR 863,885, having been transferred to Fincantieri.

<sup>7</sup> The amount of EUR 437,750 as "bonuses and other incentives" is made up of: EUR 294,750 relating to the MBO Plan 2015 and paid in 2016, the Board of Directors having established on 11 May 2016, on the proposal of the RC, that the performance objectives assigned had been achieved in part; note that on 20 July 2016, having consulted the RC, the Board of Directors resolved to pay a variable, short-term bonus (MBO Plan 2016) of EUR 570,000, with an adjustment up to a maximum of EUR 617,500 in the event of over performance, which will be paid during the financial year 2017, once it has been established that the performance objectives assigned have been achieved (see table on page 43); and (iii) EUR 143,000 in relation to the allocation of a short-term incentive linked to qualitative parameters, as set out in the Remuneration Policy for 2015. This incentive, which totals EUR 430,000 overall, related to an 18-month period (for the period 1 January 2015 - 30 June 2016) and was paid in the financial year 2016, the Board of Directors having established on 20 July 2016, having consulted the RC, that the specified performance conditions had been met in full. The part of this incentive that relates to 2016 is EUR 143,000 while the part that relates to 2015 is EUR 287,000, as set out in the Company's Remuneration Report for 2015.

<sup>8</sup> Note that the fees relating to roles held in subsidiaries and affiliated companies during 2016 are not included in the salaries received by Mr Bono, as these were transferred to Fincantieri (see note 6).

<sup>9</sup> To be paid, resolved by the Shareholders' Meeting on 28 May 2014, during the course of the 2017 financial year.

<sup>10</sup> Made up as follows: (i) EUR 11,475,41 as salary *pro rata* for the role of Chairman of the AC (for the period 1 January - 19 May 2016) and (ii) EUR 11,475,41 as salary *pro rata* for the role of Chairman of the RC (for the period 1 January - 19 May 2016). To be paid during the course of the financial year 2017.

<sup>11</sup> To be paid, resolved by the Shareholders' Meeting on 19 May 2016, during the course of the 2017 financial year.

<sup>12</sup> Made up as follows: (i) EUR 11,311,48 as salary *pro rata* for the role of member of the AC (for the period 8 June - 31 December 2016) and (ii) EUR 11,311,48 as salary *pro rata* for the role of member of the SC (for the period 8 June - 31 December 2016). To be paid during the course of the financial year 2017.

<sup>13</sup> To be paid, resolved by the Shareholders' Meeting on 28 May 2014, during the course of the 2017 financial year.

<sup>14</sup> Made up as follows: (i) EUR 11,475,41 as salary *pro rata* for the role of Chairman of the CRC (for the period 1 January - 19 May 2016) and (ii) EUR 7,650,27 as salary *pro rata* for the role of member of the AC (for the period 1 January - 19 May 2016) and to be paid during the course of the financial year 2017.

<sup>15</sup> To be paid, resolved by the Shareholders' Meeting on 19 May 2016, during the course of the 2017 financial year.

<sup>16</sup> Made up as follows: (i) EUR 16,967,21 as salary *pro rata* for the role of member of the CRC (for the period 8 June - 31 December 2016) and (ii) EUR 11,311,48 as salary *pro rata* for the role of member of the SC (for the period 8 June - 31 December 2016) and to be paid during the course of the financial year 2017.

<sup>17</sup> Transferred, resolved by the Shareholders' Meeting on 27 June 2013, to Fintecna S.p.A. in 2016.

<sup>18</sup> Salary *pro rata* for the role of member of the RC (for the period 1 January - 20 March 2016) transferred to Fintecna S.p.A. in 2016.

<sup>19</sup> To be paid, resolved by the Shareholders' Meeting on 27 June 2013, during the course of the 2017 financial year.

<sup>20</sup> Made up as follows: (i) EUR 7,650,27 as salary *pro rata* for the role of member of the CRC (for the period 1 January - 19 May 2016) and (ii) EUR 7,650,27 as salary *pro rata* for the role of member of the AC (for the period 1 January - 19 May 2016) and to be paid during the course of the financial year 2017.

<sup>21</sup> Paid, resolved by the Shareholders' Meeting on 28 May 2014, in 2016.

<sup>22</sup> Paid, resolved by the Shareholders' Meeting on 28 May 2014, in 2016.

<sup>23</sup> Made up as follows: (i) EUR 7,650,27 as salary *pro rata* for the role of member of the CRC (for the period 1 January - 19 May 2016) and (ii) EUR 7,650,27 as salary *pro rata* for the role of member of the RC (for the period 1 January - 19 May 2016). Paid in 2016.

<sup>24</sup> To be paid, resolved by the Board of Directors on 19 May 2016, during the course of the financial year 2017.

<sup>25</sup> That amount consists of: (i) EUR 4,000 as remuneration for attendance at meetings of the CCR as a member of the Committee for Operation with Related Parties in the period of 21 June to 31 December 2016; and (ii) EUR 16,967,21 as remuneration, *pro rata*, for the role of Chairman of the CSOST (covering the period from 8 June to 31 December 2016). This amount will be paid during the 2017 financial year.

<sup>26</sup> To be paid, resolved by the Shareholders' Meeting on 19 May 2016, during the course of the 2017 financial year.

<sup>27</sup> Made up as follows: (i) EUR 11,311,48 as salary *pro rata* for the role of member of the CRC (for the period 8 June - 31 December 2016) and (ii) EUR 10,601,09 as salary *pro rata* for the role of member of the SC (for the period 21 June - 31 December 2016) and to be paid during the course of the financial year 2017.

<sup>28</sup> To be paid, resolved by the Shareholders' Meeting on 19 May 2016, during the course of the 2017 financial year.

<sup>29</sup> Salary *pro rata* for the role of Chairman of the RC (for the period 8 June - 31 December 2016) to be paid during the course of the financial year 2017.

<sup>30</sup> To be paid, resolved by the Shareholders' Meeting on 19 May 2016, during the course of the 2017 financial year.

<sup>31</sup> Made up as follows: (i) EUR 11,311,48 as salary *pro rata* for the role of member of the CRC (for the period 8 June - 31 December 2016); (ii) EUR 11,311,48 as salary *pro rata* for the role of member of the AC (for the period 8 June - 31 December 2016); (iii) EUR 11,311,48 as salary *pro rata* for the role of member of the RC (for the period 8 June - 31 December 2016) and to be paid in 2017.

<sup>32</sup> To be paid, resolved by the Shareholders' Meeting on 19 May 2016, during the course of the 2017 financial year.

<sup>33</sup> Made up of (i) EUR 16,967,21 as salary *pro rata* for the role of Chairman of the AC (for the period 8 June - 31 December 2016) and (ii) EUR 11,311,48 as salary *pro rata* for the role of member of the RC (for the period 8 June - 31 December 2016) and to be paid during the course of the financial year 2017.

<sup>34</sup> Paid in 2016 as salary *pro rata* (for the period 26 September - 31 December 2016).

<sup>35</sup> Note that where this period is concerned, the General Manager was allocated a short-term incentive (MBO 2016) in the total *pro rata* amount of EUR 26,652. This amount will be paid, if appropriate, in 2017 and is in any event dependent upon the performance objectives assigned being achieved.

<sup>36</sup> Paid in 2016 as a one-off payment, in line with Section I, paragraph 2.3.2 of this document.

<sup>37</sup> Resolved by the Shareholders' Meeting on 28 May 2014 and to be paid during the course of the financial year 2017.

<sup>38</sup> During the course of 2016, hirings/terminations and arrivals/departures on a managerial level in relation to the various roles for the financial year in question resulted in the overall number of persons totalling 25 (during the year or part thereof), 11 of whom are Executives with Strategic Responsibilities.

<sup>39</sup> Of which EUR 1,566,209 for Executives with Strategic Responsibilities. Note that this amount does not include salaries received by Key Executives for roles held in corporate bodies of the subsidiaries: in line with Group Policy, these salaries are transferred to Fincantieri.

<sup>40</sup> No payment was made in relation to the MBO 2015, as it was established that the access threshold in the form of the EBITDA Margin had not been met. In terms of the MBO Plan 2016, any incentive due will be paid in 2017 and will in any event be subject to an access threshold being exceeded; the access threshold in question is linked to a strategic objective being achieved. For the 2016 financial year, the necessary condition for the payment of the bonus has been identified in the EBITDA Margin target achievement.

<sup>41</sup> Of which EUR 98,515 for Executives with Strategic Responsibilities.

<sup>42</sup> Paid as a one-off payment in line with the provisions of Section I, paragraph 2.3.2 of this document, of which EUR 172,000 to Executives with Strategic Responsibilities.

Table 2

MONETARY INVENTIVE PLANS IN FAVOUR OF THE CHAIRMAN,  
CHIEF EXECUTIVE OFFICER, GENERAL MANAGER AND KEY  
EXECUTIVES/ EXECUTIVES WITH STRATEGIC RESPONSIBILITIES

The remuneration set out in this Table reflect the maximum amount payable; their payment and the relative amount during the 2017 financial year are subject to the assessment of the achievement of the specific objectives by the competent corporate bodies.

Name and Surname	Role	Plan	Bonus for the year (EUR)			Bonus for previous years (EUR)		Other bonuses (EUR)		
			Payable/ Paid	Deferred	Deferment period	No longer payable	Payable/ Paid		Still deferred	
Vincenzo Petrone	Chairman BoD	Fincantieri Salaries	MBO 2015	-	-	-	-	68,000 <sup>43</sup>	-	-
		Salaries-subsidiaries and affiliated companies	-	-	-	-	-	-	-	-
		Total	-	-	-	-	68,000	-	-	
Giampiero Massolo	Chairman BoD	Fincantieri Salaries	MBO 2016	120,000 <sup>44</sup>	-	-	-	-	-	-
		Salaries-subsidiaries and affiliated companies	-	-	-	-	-	-	-	-
		Total	-	120,000	-	-	-	-	-	-
Giuseppe Bono	CEO	Fincantieri Salaries	MBO 2015	-	-	-	-	294,750 <sup>45</sup>	-	-
			MBO 2016	617,500 <sup>46</sup>	-	-	-	-	-	-
			MEDIUM-TERM VARIABLE	143,000 <sup>47</sup>	-	-	-	287,000 <sup>47</sup>	-	-
		Salaries-subsidiaries and affiliated companies	-	-	-	-	-	-	-	-
		Total	-	760,500	-	-	-	581,750	-	-
Alberto Maestrini	General Manager	Fincantieri Salaries	MBO 2016	26,652 <sup>48</sup>	-	-	-	-	-	-
		Salaries-subsidiaries and affiliated companies	-	-	-	-	-	-	-	-
		Total	-	26,652	-	-	-	-	-	-
Key Executives	-	Fincantieri Salaries	MBO 2015	-	-	-	-	- <sup>49</sup>	-	-
			MBO 2016	1,501,136 <sup>50</sup>	-	-	-	-	-	-
		Salaries-subsidiaries and affiliated companies	-	-	-	-	-	-	-	-
		Total	-	1,501,136	-	-	-	-	-	-

<sup>43</sup> Maximum payable for the MBO Plan 2015; where this Plan is concerned, the incentive was paid in 2016.

<sup>44</sup> Short-term variable component for 2016 in the amount of EUR 100,000, with an adjustment up to a maximum of EUR 120,000 in the event of over performance, to be paid, if appropriate, in 2017.

<sup>45</sup> Relates to the MBO Plan 2015 and to the performance objectives having been achieved in part. Where this Plan is concerned, the incentive was paid in 2016.

<sup>46</sup> Short-term variable component for 2016 in the amount of EUR 570,000, with an adjustment up to a maximum of EUR 617,500 in the event of over performance, to be paid, if appropriate, in 2017.

<sup>47</sup> The amount refers to the medium-term variable component relative to 1 year and a half period (1 January 2015 - 30 June 2016). The Board of Directors of 20 July 2016, after receiving the opinion from the Remuneration Committee that verified the full achievement of the performance conditions, approved the payment of the total amount of EUR 430,000 in 2016. The 2016's amounts of EUR 143,000, while the 2015's amount is equal to EUR 287,000, as shown in the Remuneration Report of the Company for the year 2015.

<sup>48</sup> This amount will be paid if appropriate, in 2017 and is in any event dependent upon the performance objectives assigned being achieved.

<sup>49</sup> No payment was made in relation to the MBO 2015, as it was established that the access threshold in the form of the EBITDA Margin had not been met.

<sup>50</sup> Relates to the MBO Plan 2016 and will be paid, if appropriate, in 2017, having established that the performance objectives assigned have been achieved. EUR 745,885 of this amount relates to Executives with Strategic Responsibilities.

## section III

### Information on shareholdings of the members of the Board of Directors and the Board of Statutory Auditors, the General Manager and Executives with Strategic Responsibilities

The following table has been drawn up pursuant to Article 84-*quater*, paragraph 4, of the Issuers' Regulations and Schedule No. 7-*ter* of Annex 3A to the Issuers' Regulations. It sets out (by name) the shareholdings held by members of the Board of Directors and the Board of Statutory Auditors and by the General Manager; it also shows (in aggregate) those held by the Executives with Strategic Responsibilities in Fincantieri and its subsidiaries<sup>51</sup>.

Name and Surname	Role	Office Term	Company in which shareholdings are held	No. of shares held at the end of the financial year 2015	No. of shares acquired	No. of shares sold	No. of shares held at the end of the financial year 2016
Vincenzo Petrone	Chairman BoD	01.01.2016-19.05.2016	-	-	-	-	-
Giampiero Massolo	Chairman BoD	20.05.2016-31.12.2016	-	-	-	-	-
Giuseppe Bono	CEO	01.01.2016-31.12.2016	Fincantieri	84,000	-	-	84,000
Simone Anichini	Director	01.01.2016-31.12.2016	-	-	-	-	-
Massimiliano Cesare	Director	01.01.2016-31.12.2016	-	-	-	-	-
Anna Molinotti	Director	01.01.2016-20.03.2016	-	-	-	-	-
Leone Pattofatto	Director	01.01.2016-19.05.2016	-	-	-	-	-
Paola Santarelli	Director	01.01.2016-19.05.2016	-	-	-	-	-
Paolo Scudieri	Director	01.01.2016-19.05.2016	-	-	-	-	-
Gianfranco Agostinetti	Director	20.05.2016-31.12.2016	-	-	-	-	-
Nicoletta Giadrossi	Director	20.05.2016-31.12.2016	-	-	-	-	-
Paola Muratorio	Director	20.05.2016-31.12.2016	-	-	-	-	-
Fabrizio Palermo	Director	20.05.2016-31.12.2016	Fincantieri	22,000	-	-	22,000
Donatella Treu	Director	20.05.2016-31.12.2016	-	-	-	-	-
Gianluca Ferrero	Chairman of the Board of Statutory Auditors	01.01.2016-31.12.2016	-	-	-	-	-
Alessandro Michelotti	Regular auditor	01.01.2016-31.12.2016	-	-	-	-	-
Fioranna Vittoria Negri	Regular auditor	01.01.2016-31.12.2016	-	-	-	-	-
Alberto Maestrini	General Manager	26.09.2016-31.12.2016	Fincantieri	11,000 <sup>52</sup>	-	-	11,000 <sup>52</sup>
Executives with Strategic Responsibilities	-	01.01.2016-31.12.2016	Fincantieri	88,000 <sup>53</sup>	-	-	61,600 <sup>54</sup>

Table 3A

INCENTIVE PLANS BASED ON FINANCIAL INSTRUMENTS  
OTHER THAN STOCK OPTIONS FOR THE MEMBERS OF THE  
BOARD OF DIRECTORS, THE GENERAL MANAGER AND OTHER  
EXECUTIVES WITH STRATEGIC RESPONSIBILITIES

Name and surname	Role	Plan	Financial instruments assigned in previous financial years and not vested during the course of the financial year		Financial instruments assigned during the course of the financial year				Financial instruments vested during the course of the financial year and not assigned	Financial instruments vested during the course of the financial year and assignable		Financial Instruments relating to the financial year	
			Number and type of financial instruments	Vesting period	Number and type of financial instruments	Fair value on assignment <sup>55</sup>	Vesting period	Date of assignment <sup>56</sup>	Market price upon assignment <sup>57</sup>	Number and type of financial instruments	Number and type of financial instruments	Value on maturity date	Fair value <sup>55</sup>
CEO Remuneration in Fincantieri		10.11.2016 <sup>58</sup>	-	-	2,237,927 shares	N.A.	Less than three years	15.12.2016	0.4245	-	-	-	N.A.
GM Remuneration in Fincantieri		10.11.2016 <sup>58</sup>	-	-	432,988 shares	N.A.	Less than three years	15.12.2016	0.4245	-	-	-	N.A.
KE's + ESR's Remuneration in Fincantieri		10.11.2016 <sup>58</sup>	-	-	2,429,514 shares <sup>59</sup>	N.A.	Less than three years	15.12.2016	0.4245	-	-	-	N.A.
Total			-	-	5,100,429 shares	N.A.	-	-	0.4245	-	-	-	N.A.

<sup>51</sup> The table does not include information in relation to individuals who ceased to hold office before shares in the Company were admitted for trading.

Note that pursuant to Article 84-quarter, paragraph 4, of the Issuers' Regulations, the Remuneration Report sets out "the shareholdings held in listed companies and in companies controlled by the same by members of the management and control boards, general managers and other executives with strategic responsibilities as well as by spouses not legally separated and minor children directly or through subsidiary companies, trust companies or through an intermediary as shown in the shareholders' register, in communications received and other information acquired by the said members of the management and control boards, by general managers and executives with strategic responsibilities".

Pursuant to Schedule No. 7-ter of Annex 3A of the Issuer's Regulations, all those who, during the financial year in question or part thereof, held roles as members of the management and control boards, as general manager or as executives with strategic responsibilities, are included. The rights underlying possession of the shareholding and the rules governing possession of the shareholding are also specified.

<sup>52</sup> Mr. Maestrini's held these shares before being appointed as General Manager for the Company.

<sup>53</sup> That amount does not include the 11.000 shares of the General Manager, because he was included among the Executives with Strategic Responsibilities until September 26, 2016.

<sup>54</sup> The difference in the number of shares held on 31.12.2016 compared to that of 31.12.2015 is due to the alternation of Executives with Strategic Responsibilities during the relevant financial year.

<sup>55</sup> Data not available. In compliance with international accounting principles IFRS 2, the reference date to calculate the fair value is May 19, 2017, i.e. the date of the Shareholders' Meeting called to resolve on the Plan's approval.

<sup>56</sup> The date when the Board of Directors resolved on the number of rights to be assigned to the beneficiaries of the Plan, subject to the condition precedent of the Plan's approval by the General Shareholders' Meeting convened on May 19, 2017 to approve the financial statements as at December 31, 2016.

<sup>57</sup> It is the weighted average market price of the shares in the five trading days preceding the date of the resolution of the Board of Directors held on December, 15, 2016.

<sup>58</sup> Date of the Board of Director's resolution approving the Plan that will be submitted for approval at the Shareholders' Meeting on 19 May 2017 convened for the approval of the financial statements at 31 December 2016.

<sup>59</sup> Of which 1,030,776 assigned to Executives with Strategic Responsibilities.

# **FINCANTIERI**

Parent Company

Registered office Via Genova no. 1, 34121 Trieste, Italy

Tel: +39 040 3193111 Fax: +39 040 3192305

[fincantieri.com](http://fincantieri.com)

Share capital Euro 862,980,725.70

Venezia Giulia Company Registry and Tax No. 00397130584

VAT No. 00629440322



graphic design & photocomposition

Sintesi/HUB - Trieste

printed by

Grafiche Manzanesi - Manzano (UD)

An aerial photograph of a river with white rapids, set against a deep blue background. The water is turbulent and white with foam, contrasting sharply with the surrounding dark blue water. The perspective is from directly above, looking down at the river's course.

**FINCANTIERI**

[fincantieri.com](http://fincantieri.com)