



**Ordinary Shareholders' Meeting 14 and 16 May 2012 (I - II call)**  
**Extraordinary Shareholders' Meeting 14, 15 and 16 May 2012 (I - II - III call)**

**Ordinary Part**

**Board of Directors' Reports**

**on 1<sup>st</sup>, 2<sup>nd</sup>, 3<sup>rd</sup>, 4<sup>th</sup>, 5<sup>th</sup>, 6<sup>th</sup> and 7<sup>th</sup> items on the Agenda**

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**Report of the Board of Directors on the first item of the agenda of the ordinary part**

**Annual financial statements for the year ending 31 December 2011; reports of the Board of Directors, Board of Statutory Auditors and Independent Auditors; resolutions related thereto.**

Dear Shareholders,

The 2011 annual financial statements, which we submit for your approval, close with a loss of Euro 1,375,550,757.22 that we propose carrying forward. This loss is entirely covered by distributable reserves.

That having been said, we submit for your approval the following

Agenda

“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 2011;
- having acknowledged the report of PricewaterhouseCoopers SpA;

resolves

- to approve the Directors’ Report on operations and the financial statements at 31 December 2011;
- to approve the proposal posed by the Board of Directors of carrying forward the loss of Euro 1,375,550,757.22.

On behalf of the Board of Directors  
The Chairman and Chief Executive Officer  
(Giuseppe Orsi)

**Report of the Board of Directors on the second item of the agenda of the ordinary part**

**Integration of the Board of Directors**

Dear Shareholders,

Following the resignation of Mr. Pier Francesco Guarguaglini from his position as Chairman and Director, with effect from the 1/12/2011, it is now necessary to proceed with his replacement on the Board.

We would like to inform you that the Company's Board of Directors, at its meeting of the 1/12/2011, co-opted Mr. Alessandro Pansa onto the Board until the date of the present meeting, pursuant to Article 2386 of the Italian Civil Code.

We would like to point out that in the event of the replacement of Directors, the Articles of Association down that the Shareholders' Meeting shall decide, subject to the legal majorities and in accordance with the procedures provided for in Article 18.5; however, in the case in hand it will not be possible to elect a candidate from the same list that former Director Mr. Pier Francesco Guarguaglini belonged to, given that said list fails to contain the names of any possible candidates who have not already been elected in the past.

With regard to the foregoing, we would ask you to elect one new member to the Board of Directors, and to this end we propose confirmation of the appointment of Mr. Alessandro Pansa until the end of the current term of the existing Board.

Mr. Alessandro Pansa's *curriculum vitae* can be viewed on the Company's website ([www.finmeccanica.it](http://www.finmeccanica.it)) in the Investor Relations/Corporate Governance section/Corporate Bodies area.

Should the Shareholders wish to propose other candidates, we would like to point out that their names may be submitted directly during the course of the Meeting. With regard thereto, on that occasion:

- a statement must be submitted in which the individual in question accepts his/her candidacy and certifies, under his/her own responsibility, that there are no grounds for his/her ineligibility or incompatibility of offices, and that he/she possesses the due requirements for office as called for by the law in force and by the Articles of Association (including the possible requirement of independence called for by the

said Articles of Association), and in particular meets the requirements of respectability for company directors as set out in Italian Ministry of Justice Decree no. 162 of 30 March 2000, pursuant to Article 147-*quinquies* of Legislative Decree no. 58/1998;

- a *curriculum vitae* must be submitted containing the candidate's personal and professional details, in order to permit the Company to provide the public with the necessary report following said candidate's eventual appointment.

On behalf of the Board of Directors  
The Chairman and Chief Executive Officer  
(Giuseppe Orsi)

**Report of the Board of Directors on the third item of the agenda of the ordinary part**

**Appointment of independent auditors for the period 2012-2020; resolutions related thereto**

Dear Shareholders,

In conjunction with approval of the accounts for the year ending 31 December 2011 of Finmeccanica S.p.a., the appointment of PricewaterhouseCoopers S.p.A. as external auditors of the company's accounts for the period 2006/2011, resolved by the Ordinary Shareholders' Meeting held on 23 May 2006, expires.

With regard thereto, the following is the proposal submitted, pursuant to Article 13, paragraph 1, of Legislative Decree no. 39/2010, by the Board of Statutory Auditors in relation to the assignment to KPMG S.p.A. of the task of carrying out the statutory audit of accounts for the period 2012-2020:

**Proposal by the Board of Statutory Auditors drafted pursuant to Article 13, paragraph 1, of Italian Legislative Decree no. 39 of 27 January 2010**

“Dear Shareholders,

with approval of the accounts for the year ending 31 December 2011 of Finmeccanica S.p.a., the appointment of PricewaterhouseCoopers S.p.A. as external auditors of the company's accounts natural expires.

Said appointment, having run for a total of nine financial years, may not be renewed further under Article 17, paragraph 1, of Legislative Decree no. 39 of 27 January 2010 (hereinafter “Decree 39/2010”), thus making it necessary to assign the mandate of auditing the accounts of Finmeccanica S.p.a. for the period 2012-2020 to another firm of auditors.

To this end, a selection process was conducted, involving the auditors Deloitte & Touche S.p.A., Reconta Ernst & Young S.p.A., and KPMG S.p.A., chosen from among those firms listed in the special CONSOB (Italian National Commission for Companies and the Stock Exchange) Register, pursuant to Article 161 of Legislative Decree no. 58 of February 24, 1998, on the basis of the their presence in Italy and in the main geographical areas in which the Group operates.

Given the complexity of the procedure for the evaluation of bids, the Board of Statutory Auditors of Finmeccanica S.p.a.– the body empowered, pursuant to Article 13, paragraph

1, of Decree 39/2010, to submit the Shareholders' Meeting's relative proposal – was aided in its task by a special internal Evaluation Committee, set up specifically for such purpose, consisting of representatives of the various functions in question (Administration, Finance and Control, Internal Audit, Legal and Corporate Affairs).

In the context of preliminary proceedings, the auditing firms invited to submit bids initially conveyed their agreement to participate in the selection procedure. Subject to receipt of said agreement, these firms were provided, by electronic means, with all the quantitative and organization information needed in order to formulate a bid, together with a draft copy of the master agreement to be signed upon completion of the selection procedure.

The firms of auditors involved were then given the opportunity to send in requests for further written information. In order to provide the participants with the same level of information, all replies were sent out at the same time, in writing, to the three firms of auditors in question.

Once the complete bids had been received, all within the set deadline, the selection process consisted in two separate phases. The first phase focused prevalently on the qualitative aspects of the bids, whilst the second phase concerned the financial aspects thereof. More specifically, during the first phase the following aspects of each firm of auditors were examined:

- Phase 1 (“qualitative evaluation”) with the awarding of a score of up to 60 points:
  - organisation of auditing operations and audit strategy;
  - total number of hours work;
  - proposed professional mix, obtained by means of the weighting of the total number of hours per professional qualification;
  - knowledge of business A&D;
  - auditing of competitors and companies listed in the FTSE MIB 40;
  - presence in Countries in which the Group is also present;
  - composition, location and organisation of internal review teams and technical committees.

The second phase, on the other hand, took a series of more specifically financial aspects into consideration, namely:

- Phase 2 (“quantitative evaluation”) with the awarding of a score of up to 40 points:
  - total fees due during the nine-year period;

- weighted hourly rates per professional qualification;
- pricing of non-standard operations

Upon completion of the evaluation phase, KPMG S.p.A. was the company awarded the highest score both overall and in the two individual phases.

Therefore, at the meeting held on 26 January 2012, the Board of Statutory Auditors, in the light of the qualitative and quantitative evaluations made during the course of the selection procedure, given that the estimated hours and composition of the auditing teams envisaged by KPMG S.p.A. for performance of the various operations are to be deemed suitable, and also given that the requested fees are in line with market prices, and are such as to guarantee the quality and reliability of operations as well as the independence of the auditor, in expressing its appreciation for the work carried out by the Company functions constituting the Evaluation Committee, finally decided that the best bid was that submitted by KPMG S.p.A.

The Board of Statutory Auditors reported to the Board of Directors at the meeting of 26 January 2012, with regard to the execution and results of the selection procedure for the assignment of the statutory auditing of accounts of Finmeccanica S.p.a. for the period 2012-2020.

The bid of KPMG S.p.A. contains a description of the nature of the appointment, together with details of the operations and the respective execution methods to be adopted, with specific reference to the following aspects, for the financial years 2012-2020:

1. object and purpose of the appointment;
2. nature of the appointment;
3. methods to be adopted in carrying out the appointed duties;
4. reports;
5. audit team;
6. independence;
7. report pursuant to Article 13 of Legislative Decree no. 196/03;
8. overview of audit operations
9. details of time scales and fees;
10. auditing of financial statements for the year and the annual reporting package– adopted approach;
11. verification of the due keeping of company accounts and the correct reporting of management-related issues in the accounting records of Finmeccanica S.p.a. – list of the principal verification procedures;

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12. professional profile of Mr. Riccardo Cecchi, member responsible for the appointment as far as regards Finmeccanica S.p.a.

13. other contractual clauses.

The following is a summary of the financial aspects of KPMG S.p.A.'s bid with regard to Finmeccanica S.p.a.

Amounts shown in €

<b>Operations on behalf of Finmeccanica S.p.a</b>	<b>Hours</b>	<b>3-yr. period 2012-2014</b>	<b>3-yr. period 2015- 2017</b>	<b>3-yr. period 2018- 2020</b>	<b>9-yr. period</b>
1) statutory audit of the separate accounts of Finmeccanica S.p.a.	2,702	65,548	59,862	54,245	179,655
2) statutory audit of the consolidated accounts of Finmeccanica S.p.a.	38,658	941,681	857,096	772,402	2,571,179
3) limited audit of the abbreviated six-monthly consolidated financial report of Finmeccanica S.p.a.	14,095	341,908	312,465	283,041	937,414
4) periodical verification of the regular keeping of company accounts	1,444	35,099	31,926	28,970	95,995
<b>Total</b>		<b>1,384,236</b>	<b>1,261,349</b>	<b>1,138,658</b>	<b>3,784,243</b>
<b>Value per year</b>		<b>461,412</b>	<b>420,450</b>	<b>379,553</b>	

These fees are inclusive of all operations required for the execution of the activities, and of fixed-rate costs. Additional costs may only be represented by documented out-of-pocket travelling expenses incurred, should KPMG not possess offices in the various locations where the Group Companies have their own offices, and in any case, they shall not exceed 5% of the fees due for those operations for which travel is necessary.



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Fees may only be reviewed, subject to agreement between the Parties, should exceptional circumstances call for a greater number of hours and/or the different employment of the envisaged professional categories.

The agreed fees shall be revalued each year, as of 1 January 2014, by 75% of the variation in the consumer price index (e.g. the ISTAT index for companies incorporated under Italian law, the CPI for companies incorporated under English law).

The overall bid of KPMG S.p.A. regards not only Finmeccanica S.p.a. but also a further 112 companies that fall within the Group's perimeter, as deduced from the consolidated account at 31 December 2010, and another 22 non-consolidated subsidiaries (\*\*).

The overall bid related to said corporate perimeter may be summarised as follows, with reference to the economic profiles of the companies in question for the 9-year period:

<b>Operations</b>	<b>Hours</b>	<b>Total Fees (amounts in €)</b>
a) statutory audit of the separate accounts of Finmeccanica S.p.a. and of the Group's Companies	323,506	17,972,094
b) statutory audit of the consolidated accounts and reporting package	617,310	39,010,118
c) limited audit of the abbreviated six-monthly consolidated financial report and reporting package	154,664	9,403,077
d) periodical verification of the regular keeping of company accounts	41,657	2,237,572
e) quarterly agreed upon procedures	25,217	1,917,541
f) statutory audit of the Finmeccanica Group's Executive Management Insurance Fund (*)	1,260	83,807
g) statutory audit of non-consolidated subsidiaries and accounting controls (**)	31,614	1,671,484
	1,195,228	72,295,693

(\*) charge payable by the Insurance Fund;

(\*\*) assignment of the statutory audit of non-consolidated subsidiaries and accounting controls, remains the right of the individual Companies, as said assignment is not subject to the nomination of the Group's auditor.

Approval of the present offer shall entail the coming into effect of the appointment of KPMG S.p.A. as auditor, as decided by the Companies in which a stake is held.

Furthermore, a similar bid was called for and obtained with regard to Ansaldo STS S.p.A., a listed subsidiary of Finmeccanica S.p.a., and to the Subsidiaries of Ansaldo STS S.p.A..

Now, therefore, we submit the following proposed resolution for your approval:

*“The Ordinary Shareholders’ Meeting of Finmeccanica S.p.a., in view of the bid submitted by KPMG S.p.A.; having listened to and examined the proposal of the Board of Statutory Auditors, drafted in accordance with Article 13, paragraph 1, of Legislative Decree no. 39 of 27 January 2010; hereby resolves to entrust to the company of auditors KPMG S.p.A. the statutory auditing of accounts of Finmeccanica S.p.a. for the financial years 2012 to 2020, and in particular:*

*auditing of the separate accounts of Finmeccanica S.p.a.;*

*statutory auditing of the consolidated accounts of Finmeccanica S.p.a.;*

*limited auditing of the abbreviated six-monthly consolidated financial report of Finmeccanica S.p.a.;*

*the periodical control of the regular keeping of company accounts;*

*for a total fee of 3,784,243 euro, as per the previous summary table and as specified in detail in the respective bid from KPMG S.p.A..*

Rome, March 27 2012

THE BOARD OF STATUTORY AUDITORS”

Dear Shareholders,

you are invited to approve the proposal for entrusting to the company of auditors KPMG S.p.A. the statutory auditing of the accounts of Finmeccanica S.p.a. for the financial years 2012 to 2020, as formulated by the Board of Statutory Auditors.

On behalf of the Board of Directors  
The Chairman and Chief Executive Officer  
(Giuseppe Orsi)

**Report of the Board of Directors on the fourth item of the agenda of the ordinary part**

**Appointment of the Board of Statutory Auditors for the three-year period 2012-2014**

Dear Shareholders,

the Ordinary Shareholders' Meeting of Your Company, held on 29 April 2009, appointed the Board of Statutory Auditors for the three-year period 2009-2011, which expires with the approval of the Accounts at 31 December 2011.

You are thus convened to an Ordinary Meeting in order to decide on the appointment of the new Board of Statutory Auditors for the three-year period 2012-2014.

We would remind you that the appointment of the Board of Statutory Auditors, composed of five Regular Statutory Auditors and two Alternate Statutory Auditors shall be made in accordance with article 28 of the Articles of Association, to which reference is made.

In accordance with the aforesaid Article, and pursuant to the legal provisions currently in force, the following is hereby specified:

- nomination of members to the Board of Statutory Auditors shall be made by the Shareholders' Meeting on the basis of the lists submitted by the Shareholders, in which the candidates shall be listed in descending numerical order, and the candidates listed shall not exceed the total number of auditors to be appointed;
- each list shall be subdivided into two sections: one for the candidates for the position of Regular auditor, and the other for candidates for the position of Alternate Auditor;
- the first candidate in each section, at the very least, shall be registered in the Register of Statutory Auditors, and shall have performed the job of statutory auditor of the accounts for a period of at least three years;

- candidate lists may be submitted only by those Shareholders who, alone or jointly, at the time the list is submitted, represent at least 1% of the Company's share capital with voting rights at Ordinary Shareholders' Meetings;
- each Shareholder may submit, or contribute towards the submission, of one list only, and each candidate may be nominated in one list only, subject to the penalty of ineligibility;
- the lists of candidates, signed by the Shareholder(s) submitting them, shall be submitted to the registered office of the Company no later than twenty-five days prior to the date of the Meeting on first call (namely 19 April 2012), and shall include the following documentation:
  - a) a declaration by these candidates in which they accept their nomination and attest, under their own personal responsibility, to the absence of any causes of their ineligibility or incompatibility of offices, and that they possess the due requirements for office as called for by the law in force and by the Articles of Association. In this regard it should be noted that each candidate shall possess the independence required of Auditors by Article 148, paragraph 3, of Legislative Decree no. 58/1998, together with the requirements of integrity and professionalism as set out in Italian Ministry of Justice Decree no. 162 of 30 March 2000, pursuant to Article 148, paragraph 4, of Legislative Decree no. 58/1998;
  - b) a "curriculum vitae" containing full details of the personal and professional characteristics of each candidate, which shall be published on the Company's website in accordance with Article 144-*octies* of Consob Regulation no. 11971/1999;
  - c) taking account of the provisions of the final paragraph of Article 2400 of the Italian Civil Code, a list of the administrative and managerial positions held in other companies by the candidates, which must be updated up to the date on which the Shareholders' meeting is actually held. With regard to this, it should be noted that Auditors may not be nominated if they hold the position of Regular Auditor with five issuers, or if they hold other administrative or managerial positions with other companies which together exceed the limit provided for by the respective provisions of the law in force (Article 144-*terdecies*, Consob Regulation no. 11971/1999);

- d) a statement by the Shareholders other than those with a joint controlling or relative majority shareholding, attesting to the absence of relationships, in compliance with Article 144-*quinquies* of Consob Regulation no. 11971/1999; with regard to the contents of the latter statement, provided for by Article 144-*sexies*, paragraph 4, letter b), of the aforesaid Regulation, Shareholders submitting a “minority list” are reminded of the recommendations of Consob Communication no. DEM/9017893 of 26 February 2009;
- in order to prove ownership of the number of shares required to submit lists, Shareholders must submit and/or deliver the certification proving ownership of the required number of shares to the registered office of the Company, also after submission of the list, provided that said certification is submitted by the deadline set for publication, by the Company, of the lists (and thus no later than 23 April 2012). Ownership of the minimum shareholding necessary for submission of the lists, is determined having regard to the shares registered in the Shareholders’ names on the date in which the lists are submitted;
  - in the event that by 19 April 2012, only one list has been submitted, or lists have only been submitted by Shareholders who are related under the aforementioned Article 144-*quinquies* of Consob Regulation no. 11971/1999, then the Company shall promptly give notice thereof in accordance with the law in force. In such event, lists may be submitted during the subsequent three days (that is, no later than 22 April 2012, deemed extended to 23 April 2012, as the first subsequent business day), bearing in mind that the required minimum shareholding for the submission of lists is reduced by half.

If, for whatever reason, the nomination of one or more Regular and Alternate Statutory Auditors cannot be performed in compliance with the provisions regarding the list vote procedure, the Shareholders’ Meeting shall decide on the basis of the principle of representation of minority interests.

As regards the mechanism for the nomination of Auditors elected by list vote, Article 28 of the Articles of Association also establishes the following:

- each person entitled to vote may vote for one list only at the Shareholders’ Meeting;
- at least two of the Regular Statutory Auditors, and at least one of the Alternate Statutory Auditors, shall be selected from those registered in the register of

statutory auditors with at least three years' experience of the statutory auditing of accounts;

- those Auditors who do not satisfy the aforesaid requirements shall be chosen from among those with at least three years' experience of those activities or functions listed in Article 28.1 of the Articles of Association, with regard to subjects and sectors in any case pertinent to the exercise of those activities listed in Article 4 of the Articles of Association (Purpose of the Company);
- three Regular Statutory Auditor and one Alternate Auditor shall be taken from the list that has obtained the majority of votes cast by the Shareholders attending the Shareholders' Meeting;
- two Regular Statutory Auditor and one Alternate Auditor shall be taken from the minority lists, according to the methods provided for by Article 28.3, paragraph 11, letter b) of the Articles of Association;
- the Chairman of the Board of Statutory Auditors shall be chosen by the Shareholders' Meeting from among the Auditors elected by the minority pursuant to Article 148, paragraph 2-bis of Legislative Decree no. 58/1998, and to Article 28.3, penultimate paragraph, of the Articles of Association.

With regard to the foregoing, the Shareholders are invited to vote, at the Shareholders' Meeting, for one of the lists of candidates for the position of Regular Auditor and for the position of Alternate Auditor, from among those submitted, filed and published in compliance with the aforementioned provisions.

On behalf of the Board of Directors  
The Chairman and Chief Executive Officer  
(Giuseppe Orsi)

**Report of the Board of Directors on the fifth item of the agenda of the ordinary part**

**Appointment of the Chairman of the Board of Statutory Auditors**

Dear Shareholders,

Article 28.3, penultimate paragraph, of the Articles of Association, and Article 148, paragraph 2-bis, of Legislative Decree no. 58/1998, lay down that the Chairman of the Board of Statutory Auditors shall be appointed by the Shareholders' Meeting from among the Statutory Auditors elected by the minority.

With regard to the above, the Shareholders are invited to vote, at the Shareholders' Meeting, for the Chairman of the Board of Statutory Auditors from among those Statutory Auditors elected by the minority.

On behalf of the Board of Directors  
The Chairman and Chief Executive Officer  
(Giuseppe Orsi)

**Report of the Board of Directors on the sixth item of the agenda of the ordinary part**

**Determination of the remuneration of the Board of Statutory Auditors**

Dear Shareholders,

Article 28.1 of the Articles of Association entrusts the determination of the remuneration of the Board of Statutory Auditors' members to the Shareholders' Meeting.

With regard to this point, it should be noted that the Ordinary Shareholders' Meeting of 29 April 2009, determined the remuneration of the members of the outgoing Board of Statutory auditors as follows: (a) € 52,000 before tax per year for Regular Statutory Auditor; (b) € 78,000 before tax per year for the Chairman of the Board of Statutory Auditors.

With regard to the above, the Shareholders' Meeting is invited to determine – on the basis of any proposals submitted by the Shareholders during the course of the Shareholders' Meeting itself – the remuneration to be paid to the chairman and the other members of the Board of Statutory Auditors.

On behalf of the Board of Directors  
The Chairman and Chief Executive Officer  
(Giuseppe Orsi)



**Report of the Board of Directors on item seven on the agenda for the ordinary session of the Shareholders' Meeting**

**Report on Remuneration: resolution pursuant to Article 123-ter, paragraph 6, of Italian Legislative Decree 58/98.**

The Board of Directors' Proposal to the Shareholders' Meeting is set out at the foot of the first section of the Report on Remuneration.