



FINMECCANICA - Società per azioni

Registered office in Rome, Piazza Monte Grappa 4

finmeccanica@pec.finmeccanica.com

Fully paid up registered capital € 2,543,861,738.00

Tax Code & Company Register No. 00401990585

VAT No. 00881841001

Ordinary Shareholders' Meeting 8 and 11 May 2015 (I - II call)

Explanatory reports pursuant to Article 125-ter of Legislative Decree no. 58/98

Agenda

1. Financial Statements at 31 December 2014. Report of the Board of Directors, Report of the Board of Statutory Auditors and Independent Auditors' Report. Resolutions related thereto. Presentation of the Consolidated Financial Statements at 31 December 2014;
2. Appointment of the Board of Statutory Auditors for the three-year period 2015-2017;
3. Appointment of the Chairman of the Board of Statutory Auditors;
4. Determination of the remuneration of the Board of Statutory Auditors;
5. Long-Term Incentive Plan and Coinvestment Plan for the management of Finmeccanica Group; authorisation to purchase and dispose of own shares to be put at the service of the Plans. Resolutions related thereto;
6. Report on Remuneration: resolution pursuant to Article 123-ter, paragraph 6, of Legislative Decree no. 58/98.

Disclaimer

These Reports have 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 Reports and the English version, the Italian version shall prevail, as the Italian version constitutes the official document.

Report of the Board of Directors on item 1 on the agenda

Financial Statements at 31 December 2014; report of the Board of Directors, report of the Board of Statutory Auditors and Independent Auditors' report. Resolutions related thereto.
Presentation of the Consolidated Financial Statements at 31 December 2014

Dear Shareholders,

the 2014 financial statements, which we submit for your approval, close with a loss of Euro 141,327,847.07, that we propose covering through the use of the retained earnings.

In light of the foregoing, we submit the following proposed resolution for your approval:

“The Ordinary Shareholders’ Meeting of “FINMECCANICA - Società per azioni”:

- considering the Report of the Board of Directors;
 - considering the Report of the Board of Statutory Auditors;
 - having examined the financial statements at 31 December 2014;
 - having acknowledged the report of KPMG S.p.A.;
- resolves
- to approve the Directors’ Report on operations and the financial statements at 31 December 2014;
 - to approve the proposal posed by the Board of Directors of covering the 2014 loss of Euro 141,327,847.07 by using the retained earnings.”

Report of the Board of Directors on item 2 on the agenda

Appointment of the Board of Statutory Auditors for the three-year period 2015-2017

Dear Shareholders,

at the Annual Ordinary Meeting convened on 8 May and 11 May 2015, in first and second call respectively, called to approve the Accounts relating to the financial year ended 31 December 2014, the Board of Statutory Auditors of the Company, appointed by the Ordinary Shareholders' Meeting on 16 May 2012 for the three-year period 2012-2014, will expire.

You were therefore convened to an Ordinary Shareholders' Meeting in order to resolve on the appointment of the new Board of Statutory Auditors for the three-year period 2015-2017.

It is recalled that the members of the Board of Statutory Auditors are appointed by the Shareholders' Meeting – pursuant to Article 28.3 of the Articles of Association - according to the mechanism of the “slate vote” and therefore on the basis of lists submitted by Shareholders, in which candidates must be numbered in progressive order.

As for the manner of presentation, filing and publication of the lists prepared by Shareholders, please refer to the provisions of Article 28.3 of the Articles of Association.

In particular, in this respect it is recalled what follows.

The right to submit lists is granted only to those Shareholders who, alone or jointly with other Shareholders, hold at least 1% of the share capital entitled to vote at the Ordinary Shareholders' Meeting.

Each shareholder may submit or participate in the submission of only one list and each candidate may appear on one list only under penalty of ineligibility.

Each list shall be divided into two sub-lists, one for candidates for the position of Statutory Auditor and the other for candidates for the position of Alternate Auditor, within which the candidates should be numbered in sequential order.

At least the first candidate in each sub-list shall be registered in the Register of Auditors and possess at least three years' experience as a statutory account auditor.

Furthermore, in compliance with the regulations in force regarding the gender balance, the lists that, considering both sub-lists, present a number of candidates equal to or greater than three must include, in the sub-list of the Statutory Auditors, candidates of different genders. If the sub-list of Alternate Auditors of such lists shows two candidates, they must belong to different genres.

The lists of candidates, signed by the Shareholder or Shareholders submitting them, must be filed at the registered office of the Company, in the manner provided in the notice convening the Meeting and not later than twenty five days prior to the date of the Meeting on first call (and therefore by 13 April 2015), and shall include the following documentation:

- a) declarations by each candidate accepting their nomination and stating, under their own personal responsibility, that there are no causes of ineligibility and incompatibility, and the possession of the requirements prescribed by law and the Articles of Association. In this regard, in particular, please note that each candidate must possess the independence requirements provided for Auditors in Article 148, paragraph 3 of the Legislative Decree no. 58/98, in addition to the requirements of integrity and professionalism as set out in the Italian Minister of Justice Decree no. 162 of 30 March 2000, pursuant to Article 148, paragraph 4, of the Legislative Decree no. 58/98; each candidate must also declare whether they qualify as independent also according to the criteria laid down, with regard to directors, in Article 3 of the Corporate Governance Code for listed companies;
- b) a "curriculum vitae" containing detailed information on the personal and professional characteristics of each candidate which will be published on the Company's website pursuant to Article 144-octies of the Consob Regulation no. 11971/99;

- c) taking into account the provisions of Article 2400, last paragraph, of the Italian Civil Code a list of the administrative and managerial positions held in other companies by the candidates, with the recommendation to ensure the update until the date on which the Shareholders' Meeting is actually held. In this regard it is recalled that Auditors may not be appointed if they hold the office of Statutory Auditor in five issuers, or hold other administrative or managerial positions in other companies which together exceed the limit set by current legislation (Article 144-terdecies of Consob Regulation no. 11971/99);
- d) a statement of the Shareholder, other than those who hold, even jointly, a controlling or majority interest, certifying the absence of any relationship even indirect with the latter, in compliance with Article 147-ter, paragraph 3, of Legislative Decree no. 58/98 and Article 144-quinquies of Consob Regulation no. 11971/99; with reference to the contents of such statement, Shareholders' attention is drawn on recommendations contained in the Consob Communication no. DEM/9017893 of 26 February 2009.

The ownership of the minimum shareholding for submission of lists is determined considering the shares registered in the name of Shareholders on the day that the lists are filed with the Company. Shareholders must file at the registered office, in the manner provided for the filing of lists, the certification proving ownership of the number of shares represented, even after the filing of the list but in any case by the deadline provided for the publication of the lists by the Company (i.e. by 17 April 2015).

In the event that by 13 April 2015 only one list has been submitted, or lists have been submitted only by shareholders who are connected with each other under the aforementioned Article 144-quinquies, the Company shall promptly give notice thereof in accordance with applicable law. In such event, lists may be submitted within the subsequent three days (i.e. by 16 April 2015), bearing in mind that the minimum shareholding required for submission of lists is reduced by half and will be equal to 0.5% of the share capital with voting rights in the Ordinary Meeting.

With regard to the mechanism for the appointment of auditors elected by "slate vote", please refer to what is stated in the notice convening the Shareholders' Meeting and Article 28.3 of the Articles of Association, which provides *inter alia* as follows:

- each person entitled to vote may vote at the Meeting only one list;
- at least two of the Statutory Auditors and at least one of Alternate Auditors will be chosen from among those registered in the register of auditors and possessing at least three years' experience as a statutory account auditor;
- auditors that do not meet these requirements will be chosen among those who have at least three years' experience in the activities or duties listed in Article 28.1 of the Articles of Association, with reference to matters and sectors that are useful for the activities listed in Article 4 of the Articles of Association (corporate purpose);
- three Statutory Auditors and one Alternate Auditor shall be taken from the list that obtains the majority of votes of Shareholders attending the Meeting;
- two Statutory Auditors and one Alternate Auditor will be taken from the minority lists, in accordance with the provisions of Article 28.3, paragraph 11 letter b), of the Articles of Association.

Finally, please note that, pursuant to Article 28.3bis of the Articles of Association, for the appointment of one or more Statutory Auditor and Alternate Auditor that, for any reason, are not elected with the above procedures, the Shareholders' Meeting shall resolve with the majorities provided by law in compliance with the principle of representation of minorities and the applicable laws on balance between genders.

In relation to the above, we invite you to vote at the Shareholders' Meeting for one of the lists of candidates for the position of Statutory Auditor and for the position of Alternate Auditor, among those submitted, filed and published in accordance with the provisions set out above.

Report of the Board of Directors on item 3 on the agenda

Appointment of Chairman of the Board of Statutory Auditors

Dear Shareholders,

in accordance with Article 148, paragraph 2-bis, of Legislative Decree no. 58/98 and 28.3, paragraph 15, of the Articles of Association - the Chairman of the Board of Statutory Auditors is appointed by the Ordinary Shareholders' Meeting among the Statutory Auditors elected by the minority.

We therefore invite you to vote at the Shareholders' Meeting the appointment of the Chairman of the Board of the Statutory Auditors from among those elected by the minority.

Report of the Board of Directors on item 4 on the agenda

Determination of the remuneration of the Board of Statutory Auditors

Dear Shareholders,

it is recalled that - in accordance with Article 2402 of the Italian Civil Code and Article 28.1 of the Articles of Association - the remuneration of the Statutory Auditors shall be determined by the Ordinary Shareholders' Meeting at the time of their appointment, for the entire term of their office.

It is recalled, in this regard, that the Ordinary Shareholders' Meeting of 16 May 2012 determined the remuneration of the Board of Statutory Auditors about to expire as follows: (a) Euro 52,000.00 gross per year for the Statutory Auditors; (b) Euro 78,000.00 gross per year for the Chairman of the Board of Statutory Auditors.

You are therefore invited to determine the remuneration of the members of the Board of Statutory Auditors on the basis of the proposals that may be submitted by the Shareholders.

Explanatory report of the Board of Directors on item 5 of the agenda

Long-Term Incentive Plan and Coinvestment Plan for the management of Finmeccanica Group; authorisation to purchase and dispose of own shares to be put at the service of the Plans. Resolutions related thereto

Shareholders,

we submit for your approval a proposal for a Long-Term Incentive Plan based in part on financial instruments (hereinafter the “Incentive Plan”) and a Coinvestment Plan for the annual bonus accrued of the Finmeccanica Group based exclusively on financial instruments (hereinafter the “Coinvestment Plan”), both benefiting the Finmeccanica Group management, the outlines of which have been drawn up by the Board of Directors, upon proposal of the Remuneration Committee. The shares serving the two Plans will be acquired by the Company on the open market.

The points of these Plans are described in the Disclosure Documents drawn up by the Company pursuant to Article 84-bis of the Regulation adopted by Consob Regulation no. 11971/99 (“Issuers Regulations”), made available to the public at its headquarters, and on the Company's website www.finmeccanica.com as well as in other ways under the terms of applicable laws.

You are therefore invited to examine the aforesaid Informative Documents.

In order to create the resources necessary to implement the two Plans discussed above, we ask you to authorize the purchase of treasury shares – financed from distributable profit and available reserves as reported in the most recent approved financial statements of the Company – up to a maximum of 5,800,000 ordinary Finmeccanica Shares to be used for the purposes of those Plans for the first implementation period.

At the date of the formulation of this proposal, the share capital of Finmeccanica – Società per azioni was represented by 578,150,395 ordinary shares with a par value of €4.40 each.

The Company currently holds 32,450 treasury shares, equal to 0.005% of share capital. Accordingly, the maximum number of shares to be purchased falls within the limit set by law, without prejudice to the limitations noted above.

The authorization to purchase is requested for a period of eighteen months from the date of the resolution. The Board may carry out purchases in one or more instalments at any time, while we ask that the authorization for the distribution of the shares so purchased or in any event at the Company's disposal last for the length of time necessary to implement the Plans.

The Board proposes that the purchase price of the shares be fixed in the maximum and minimum amounts equal to the reference price observed on the Electronic Stock Market organized and operated by Borsa Italiana S.p.A. on the day prior to the day of the intended purchase, plus or minus 5% for the maximum and minimum price, respectively.

The Board proposes that the purchase of the shares serving the Plans be carried out in an appropriately gradual manner on the open market in accordance with the operating procedures set out in Article 144-bis, paragraph 1, letter b) of the Issuers' Regulation.

The treasury shares allocated to the Plans will be distributed to the beneficiaries within the limits and in accordance with the timetable, procedures and conditions established by the Plans themselves and/or by the associated implementing rules.

In light of the above, we submit the following proposed resolution for your approval:

“The Ordinary Shareholders' meeting of “FINMECCANICA - Società per azioni”:

- having regard to the provisions of Article 114-bis and Article 132 of Legislative Decree 58/98, Articles 2357 of the Italian Civil Code and Article 84-bis of the Issuers' Regulation;
- taking due account of the treasury shares held by the Company,

resolves

- to approve the Long-Term Incentive Plan and the Coinvestment Plan for the management of the Finmeccanica Group, in accordance with the timetable and the conditions discussed in the Disclosure Documents prepared by the Company pursuant to Article 114-bis of Legislative Decree 58/98 and Article 84-bis of the

Consob Regulation 11971/99, granting the Board of Directors all powers necessary for the implementation of the Plans including the power of sub-delegation to the Chief Executive Officer subject to approval or proposal of the Remuneration Committee;

- to authorize, pursuant to and for the purposes of Article 2357 of the Italian Civil Code, the purchase, in one or more instalments for a period of eighteen months as from the date of this resolution, a maximum of 5,800,000 ordinary shares of Finmeccanica - Società per azioni, within the limit of law, taking due account of treasury shares already held, at a maximum and minimum unit price equal to the reference price observed on the Electronic Stock Market organized and operated by Borsa Italiana S.p.A. on the day prior to the day of the intended purchase, plus or minus 5% for the maximum and minimum price, respectively, to be allocated for use in the two Plans;
- to authorize the Board of Directors, and on its behalf the Chief Executive Officer and General Manager, to take steps, on the conditions set out above and in an appropriately gradual manner, to purchase the treasury shares on the open market in accordance with the operating procedures set out in Article 144 bis, paragraph 1, letter b) of Consob Regulation 11971/99;
- to authorize the use, at any time, in whole or in part and in one or more instalments, of the treasury shares already held and those purchased under this resolution, in compliance with the provisions of law, for the purposes of the Plans referred to above in accordance with the timetable, procedures and conditions established in the Disclosure Documents themselves and/or in the associated implementing rules.”

Explanatory report of the Board of Directors on item 6 of the agenda

Report on Remuneration: resolutions pursuant to Article 123-ter, paragraph 6, of Legislative Decree 58/98

Dear Shareholders,

pursuant to Article 123-ter, paragraph 6, of Legislative Decree 58/98 you are called upon to vote, with a non-binding resolution, on the first section of the Report on Remuneration referred to in Article 123-ter, paragraph 3, of Legislative Decree 58/98, subject to publication in accordance with the provisions of law, which discusses the Company's policy on the remuneration of the members of the governing bodies, General Managers and all the Executives with Strategic Responsibilities, as well as the procedures used to adopt and implement that policy.

In view of the foregoing, we submit for approval of the Ordinary Shareholders' Meeting the following proposed non-binding resolution on point 6 of the agenda:

"The Ordinary Shareholders' Meeting of "Finmeccanica – Società per azioni":

- having regard to Articles 123-ter of Legislative Decree 58/98 and 84-quater of Consob Regulation 11971/99;
- having regard to the Report on Remuneration approved by the Board of Directors on 25 March 2015, prepared pursuant to Articles 123-ter of Legislative Decree 58/98 and 84-quater of Consob Regulation 11971/99 and in accordance with the recommendations of the Corporate Governance Code for listed companies, which the Company has adopted, and published within the time limit of 21 days prior to the first call of the Shareholders' meeting to approve the financial statements at 31 December 2014;
- having examined in particular the first section of that Report, which discusses the Company policy concerning the remuneration of the members of the governing bodies, General Managers and all the Executives with Strategic Responsibilities, as well as the procedures used to adopt and implement that policy;
- having regard to the non-binding nature of this resolution, pursuant to Article 123-ter, paragraph 6, of Legislative Decree 58/98;

RESOLVES

to approve the first section of the Report on Remuneration prepared and approved by the Board of Directors pursuant to Articles 123-ter of Legislative Decree 58/98 and 84-quater of Consob Regulation 11971/99.”

For the Board of Directors
The Chairman
(Giovanni De Gennaro)