

Remuneration  
Report  
2016





Drafted pursuant to art. 123-ter of Legislative Decree no. 58 of 24 February 1998 (Consolidated Law on Financial Intermediation - TUF) and pursuant to article 84-quater of CONSOB Resolution no. 11971 of 14 May 1999 (Issuers' Regulation)

*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.*



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## INTRODUCTION

This Report has been prepared in compliance with the regulatory provisions in force and in line with the Corporate Governance Code for Listed Companies.

In fact the Company's Board of Directors' Resolution of 16 March 2016 approved the Remuneration Report pursuant to Article 123-ter of the TUF, which illustrates, among other things, the policy adopted with regard to the remuneration of members of the Governing Bodies, of General Managers and all Executives with Strategic Responsibilities, also in accordance with the recommendations expressed by the Corporate Governance Code, which the Company complies with.

The initial Section of the document illustrates the remuneration policy adopted as of the 2016 financial year, setting out the criteria and guidelines that the Company has adopted in relation to the remuneration of its Governing Bodies' members, its General Manager and all Executives with Strategic Responsibilities. Said Section is subject to the non-binding resolution of the Shareholders' Meeting, pursuant to Article 123-ter, paragraph 6, of the TUF.

The second Section analyses and details the fees actually paid to, or in any case assigned to, members of governing and control bodies, as well as to General Managers and Executives with Strategic Responsibilities, during the course of 2015.

The remuneration policy set out in this Report has been adopted by the Company, as provided for by Consob Regulation no. 17221/2010 with regard to related-party transactions, also in accordance with and for the purposes of Article 11.2(b) of the Procedure for Related Parties Transactions approved by the Board of Directors on 26 November 2010 and subsequently updated on 13 December 2011, on 19 December 2013 and on 22 December 2015 (with effect from 1 January 2016).

This document is available at the Company's registered office and on its website ([www.finmeccanica.com](http://www.finmeccanica.com), Corporate Governance section, Remuneration area).

## SUMMARY

(ESR =Executives with Strategic Responsibilities)

2016 REMUNERATION POLICY			
COMPONENT	PURPOSES AND BASIC FEATURES	DETERMINATION CRITERIA AND PERFORMANCE CONDITIONS	AMOUNTS AND PAYOUT
<b>FIXED REMUNERATION</b>	It is an adequate return for services rendered and is proportionate to the duties and responsibilities assigned, with the purpose of retaining talented resources for the performance of the specific duties awarded to them.	It is determined with reference to pay market benchmarks and periodically reviewed, also in relation to the pay-mix policies adopted from time to time.  <b>CHAIRMAN'S PAY-MIX =</b> 100% Fixed remuneration  <b>CEO/GM'S PAY-MIX =</b> 42% Fixed remuneration; 58% Variable remuneration (of which 30% short-term variable remuneration and 28% medium/long-term variable remuneration)  <b>ESR' AND OTHER MANAGERIAL RESOURCES' PAY-MIX</b> ESR and other top managers = Fixed between 30% and 45%; Variable between 70% and 55% Key Executives = Fixed between 45% and 60%; Variable between 55% and 40% Other managerial resources = Fixed between 60% and 85%; Variable between 40% and 15%	<b>CHAIRMAN</b> = gross remuneration of € 148,000 p.a. (in addition to gross fees of € 90,000 p.a. set by the Shareholders' Meeting).  <b>CEO/GM</b> = gross remuneration of € 920,000 p.a. (in addition to gross fees of € 80,000 p.a. set by the Shareholders' Meeting).  <b>ESR AND OTHER MANAGERIAL RESOURCES</b> = remuneration set in relation to the responsibility of the person concerned and the target market positioning, included between lowest quartile and median quartile.
<b>SHORT-TERM VARIABLE REMUNERATION: FINMECCANICA GROUP MBO SYSTEM AND CO-INVESTMENT PLAN 2016 - 2018</b>	<b>MBO SYSTEM</b> It is an incentive to achieve the annual objectives set in the Company's budget.  Financial and role-specific objectives are set in relation to the responsibility in the Company's organisation.  A maximum payout cap is applied to all the participants in the MBO system, to an extent that varies from 20% to 70% of fixed remuneration, in relation to the responsibility in the Company's organisation.  A "performance gate" is provided which is linked to the business' overall profitability ratios.  A <b>claw-back</b> clause is provided for all the variable incentives (short term and medium/long term), under such clause the Company will be entitled to request repayment of the variable remuneration paid out vis-à-vis such incentives in the event that the payout was awarded on the basis of data which is afterwards proved to be incorrect or misstated.  <b>CO-INVESTMENT PLAN</b> This consists in voluntarily deferring the payment of a portion of the annual bonus earned from a minimum of 25% up to a maximum percentage of 100%. The deferred portion of bonus is converted into ordinary Finmeccanica shares that will remain restricted throughout the three-year period. At the end of the vesting period, provided that the performance threshold set in the MBO scheme has been achieved (the "performance gate"), bonus shares ("matching shares") are to be assigned in the proportion of 1 free share for each 3 shares held.	<b>CEO/GM OBJECTIVES</b> PAYOUT THRESHOLD: second phase of the implementation of the Divisionalisation process. The achievement of the objective will be measured by means of KPIs identified by the Board of Directors, referred to: - development of the divisional organisation and of the system of internal procedures by September 2016; - succession plans for positions reporting directly to the CEO/GM by December 2016; - structuring of a specific Incentive Scheme aimed at rewarding the acquisition of major orders for the business.  The achievement of the threshold provides access to the MBO plan, structured as follows: 1) Group EBITA (35% weight) 2) Group FOCF (35% weight) 3) Group Order Intake (consistently with the related margin) (30% weight)  <b>ESR' S OBJECTIVES</b> 1) Group or Division EBITA 2) Group or OldCompany FOCF 3) Group or Division Working Capital 4) Group SG&A expenses 5) Division Order Intake  <b>OTHER MANAGERIAL RESOURCES' OBJECTIVES</b> These are assigned in relation to the person's responsibility in the organisation among the following objectives: 1) EBITA 2) FOCF 3) Working Capital 4) Order Intake with related margin 5) SG&A expenses 6) Effectiveness Objectives 7) Efficiency Objectives 8) When there are no profit or operational measurements, other quantitative objectives will be assigned in connection with the individual's area of activity and specific objectively measurable tasks.	<b>CEO/GM'S PAYOUT AND PERFORMANCE CURVE</b> Failure to achieve the PAYOUT THRESHOLD: no payout BELOW ENTRY LEVEL: no payout ENTRY LEVEL: 43% of Gross Annual Remuneration (€ 396,000) AVERAGE: 57% of Gross Annual Remuneration (€ 528,000) MAX: 72% of Gross Annual Remuneration (€ 660,000) ABOVE MAX: no additional payout  <b>ESR'S AND OTHER MANAGERIAL RESOURCES' PAYOUT</b> "CAP" on the maximum payout included between 20% and 70% of the base pay in relation to the responsibility of the person concerned.  <b>ESR'S AND OTHER MANAGERIAL RESOURCES' PERFORMANCE CURVE</b> BELOW ENTRY LEVEL: no payout ENTRY LEVEL: 60% of maximum payout AVERAGE: 80% of maximum payout MAX: 100% of maximum payout ABOVE MAX: no additional payout  Payouts payable for performance results between the set entry level, medium and maximum targets will be calculated under the linear interpolation method.



## SUMMARY

(ESR =Executives with Strategic Responsibilities)

### 2016 REMUNERATION POLICY

COMPONENT	PURPOSES AND BASIC FEATURES	DETERMINATION CRITERIA AND PERFORMANCE CONDITIONS	AMOUNTS AND PAYOUT
<b>MEDIUM/LONG-TERM VARIABLE REMUNERATION: INCENTIVE PLAN</b>	<p><b>PURPOSES</b></p> <p>Focusing the key managerial positions on the achievement of the objectives under the 2015-2019 Industrial Plan.</p> <p>Creating the conditions for increasing the convergence of the interests of management and those of shareholders.</p> <p>Bringing the system more in line with the practices of the sector peers and, more generally, with the practices adopted by the major European listed companies.</p> <p>Fulfilling the investors' expectations regarding management remuneration.</p> <p><b>VESTING</b></p> <p>The system consists of recurring three-year cycles which will commence from each of the years 2015, 2016 and 2017. The incentive is conditional upon the achievement of targets over a three-year term. The achievement of the targets to which the incentive is linked will be verified at the end of each three-year period.</p> <p><b>LOCK-UP</b></p> <p>Once the three-year vesting period is elapsed, the plan provides for a one-year lock-up period for the Company's Top Management. 50% of the shares will not be transferable during this period.</p>	<p>1) Relative Finmeccanica <b>Total Shareholder Return</b> (TSR) compared to the TSR of a peer group - weight of 50% of total incentive</p> <p>2) Group <b>Return on Sales</b> (ROS) - weight of 25% of the total incentive</p> <p>3) Group <b>Net Debt</b> (NFP) - weight of 25% of total incentive</p> <p>The TSR performance will be measured on the basis of Finmeccanica's positioning compared to the peer group:</p> <ul style="list-style-type: none"> <li>- equal or greater than the TSR of the companies occupying the top four positions in the ranking: 100% of bonus</li> <li>- lower than the TSR of the company occupying the fourth place in the ranking and equal or greater than the TSR of the company occupying the sixth place in the ranking: 50% of bonus</li> <li>- lower than the TSR of the company occupying the sixth place in the ranking and equal or greater than the TSR of the company occupying the eighth place in the ranking: 25% of bonus</li> <li>- lower than the TSR of the company occupying the eighth place in the ranking: no payout</li> </ul> <p>A minimum result target is set for Return on Sales and Net Debt, which earns a 50% portion of the bonus, and a maximum result target, which earns the entire bonus. Intermediate results give bonuses calculated proportionately.</p>	<p>The incentive is structured into a monetary component and a component expressed in ordinary Finmeccanica shares, based on a different proportion between cash and shares according to the managerial positions involved:</p> <p><b>Category A:</b> 100% in shares  <b>Category B:</b> 70% in shares and 30% in cash  <b>Category C:</b> 70% in cash and 30% in shares</p> <p><b>PAYOUT TO CEO/GM</b></p> <p>Three-year allocation for the second 2016-2018 Plan cycle of 58,505 shares (obtained by dividing the maximum payout of € 724,000 by the price of € 12.3751 taken as a reference for the determination of incentives in the first phase of implementation of the Plan).</p> <p><b>PAYOUT TO ESR</b></p> <p>Three-year allocation for the second 2016-2018 Plan cycle of a number of shares equal to 140% of the gross annual remuneration (calculated taking as a reference the unit price of € 12.3751 per share used for the determination of the incentives in the first phase of implementation of the Plan).</p>
<b>BENEFITS</b>	<p>Benefits are granted consistently with the total reward policies applied at the Finmeccanica Group level.</p>	<p>Benefits are defined in accordance with provisions of law, collective bargaining agreements and any other applicable union agreements.</p>	<p><b>CEO/GM</b></p> <ul style="list-style-type: none"> <li>- Supplementary Pension Benefits and Supplemental Health Insurance with the respective funds envisaged in the National Collective Bargaining Agreement</li> <li>- Insurance Covers</li> <li>- Company Car</li> </ul> <p><b>ESR</b></p> <p>The benefits that can be assigned include:</p> <ul style="list-style-type: none"> <li>- Supplementary pension benefits with Previdai, the national pension fund for managers of industrial companies</li> <li>- Supplementary health insurance benefits in addition to or in place of the benefits under the supplementary healthcare fund for managers of industrial companies (FASI)</li> <li>- Insurance Covers</li> <li>- Company Car</li> <li>- Accommodation</li> </ul>
<b>PAY IN THE EVENT OF TERMINATION OF OFFICE OR EMPLOYMENT</b>	<p>Retention purposes connected with the role in line with long-term strategies, values and interests set by the Board of Directors.</p>	<p>They are set in relation to added value with respect to business development and maintenance, as well as to the extension of non-competition obligations (if any).</p>	<p><b>CHAIRMAN</b></p> <p>No severance pay.</p> <p><b>CEO/GM</b></p> <p>Upon termination of executive employment contract = 3 years pay + allowances as provided for by the National Collective Bargaining Agreement.</p> <p><b>ESR</b></p> <p>Allowances under the National Collective Bargaining Agreement, plus severance payment defined on an individual basis (if any) - within the limit of a maximum of 2 years pay.</p>









**SECTION I**  
**REMUNERATION POLICY 2016**



## 1. BODIES AND PERSONS INVOLVED IN THE PREPARATION, APPROVAL AND IMPLEMENTATION OF THE REMUNERATION POLICY

With regard to the governance of the remuneration systems, the following is a more detailed description of the related management activities and the respective responsibilities, divided according to the role played by each body involved in the formulation and approval of the remuneration policy regarding the members of the Company's Governing Bodies, the General Managers and all Executives with Strategic Responsibilities.

### A) Shareholders' Meeting

On remuneration matters, the Shareholders' Meeting:

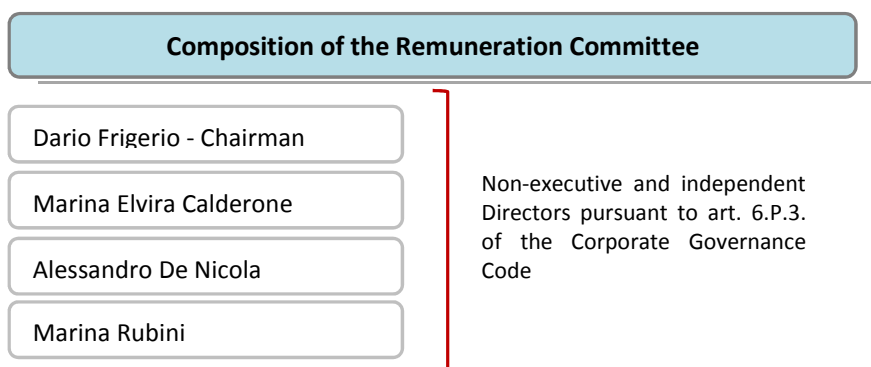
- determines the fees payable to the members of the Board of Directors and of the Board of Statutory Auditors;
- resolves on any remuneration plans based on financial instruments assigned to Directors, General Managers, employees, consultants or other Executives with Strategic Responsibilities, pursuant to Article 114-bis of the TUF.

### B) Board of Directors

- has set up an internal Remuneration Committee, the composition and functions of which are fully described in section C) below;
- sets, on the proposal of the Remuneration Committee, the remuneration of those Directors with delegated powers granted by the Company and of any other Director vested with specific functions following the opinion of the Board of Statutory Auditors;
- defines the Company's policy in relation to the remuneration of Directors, General Managers and Executives with Strategic Responsibilities, in compliance with the legal provisions in force and with the Corporate Governance Code for Listed Companies;
- approves this Remuneration Report and submits it to the Shareholders' Meeting pursuant to, and within the limits set out in, Article 123-ter, paragraph 6, of the TUF;
- approves, upon proposal from the Remuneration Committee, potential incentive plans based on the allotment of shares or other financial instruments, and submits said plans to the Shareholders' Meeting for its approval;
- implements the aforesaid incentive plans based on shares or other financial instruments, with the support of the Remuneration Committee, in accordance with the authorization of the Shareholders' Meeting.

### C) Remuneration Committee

The Board of Directors has set up its own internal Remuneration Committee, composed of the following members:





The Committee meets periodically to carry out its functions and duties, and its meetings are considered valid if at least a majority of its members attend. The Chairman of the Committee calls and chairs meetings. The Board of Directors has assigned to the Committee the resources required to carry out its research and investigations. The Committee obtains access to information and to Company structures as necessary for it to perform its task, and, through Company channels, consults external advisors in order to ensure independence of judgment. The Committee's meetings are attended by the Executive Vice President Human Resources and Organization and may be attended, on the invitation of the Committee through the Chairman and in relation to the issues being discussed, by other persons, including non-executive members of the Board of Directors and any employee working for the Company or Group Companies, as well as the Chairman of the Board of Statutory Auditors or any other Statutory Auditor appointed by the latter. No Director participates in the Committee's meetings in which proposals are put forward to the Board in relation to his/her own remuneration.

The Remuneration Committee is responsible for taking action:

- to submit proposals to the Board of Directors concerning the definition of the Company's remuneration policy of Directors, General Managers and Executives with Strategic Responsibilities, in compliance with the legal provisions in force and with the Corporate Governance Code for Listed Companies;
- to put forward proposals to the Board of Directors for related resolutions in implementation of the remuneration policy established by the same, with reference to:
  - the remuneration and regulatory treatment of Directors with delegated powers and of all Directors vested with specific functions (following the opinion of the Board of Statutory Auditors, when required by Article 2389 of the Italian Civil Code);
  - the Company's remuneration policy for Executive Directors, General Managers and Executives with Strategic Responsibilities, in compliance with the legal provisions in force and with the Corporate Governance Code for listed companies;
  - the performance targets related to the variable element of the remuneration of Directors with delegated powers and of any other Director vested with specific functions, monitoring the implementation of the decisions adopted and verifying, in particular, their actual achievement;
- to support the Company in defining the best policies for the management of the Group executives as well as the development plans and systems for the Group's key personnel;
- to draw up compensation plans based on the allotment of shares or of options for the purchase of the Company's shares in favour of Directors, General Managers and Executives of the Company and of the Group companies, to be submitted to the Board for its approval and then to the Shareholders' Meeting for its approval pursuant to the legal provisions, while also defining the implementing provisions;
- to periodically evaluate the adequacy, overall consistency and actual implementation of the policy for the remuneration of Directors, General Managers and Executives with Strategic Responsibilities;
- to report to the Board of Directors, at least on a six-month basis, about the activity carried out.



The Committee's operations are governed by special Regulations, which acknowledge the principles and implementation criteria recommended by the Corporate Governance Code.

With specific reference to the remuneration policy outlined in this Report, the Remuneration Committee has defined the principles and practical methodology of application of the policy and has submitted them to the Board of Directors, which, having examined the policy, then submits it to the Shareholders' Meeting for a non-binding resolution, pursuant to Article 123-ter, paragraph 6, of the TUF.

The policy proposed by the Remuneration Committee was approved by the Board of Directors at its meeting held on 16 March 2016.

#### **D) Board of Statutory Auditors**

On remuneration matters, the Board of Statutory Auditors, which regularly participates in the Remuneration Committee's meetings through the Chairman or a regular Auditor specified by the same, expresses the opinions required by the regulations in force, with particular reference to the remuneration of those Directors vested with specific functions pursuant to Article 2389 of the Italian Civil Code, and it also verifies that said remuneration is in line with the general policy adopted by the Company.

#### **E) Independent Experts**

In the course of 2015 the "Human Resources and Organisation" Organisational Unit made use, as external independent experts, of *Korn Ferry - HayGroup* for activities concerning remuneration, and *Egon Zehnder International* for individual appraisal activities involving the Group's management and talents.



## 2. AIMS AND PRINCIPLES OF THE REMUNERATION POLICY

The Remuneration Policy sets out the principles and guidelines to determine the remuneration of the members of the Board of Directors, as well as the specific criteria through which the remuneration of the Group's management is established, in accordance with the Governance model adopted by the Company and the recommendations laid down in the Corporate Governance Code.

The policy is designed to attract and motivate human resources who have the professional qualities required to carry out their duties and fulfil their responsibilities by performing excellently, and matching the interests of the management with the pursuit of the priority objective of creating shareholder value in the medium/long-term through:

- an appropriate balance between the variable element of remuneration and the fixed element, as well as setting a balance between short-term and medium/long-term incentives, in order to ensure the sustainability of the policy itself in the long term;
- an efficient alignment of the remuneration and incentive system with the pursuit of the Company's long-term interests, by ensuring that the variable element of remuneration is connected to actual results, through the introduction of not only a direct link between performance and remuneration but also by paying particular attention to the objectivity and measurability of the performance conditions which the remuneration is subject to, and to the indicators used to measure the remuneration, without prejudice to the existence of an upper limit on incentives.

		OBJECTIVES		
		ATTRACT / RETAIN KEY PERFORMERS	REWARD SHORT-TERM PERFORMANCES	REWARD LONG-TERM PERFORMANCES
Fixed Remuneration	The fixed remuneration must adequately remunerate the individuals performances and is proportioned to the assigned duties and responsibilities	✓		
Short Term Variable Remuneration	The aim of the short-term variable component is to encourage the achievement of the annual objectives laid down in the Company's budget and in line with the industrial plan for the relevant year	✓	✓	
Medium/Long Term Variable Remuneration	This schemes are aimed at achieving the medium and long-term objectives set out in the Group's Industrial Plan, as well as the need to ensure alignment of the management's remuneration with the creation of shareholder value.	✓	✓	✓

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The Industrial Plan approved on 27 January 2015 laid down the outlines of a new Finmeccanica, by conducting an in-depth analysis of its competitive position in the individual sectors and in the various business segments.

The 2015-2019 Industrial Plan redefined the product portfolio and outlined the processes of reorganisation and development necessary to guarantee the Group's competitiveness in international markets and create shareholder value. It was also decided to adopt a new organisational and operational model according to which



Finmeccanica would concentrate all the activities it had previously carried out through its direct subsidiaries in the sectors of Helicopters, Aeronautics, Electronics, Defence and Security Systems. The activities related to the space and missile sector will remain within the subsidiaries on the basis of agreements with other partners with which Finmeccanica shares ownership and management.

The new organisation was implemented during 2015, through the appropriate corporate transactions and became fully effective on 1 January 2016. Consequently, since then, Finmeccanica no longer operates as a holding company, but it has become a single company (the “One Company”) which concentrates on its core business in the Aerospace, Defence and Security sectors, working through Divisions headed by an executive with powers of representation and authority to manage the Division’s activities granted by the Chief Executive Officer and General Manager, to whom Division Managing Directors report directly. The remuneration policy has been reviewed in the light of the aforesaid reorganisation, the principles of which described herein have been set out in relation to the present organisational structure of Finmeccanica. The latter will conduct ongoing monitoring of their application in terms of pay levels and the combination of fixed and variable remuneration components, with regard to a gradual implementation of the “One Company”.

## REFERENCE TO MARKET REMUNERATION POLICIES

The remuneration policy is determined following a thorough analysis of the remuneration systems and best practices both at national and international level, also in relation to aggregate external benchmarks, with reference to a panel of large Italian industrial groups listed on the FTSE MIB 40 Italia index, as well as to international listed companies operating in the Sectors of Defence, Industrial Engineering, Technology Hardware and Equipment.

## REMUNERATION POLICY PRINCIPLES AND INSTRUMENTS

The remuneration policy of Executive Directors, General Managers and of all Executives with Strategic Responsibilities<sup>1</sup> has been formulated according to the principles that are described below:

### **Fixed Remuneration**

The fixed element of remuneration is such that it adequately remunerates the services provided by the members of the Governing Bodies, the General Managers and by the Executives with Strategic Responsibilities and is proportioned to the assigned duties and responsibilities.

For those Directors not entrusted with specific duties, the remuneration consists exclusively of

<sup>1</sup> Pursuant to the “Procedure for Related Parties Transactions”, which was approved by the Board of Directors on 26 November 2010 and subsequently updated on 13 December 2011, on 19 December 2013 and on 22 December 2015, the concept of “Executive with Strategic Responsibilities” of Finmeccanica includes the members of the Board of Directors, the Regular Statutory Auditors and any persons who hold the position of General Manager of the Company, the Officer in charge of the Company’s financial reporting, pursuant to article 154-bis of the Consolidated Law on Financial Intermediation, as well as (from 1 January 2016) the Division Managing Directors, pursuant to article 154-bis of the Consolidated Law on Financial Intermediation.



a fixed element, to be determined by the Shareholders' Meeting, and it is in no way linked to the achievement of performance targets.

For Executive Directors, General Managers and Executives with Strategic Responsibilities, the remuneration is composed of a fixed element and a variable element.

In principle, the fixed element of remuneration is set at a level that sufficiently compensates the performance of the Director, the General Manager or Executives with Strategic Responsibilities in the event that the variable element is not paid out, due to the failure to achieve the underlying performance targets.

In any case, the fixed element of remuneration is determined by taking into account the scope and nature of the specific powers assigned to the individuals, also on the basis of external benchmarks, at national and international level.

Within the fixed elements of remuneration non-cash benefits are provided, also for Executive Directors, General Managers and Executives with Strategic Responsibilities, in line with the Company's policies, guaranteeing equitable treatment in relation to internal practices, and, at the same time, adequate levels of competitiveness against the market. Such rewards and benefits may include insurance provisions, welfare or pension benefits, and other forms of company benefits.

**Variable  
Remuneration**

Similarly, the variable element of remuneration, provided for Executive Directors, General Managers and Executives with Strategic Responsibilities, is determined by taking into account the scope and nature of the specific powers assigned to the individuals, as well as in relation to external benchmarks that are defined also on the basis of the practices in place at comparable companies at national and international level.

Specifically, in order to reduce any excessively risky forms of behaviour and to encourage behaviours leading to sustainable results and the creation of value for shareholders in the medium/long term, the variable part of remuneration is composed of a short-term element (typically an annual incentive) and a medium/long-term element granted through incentive plans set up for the Finmeccanica Group's management. The use of financial instruments will be structured on the basis of essential principles in line with the Corporate Governance Code (vesting period, performance conditions, etc.).

It is the Company's policy not to award discretionary bonuses to Directors, as their incentives are provided through the aforementioned instruments. Such bonuses may be awarded to Executive Directors and General Managers - by the Board of Directors, upon proposal from the Remuneration Committee - and to other Executives with Strategic Responsibilities - by the CEO and General Manager, with the support of the Human Resources and Organisation Unit - only in cases of operations of particular strategic importance to the Group having a significant



impact on the Company's results.

The variable remuneration systems provide for "self-funding" mechanisms designed to ensure that all costs associated with the incentive plans are included in the profitability criteria conditioning the awarding of incentives.

### **MBO Scheme**

The aim of the short-term variable component is to encourage the achievement of the annual objectives laid down in the Company's budget and in line with the industrial plan for the relevant year. The MBO Scheme is structured in a manner which creates a transparent link between monetary remuneration and the degree to which the annual objectives have been achieved. Hence primarily quantitative targets are set which represent and are consistent with the Company's strategic and industrial priorities and are measured according to preset and objective criteria.

### *Performance indicators*

The performance indicators to which the short term variable component is linked are modulated depending on the beneficiaries' role and organisational responsibility. The assigned targets are selected from the following:

- EBITA
- FOCF
- Working Capital
- Order Intake (coherently with the related margin)
- SG&A expenses
- Effectiveness Objectives
- Efficiency Objectives
- In the absence of profit or operational measurements, other quantitative objectives will be assigned in connection with the individual's area of activity and specific objectively measurable tasks.

### *Targets and Payouts*

The achievement of the entry level targets is the minimum threshold for incentive payments (lower performances entail a pay-out equal to zero). The performance targets relating to the aforesaid indicators will be established by providing for an incentive entry level coherent with the company's budget, and a composition of the bonus based on overperformance.

The actual performance intervals in percentages between the entry level, medium and maximum levels vary in relation to the nature of each objective, in accordance with the budget targets reported in the Guidance published by the Company and the overperformance parameters envisaged in the budget-plan of the Company.

Performance results falling within the set targets at entry level, medium and maximum level will result in payments determined using the linear interpolation.





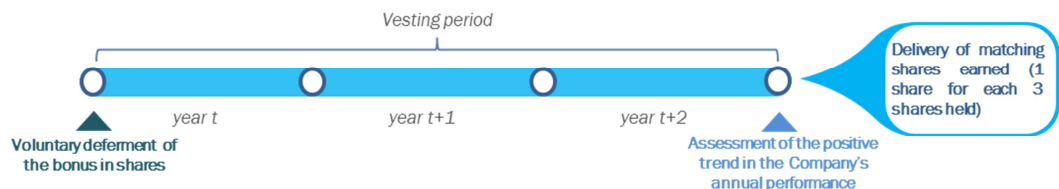
The incentive is subject to an overall business profitability ratio (“performance gate”). The failure to achieve the performance gate entails the zeroing of the entire bonus linked to financial/management objectives.

	BELOW ENTRY LEVEL	ENTRY LEVEL	MEDIUM	MAXIMUM
PAYOUT ON EACH OBJECTIVE	0%	60%	80%	100%
PERFORMANCE GATE	If the Group EBITA reports a final result of less than 85% of the entry level target, the pay-outs relating to the financial/management objectives will be set to zero.			

**Co-Investment Plan**

On 11 May 2015 the Shareholders’ Meeting approved a Co-investment Plan based on recurring three-year cycles starting each year from the 2015, 2016 and 2017 financial years and on 16 March 2016 the Board of Directors passed a resolution on the start of the second cycle of the Plan (2016 – 2018). The Plan consists in voluntarily deferring the payment of a portion of the annual bonus earned from a minimum of 25% up to a maximum percentage of 100%. The deferred portion of bonus is converted into ordinary Finmeccanica shares that will remain restricted for a term of three years. At the end of the vesting period, provided that the performance threshold set in the short-term variable remuneration scheme has been achieved (the “performance gate”), bonus shares (“matching shares”) are to be assigned in the proportion of 1 bonus share for each 3 shares held.

The number of bonus shares to which the beneficiaries are entitled will be calculated according to the degree to which they meet the performance conditions in each of the three financial years of the period (one-third if the conditions are only met in a single financial year, two-thirds if the conditions are met in two financial years, the entire incentive if the conditions are met in all the three financial years - in the latter case, the full amount of 1 bonus share for each 3 shares initially held).



**Long-term Incentive Scheme**

On 11 May 2015 the Shareholders’ Meeting approved a Long Term Incentive Plan based on recurring three-years cycles starting each year from the 2015, 2016 and 2017 financial years and on 16 March 2016 the Board of Directors passed a resolution on the start of the second cycle of the Plan (2016 – 2018). The Plan is reserved for key managers, to be selected, on a

*Beneficiaries*



priority basis, according to a criterion that considers the positions of greatest impact on the Company's business in the medium term, in the executive grade (or equivalent abroad) in the Company, Subsidiaries with their registered offices in Italy or abroad, as well as consultants (former employees) in top management and/or other management positions in the Company or Subsidiaries.

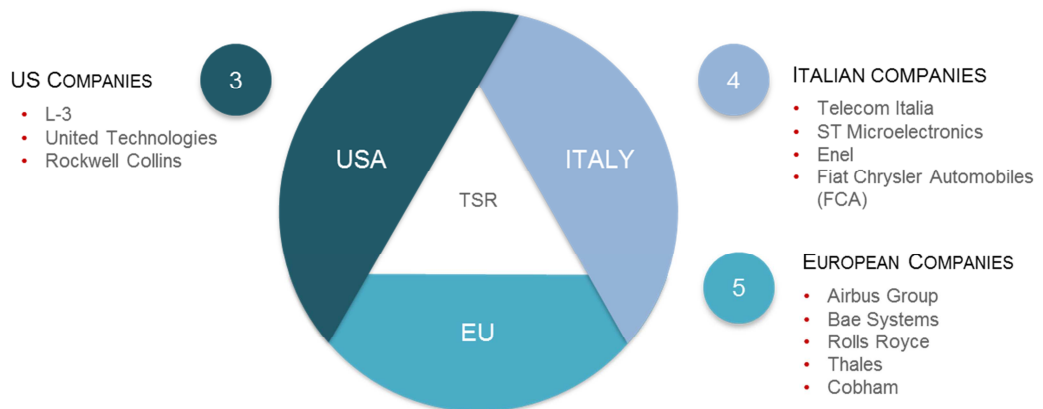
*Performance indicators*

The payment of the incentive is conditional on the achievement of three-year targets linked to the following performance indicators:



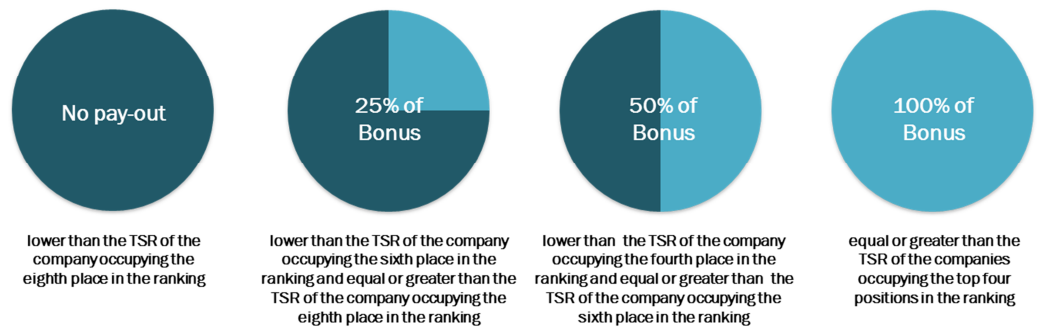
The performance indicators targets have a term of three years and will be measured at the end of each three-year period (vesting period).

With reference to the TSR indicator, Finmeccanica's performance will be measured in relation to a "peer group" selected on the basis of comparability analyses of the stock, including companies in the Aerospace and Defence sector at global level and industrial companies in the FTSE MIB index. The panel consists of companies in the relevant sector in Europe and North America for two thirds and of Italian listed companies for one third:

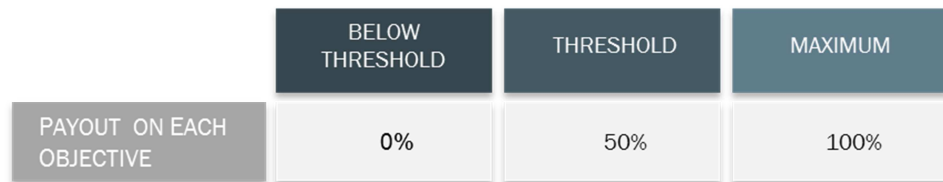




The portion of bonus earned in relation to the TSR performance is determined on the basis of Finmeccanica's positioning with respect to the "peer group", as illustrated below:

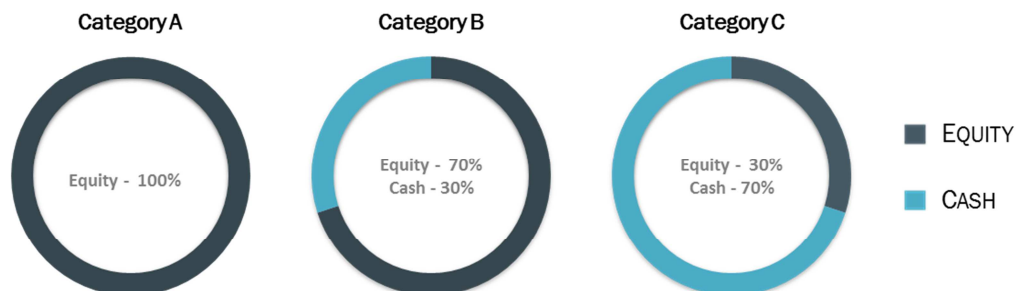


A minimum result target is set for Return On Sales and Group Net Debt objectives, which earns a 50% portion of the bonus, and a maximum result target, which earns the entire bonus. Intermediate results give bonuses calculated proportionately.



*Incentive instruments*

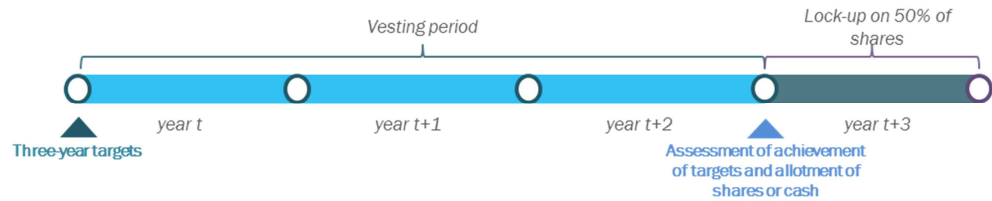
The plan provides for the assignment of incentives structured into a monetary component and a component expressed in ordinary Finmeccanica shares, based on a different proportion between cash and shares according to the managerial positions involved and the related impact on the Company's results.





**Vesting period and lock-up**

Once the three-year vesting period is elapsed, the plan provides for a one-year lock-up period for the Company's Top Management, Executives with Strategic Responsibilities and other Category A beneficiaries. 50% of the shares will not be transferable during this period.



**Claw-Back**

For all variable incentive schemes, it has been put in place a claw-back clause whereby the Board of Directors is entitled, through the competent corporate functions, to request the beneficiaries to return the bonuses they have received (in the form of cash or the value of the shares allocated to them) if the Board finds that the degree to which their performance objectives have been achieved has been determined on the basis of clearly erroneous or falsified calculations. This clause applies if the difference between the data utilised and the data rectified has led to a Bonus in cash and/or in Shares being granted in excess of the amount to which the beneficiaries are actually entitled to and places an obligation on the beneficiaries to return the bonuses that have been unduly paid.

**Pay in the event of early termination of employment and Non-Competition Agreement**

As a rule, the Company does not sign agreements covering, *ex ante*, the financial aspects of early termination of the management's employment with the Company, without prejudice however to the obligations provided for by law and by the applicable collective bargaining agreement. Nevertheless, for Executive Directors and other top management staff members, in light of their specific professional skills and the importance of retention in relation to their roles, the Company may establish special clauses that govern *ex ante* the effects of the early termination of employment, in line with the long-term strategies, values and interests established by the Board of Directors.

In particular, after careful consideration, the Company may determine, with reference to Executive Directors, General Managers and Executives with Strategic Responsibilities, that they are entitled to specific severance payments, should their office as directors be terminated in advance, or in the event of their resignation and/or dismissal as employees of the Company, without prejudice to the obligations provided for by law and by the applicable collective bargaining agreement.

Such severance pay shall be, in any case, determined in relation to the value added and to the contribution given to the growth and maintenance of the business, as well as to the associated retention interests of the Company.



The specific early termination provisions will also identify the methodology for the calculation of the variable part of remuneration due.

Furthermore, with regard to Executive Directors, General Managers and Executives with Strategic Responsibilities and in case of individuals with particularly significant professional skills (such that termination of their employment could represent a risk for the Company), the Company may define, on a case-by-case basis, non-competition agreements, providing for the payment of a compensation commensurate with the duration and scope of the obligations arising from the agreement itself.



### 3. REMUNERATION POLICY 2016

#### DEVELOPMENT OF THE GOVERNANCE STRUCTURE

On 2 July 2015 the Board of Directors passed a resolution on the new organisational structure of the businesses that were conducted by the operating companies in the sectors of Aerospace, Defence and Security into Sectors and Divisions of Finmeccanica S.p.a.

The respective effects of the corporate transactions (including for accounting and tax purposes) which implemented the Group's New Organisational and Operational Model started from 1 January 2016. The purpose of the new structure is to make the Group's industrial operations more efficient and effective and to reduce the cost of business operations by making scale economies and maximising synergies among the different business areas. Furthermore, the new Governance system aims to centralise the guidance and control systems and at the same time decentralise business operations to the Divisions, which have been duly empowered to ensure a full end-to-end management of the related business perimeter.

On 3 November 2015 the Board of Directors determined criteria for allocating roles and responsibilities to the new positions of Sector Directors and Division Managing Directors in order to meet these requirements and thus geared the criteria to the new way in which the One Company operates.

Consequently, the current "Procedure for Related Parties Transactions" also includes the Division Managing Directors under the definition of Executives with Strategic Responsibilities, with effect from 1 January 2016.

#### MEMBERS OF THE BOARD OF DIRECTORS AND OF THE BOARD OF STATUTORY AUDITORS

The remuneration of the members of the Board of Directors and of the Board of Statutory Auditors shall be determined by the Shareholders' Meeting.

The Shareholders' Meeting held on 15 May 2014 set, for the three-year period 2014-2016, the remuneration of the Chairman of the Board of Directors at € 90,000 per year before tax and that of the other members of the Board at € 80,000 per year before tax.

Furthermore, at the meeting held on 15 May 2014, the Board of Directors also granted Mr De Gennaro, as Chairman, some specific responsibilities whose exercise attracts the special remuneration referred to in Article 2389, paragraph 3, of the Italian Civil Code.

On 19 June 2014 the Remuneration Committee, following a resolution passed by the Board of Directors' meeting held on 15 May 2014, decided on the Chairman's remuneration as per Article 2389, paragraph 3, of the Italian Civil Code for carrying out the further specific responsibilities assigned to him by the Board, setting the gross amount at € 148,000 per year, additional to the gross annual fees that the Shareholders' Meeting set for the position of Chairman.

No severance payments were determined for the event of early termination of the office or for the event of non-renewal of his mandate.



Finally, the Chairman benefits from insurance and welfare policies.

In line with best practices, the remuneration awarded to those Directors who are not entrusted with specific duties is not linked in any way to the achievement of specific performance targets, and thus consists of a fixed element only, rather than of a variable element as well.

The Shareholders' Meeting held on 11 May 2015 set, for the three-year period 2015-2017, the remuneration of the Chairman of the Board of Statutory Auditors at € 78,000 per year before tax and that of the other regular Auditors at € 52,000 per year before tax.

The Company's Board of Directors, with its resolution of 15 May 2014, set the following levels of remuneration for the members of the Committees set up within the Board itself:

- € 2,500 per year before tax for each member and € 7,500 per year before tax for the Chairman of the Committee;
- € 2,000 attendance fee, payable on the occasion of each Committee meeting.



## CHIEF EXECUTIVE OFFICER AND GENERAL MANAGER

### 1. Overall remuneration structure

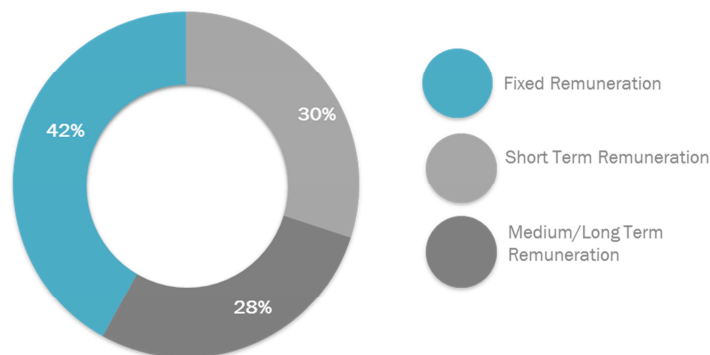
As a result of the decisions taken by the Board of Directors, the Company entered into an executive employment contract with Mr Moretti, also appointing him as General Manager.

In terms of market positioning, specific analyses on remuneration<sup>2</sup>, which were conducted with the help of the consulting firm *Korn Ferry - HayGroup*, showed that the fixed and variable components of the remuneration payable to Mr Moretti were positioned on the lowest quartile of the market with the Italian panel as reference, and below the lowest quartile of the market with the international panel as reference.

### 2. Pay-mix

The pay-mix of the annual fees due to Mr Moretti was set as follows:

- **FIXED REMUNERATION:** 42% of the overall maximum remuneration attainable;
- **VARIABLE REMUNERATION:** 58% of the overall maximum remuneration attainable (divided into 30% short-term incentive and 28% medium/long-term incentive).



The remuneration is determined as follows:

- **FIXED REMUNERATION** = gross annual salary of € 920,000;
- **MAXIMUM VARIABLE REMUNERATION** = gross annual potential pay of € 1,280,000 (of which € 660,000 as short-term maximum variable pay-out per annum and € 620,000 as medium/long-term maximum variable pay-out per annum).

Mr Moretti expressly waived other fees payable for the position of CEO pursuant to Article 2389, paragraph 3, of the Italian Civil Code.

<sup>2</sup> The benchmark considered the fees paid to the CEOs of companies comparable with the Finmeccanica Group both at national (large Groups included in the FTSE MIB 40 Italia index) and international (listed international companies operating in the sectors of Defence, Industrial Engineering, Technology Hardware and Equipment) level by capitalization, turnover and number of employees (including Enel, Eni, Fiat, Saipem and Telecom Italia for the Italian panel and Airbus Group, Alcatel-Lucent, Thales, Safran, BAESystems for the international panel).





### 3. Short-term variable remuneration

The short-term variable remuneration for Mr Moretti consists of maximum overall gross fees of € 660,000.00 per year (equal to 71.7% of fixed remuneration) and is subject to the following performance conditions:

- **Threshold**

The Company has confirmed the application of a threshold for incentive payments, linked to strategic objectives set by the Board of Directors.

For the 2016 financial year this threshold has been identified in the second phase of implementation of the divisionalisation process.

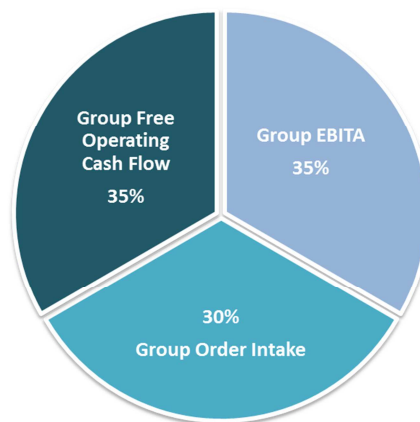
The assessment as to whether the objective has been attained will be measured by means of KPIs set out by the Board of Directors, and specifically, in relation to:

- ✓ development of the divisional organisation and of the related system of internal procedures by September 2016;
- ✓ succession plans for positions that report directly to the Chief Executive Officer and General Manager by December 2016;
- ✓ structuring a specific incentive scheme aimed at rewarding the acquisition of major orders for the business.

The failure to achieve the threshold will entail the zeroing of the entire short-term variable incentive.

- **Performance Targets**

In consideration of the Group's targets of sustainable development, competitive costs and margins, as well as the achievement of the levels of Operating Profit and Free Operating Cash Flow, in close connection with the strategic objectives behind the Industrial Plan, the following performance indicators have been set for the 2016:



The performance targets relating to the aforesaid indicators will be established by providing for an incentive entry level and a composition of the bonus based on overperformance, in accordance with the provisions laid down in the Group's MBO Scheme (Section I page 12 ).



#### 4. Medium/long-term variable remuneration

The part of medium/long-term variable remuneration, up to an annual overall maximum gross amount of € 620,000 (equal to 67.4% of fixed remuneration), comes from the participation of Mr Moretti in the Company's medium/long-term share incentive plan reserved for the Group's management. Incentives payable are fully expressed in ordinary Finmeccanica shares.

In the light of the system's rolling mechanism, and in consideration of the amount of annual remuneration paid in relation to the medium/long-term variable portion envisaged in the employment contract of the CEO and General Manager, the sum allocated for the second plan cycle for the three-year period 2016-2018 is set at a maximum amount of € 724,000. Therefore, as at the date of allocation of the plan, the maximum number of shares attributable to Mr Moretti had been set at 58,505, obtained by dividing the maximum incentive by the unitary price of € 12.3751<sup>3</sup> used for the determination of the incentive when implementing the plan.

#### 5. Pay in the event of termination of office or employment

With reference to the employment contract of Mr Moretti as a Company executive, it has been agreed that he will be paid<sup>4</sup> as an indemnity and compensation payment - a sum equal to 36 months of his total remuneration, in addition to severance pay benefits, in the case of termination of employment.

These amounts will be calculated, as regards the fixed element, on the basis of the annual pre-tax remuneration effectively received at the time of termination of employment, while the variable element thereof shall be calculated on the basis of the average fees received over the course of the previous three years.

If the contract is terminated before the end of the third year, the Company will pay the better of 60% of the maximum variable remuneration and the average variable pay actually received or earned during the previous two years.

Furthermore, at the time of termination for any reason, the Company will pay, in the name and on behalf of Mr Moretti, an amount equal to the total cost to be borne by the latter for the aggregation of contributions paid to the "Ferrovie dello Stato Special Pension Scheme" within the INPS Fund, in order for him to earn entitlement to pension scheme benefits for the position of General Manager.

#### 6. Benefits

Mr Moretti benefits from the mandatory forms of insurance cover - in compliance with the provisions of law, of the national collective bargaining agreement and of the union agreements that apply to his employment as an executive of the Company - as well as any other kind of benefits envisaged for top management positions in line with the Company's practices (supplementary pension benefits and supplemental health insurance with the respective funds envisaged in the National Collective Bargaining Agreement, company car).

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<sup>3</sup> Average price of ordinary Finmeccanica shares in the period from 1 July 2015 to 31 December 2015 in the application of the resolution passed by the Board of Directors' meeting of 16 March 2016.

<sup>4</sup> Except in the case of termination by the Company for cause, and/or in the event that Mr Moretti resigns without cause (a just cause for resignation can arise from his removal from the office of CEO and the revocation of the related delegated powers or from the request for resignation on the part of the Company).



## EXECUTIVES WITH STRATEGIC RESPONSIBILITIES AND OTHER MANAGERIAL RESOURCES

### 1. Overall remuneration structure

The fixed remuneration of Executives with Strategic Responsibilities and other managerial resources is proportionate to the role and responsibilities assigned to them, also considering the market positioning with respect to comparable Italian and international companies, as well as in relation to individual benchmarks for positions with similar levels of responsibility and managerial complexity. The Company's positioning policy in its market is between the first and median quartile of the market.

### 2. Pay-mix

The pay-mix of fixed and variable remuneration components is consistent with the position assigned to the person concerned: the weight of the variable component increases for positions that have greater impact on the Company's results directly.

The current average pay-mix is determined as follows:

	FIXED REMUNERATION	VARIABLE REMUNERATION	OF WHICH SHORT-TERM	TOTAL
Executives with Strategic Responsibilities and other Top Managers	30% - 45%	70% - 55%	About 35%	100%
Senior Managers	45% - 60%	55% - 40%	About 50%	100%
Other Executives	60% - 85%	40% - 15%	100%	100%

### 3. Short-term variable remuneration

Executives with Strategic Responsibilities and other executives participate to the short-term variable Remuneration Plan (MBO), which has been already described in its essential details in the previous Section "Remuneration Policy Principles and Instruments" (page 10).

A maximum incentive cap is applied to all participants in the MBO system in an amount varying from 20% to 70%, according to the person's responsibility in the organisation as assessed in the managerial roles grading system through the HayGroup method.

### 4. Medium/long-term variable remuneration

Executives with Strategic Responsibilities and other managers participate in the Long-Term Incentive Plan, which is reserved for key managers, to be selected, on a priority basis, according to a criterion that considers the positions of greatest impact on the Group's business in the medium term.

Incentives payable to Executives with Strategic Responsibilities are fully expressed in ordinary Finmeccanica shares and the three-year period allocation in the second 2016 - 2018 cycle is set at 140% of the annual gross



remuneration, expressed in a number of shares calculated using as reference the unit price of € 12.3751<sup>5</sup> per share used for the determination of incentives.

The methods and mechanisms of operation of the Plan are the same as those described previously (on page 13 and following pages). Furthermore, for more details, reference should be made to the Disclosure Document relating to the plan that has been filed with the registered company located in Rome, at Piazza Monte Grappa no. 4, on the Company's website ([www.finmeccanica.com](http://www.finmeccanica.com)), with the market management company Borsa Italiana S.p.A., as well as through the authorised storage device NIS-Storage ([www.emarketstorage.com](http://www.emarketstorage.com)).

## **5. Pay in the event of termination of office or employment**

In the event of termination of their employment contracts, Executives with Strategic Responsibilities will be paid any fees set in the National Collective Bargaining Agreement, in addition to benefits (if any) defined on an individual basis to a maximum extent of 2 years pay.

## **6. Benefits**

Executives with Strategic Responsibilities may benefit from social security and insurance covers in compliance with the law, with the National Collective Bargaining Agreement and the trade union agreements applicable to their executive employment contract with the Company, as well as any other kind of benefits envisaged for top management positions in line with the Company's practices (among which may be provided accommodation, company car, etc.).

In line with the provisions applicable to all Executives of Finmeccanica, Executives with Strategic Responsibilities are eligible to participate in the supplementary pension benefits with Previdai (the national pension fund for managers of industrial companies), as well as supplementary health insurance benefits in addition to or in place of the benefits under the supplementary healthcare fund for managers of industrial companies (FASI).

## **DEFERRED REMUNERATION SCHEMES**

As regards Executive Directors, General Managers, Executives with Strategic Responsibilities and other top managers, subject to the approval of the Shareholders' Meeting, the Company has created in 2015 a deferment scheme of the annual bonus in shares (Co-Investment Plan).

For any details on the methods and mechanisms of operation, reference should be made to Section I, page 13 and following pages, and to the Disclosure Document relating to the Co-Investment Plan that has been filed with the registered company located in Rome, at Piazza Monte Grappa no. 4, on the Company's website ([www.finmeccanica.com](http://www.finmeccanica.com)), with the market management company Borsa Italiana S.p.A., as well as through the authorised storage device NIS-Storage ([www.emarketstorage.com](http://www.emarketstorage.com)).

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<sup>5</sup> Average price of ordinary Finmeccanica shares in the period from 1 July 2015 to 31 December 2015 in the application of the resolution passed by the Board of Directors' meeting of 16 March 2016.



## INCENTIVE PLANS BASED ON FINANCIAL INSTRUMENTS

As regards Executive Directors, General Managers, Executives with Strategic Responsibilities and other top managers, subject to the approval of the Shareholders' Meeting, during 2015 the Company launched a Long-Term incentive scheme that is also based on the award of ordinary Finmeccanica shares, as described on page 13 and following pages.

Furthermore, as detailed in the paragraph above ("Deferred remuneration schemes"), the Company has adopted a scheme for the deferment of the actual annual bonus, through its conversion into ordinary Finmeccanica shares, which must also provide for the award of bonus shares at the end of the vesting period, provided minimum result thresholds have been reached.

The implementation of the above schemes was approved by the Shareholders' Meeting on 11 May 2015.

For any details on the methods and mechanisms of the Plans, reference should be made to Section I, on page 13 and following pages, as well on the Disclosure Document made available by the Company at the registered office located in Rome, at Piazza Monte Grappa no. 4, on the Company's website ([www.finmeccanica.com](http://www.finmeccanica.com)), with the market management company Borsa Italiana S.p.A., as well as through the authorised storage device NIS-Storage ([www.emarketstorage.com](http://www.emarketstorage.com)).

## REMUNERATION OF THE HEAD OF THE GROUP INTERNAL AUDIT ORGANISATIONAL UNIT

In accordance with the Corporate Governance of Listed Companies Code, on a motion by the Chief Executive Officer in his capacity as the Director in charge of the Internal Control and Risk Management System, with the prior agreement of the Control and Risks Committee and in consultation with the Board of Statutory Auditors, the Board of Directors appointed the Head of the Group Internal Audit organisational unit and set his pay, including the calculation of variable incentives, proposed in line with the corporate policies and ensuring him sufficient resources to perform his duties. The short-term component of the variable Remuneration Plan (MBO) is conditional on objectives that are exclusively linked to the efficacy and efficiency of the organisational structure of the Group Internal Audit. As regards the medium/long-term variable component in lieu of the participation in the incentive plans established for the Company's management and in accordance with the relevant provisions laid down in the Corporate Governance Code, there is a provision for the possibility of paying an additional amount, in order to ensure sustainable results over time, which will be payable in 2018 following the approval of the 2017 financial statements, proportionally to the average level of achievement of the objectives set out within the MBO scheme during the previous three-year period.



## Resolution proposal

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 2 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 no. 11971/99;
- having regard to the Report on Remuneration approved by the Board of Directors on 16 March 2016, prepared pursuant to Articles 123-ter of Legislative Decree 58/98 and 84-quater of Consob Regulation no. 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 2015;
- 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

in favour of 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 no. 11971/99."



**SECTION II  
IMPLEMENTATION OF REMUNERATION POLICIES AND FEES RELATING TO THE 2015 FINANCIAL  
YEAR**



## PART ONE





## **1. IMPLEMENTATION OF 2015 REMUNERATION POLICIES**

Also having regard to the periodic assessment of the implementation of the remuneration policy as required by the Corporate Governance Code, the Remuneration Committee considered that the remuneration paid in 2015 was consistent with the policy adopted, and that the principles and practical application were consistent with the market benchmarks in terms of positioning and pay mix.

With reference to the 2015 financial year, the following elements constituted the remuneration paid to the members of the Governing and Supervisory Bodies, to the General Managers and to the Executives with Strategic Responsibilities.

## **2. FIXED REMUNERATION**

(Table 1)

The members of the Board of Directors and the members of the Board of Statutory Auditors received the fixed remuneration determined by the Shareholders' Meeting. The Directors vested with specific functions also received the fixed element of their remuneration, as determined by the Company's Remuneration Committee (Table 1, "Fixed Remuneration" column).

Directors who are members of a Committee received the fixed remuneration determined by the Company's Board of Directors, together with the sums paid as attendance fees, on the occasion of each Committee meeting (Table 1, "Remuneration for participation in Committees" column).

The General Manager and Executives with Strategic Responsibilities received the fixed element of their salary as set forth in their respective employment contracts (Table 1, "Fixed Remuneration" column), including any compensations due under the National Collective Bargaining Agreement (travel allowances due in relation to art. 10 of the National Collective Bargaining Agreement).

## **3. NON-EQUITY VARIABLE REMUNERATION (bonuses and other incentives)**

(Table 1 and Table 3B)


Payments reported in Table 3B relate to the short-term incentive plan – MBO Scheme - described in the Remuneration Report of the previous financial year.

### **Chief Executive Officer and General Manager**

The Chief Executive Officer and General Manager's targets are objectively measurable and closely related to the targets set in the Company budget-plan and are subject to the achievement of one threshold established consistently with the Group's key objectives.

The key performance indicators on which the Chief Executive Officer and General Manager's short-term incentive is based for the 2015 financial year and their level of achievement are set out below:



	LEVEL OF ACHIEVEMENT OF EACH OBJECTIVE			WEIGHT %
<b>THRESHOLD TARGET</b>	<b>One Company Divisionalisation Process: Achieved</b> The achievement of the objective has been assessed on the basis of the progress according to the time schedule of the implementation plan submitted for approval of the BoD on 21 April 2015 and 2 July 2015.			
GROUP EBITA	ENTRY LEVEL	MEDIUM	MAXIMUM	35%
GROUP FOCF	ENTRY LEVEL	MEDIUM	MAXIMUM	35%
GROUP ORDER INTAKE	ENTRY LEVEL	MEDIUM	MAXIMUM	30%
<b>% TOTAL WEIGHTED BONUS</b>				88.7%

For the functioning mechanisms of the 2015 MBO Scheme, reference should be made to the Remuneration Report 2015, Section I, pages 17-18.

#### Executives with Strategic Responsibilities

Executives with Strategic Responsibilities participated in the Finmeccanica annual bonus scheme (MBO short-term incentive system) as senior Executives of the Group, according to the terms and conditions laid down in the applicable corporate policy, as described in the 2015 Remuneration Report, to which reference is fully made.

#### 4. NON-CASH BENEFITS AND OTHER FEES

(Table 1)

Non-cash benefits of the Chief Executive Officer and General Manager refer to the participation in the Finmeccanica Group Executives Pension Fund - Supplementary Company Pension Scheme, to the Supplemental Health Insurance for Executives (FASI and ASID/ASSIDAI), the assignment of a company car and the insurance covers stipulated.

Non-cash benefits of Executives with Strategic Responsibilities include their participation in the Finmeccanica Group Executives Pension Fund - Supplementary Company Pension Scheme, the Supplemental Health Insurance for Executives (FASI and ASID/ASSIDAI), the assignment of an accommodation, the assignment of a company car for business and personal use and to the insurance covers.



## 5. SEVERANCE PAY

(Table 1)

During the 2015 financial year no severance pays were paid to Executive Directors, General Managers and Executives with Strategic Responsibilities.

\*\*\*

With reference to indemnities and compensation amounts related to the termination of the relationship with Mr Orsi, on 17 April 2015 an arbitration award was handed down in the proceedings for damages of € 11,481,250 brought against the Company by Mr Orsi. The award stated that he was not entitled to compensation or damages for the termination of his directorship because there was no just cause for his resignation.

On the other hand the Arbitration Board allowed Mr Orsi's right to the fees for the non-competition agreement, set as € 1,650,000 plus legal interest accrued, and to compensation for harm to his image in an amount of € 300,000.

On 10 June 2015, in order to put an end to the entire legal process, the Parties conciliated the dispute by reciprocally waiving the three court cases pending and a possible appeal against the arbitration. Finmeccanica agreed to comply with the award.

## 6. STOCK OPTIONS

(Table 2)

As at the date of this Report, the Company has no stock option plans in place.

## 7. INCENTIVE PLANS BASED ON FINANCIAL INSTRUMENTS OTHER THAN STOCK OPTIONS

(Table 3A)

The Chief Executive Officer and General Manager and the Executives with Strategic Responsibilities participate in the Long-Term Incentive Plan for the 2015-2017 cycle.

Table 3A reports the maximum attributable number of shares and related fair value:

- for CEO and General Manager: in the light of the system's rolling mechanism, and in consideration of the amount of annual remuneration paid in relation to the medium/long-term variable portion envisaged in the employment contract, the sum allocated for the first plan cycle for the three-year period 2015-2017 was set at a maximum amount of € 1,137,000. Therefore, as at the date of allocation of the plan, the maximum number of shares attributable to Mr Moretti was set at 132,210, obtained by dividing the maximum incentive of € 1,137,000 by the price of € 8.60<sup>6</sup> taken as a reference for the determination of the incentive in the implementation phase of the plan.
- for Executives with Strategic Responsibilities: the sum allocated for the first cycle of the medium/long-term Incentive Plan for the 2015-2017 three-year period, was set at a maximum amount of € 674,350.

<sup>6</sup> Average price of ordinary Finmeccanica shares in the period from 1 October 2014 to 24 March 2015 (the previous day of the approval of the plan on the part of the Board of Directors).



Therefore, as at the date of allocation of the plan, the maximum number of shares allocated was set as 78,413, obtained according to the same calculation methods as described above.

The final calculation will be made at the end of the performance period in 2018 and the number of shares actually earned, over the three-year vesting period, will be subject to a one-year lock-up period during which 50% of allocated shares will not be transferable.

The fair value reported in Table 3A, corresponding to the maximum amount of the incentive that can be allocated upon full achievement of all performance targets, has been calculated on the basis of the following parameters:

- the book value referring to the TSR (adjusted fair value € 10.90);
- the book value referring to the Group Debt and ROS (€ 13.12);
- the maximum number of shares that can be allocated within the Plan;
- the vesting period effectively elapsed (5/36 months, ie. From 1 August 2015 to 31 December 2015).

\*\*\*

In relation to the 2015-2017 Co-Investment Plan, Executives with Strategic Responsibilities have deferred a 25% portion of their annual bonus accrued in 2014, corresponding to 3,903 shares, this number being obtained by dividing the amount of the deferred portion of their bonus, net of tax and contributions, by the price of conversion € 11.39 - which is the average official share price during the last month prior to the exercise of the purchase option (31 May 2015). Table 3A shows the number of matching shares calculated by assuming the fulfillment, in each of the three financial years, of the performance gate condition required by the plan itself.

The fair value reported in Table 3A, corresponding to the maximum amount of matching shares that can be allocated upon full achievement of all performance targets, in each of the three financial years, has been calculated on the basis of the following parameters:

- the book value referring to the matching shares (€ 11.42);
- the maximum attributable number of matching shares;
- the vesting period effectively elapsed (7/36 months, ie. from 1 June 2015 to 31 December 2015).

For the mechanisms of the Plans, see the Remuneration Report 2015, Section I, page 18 and following pages.



## PART TWO



Part two of Section II provides an analytical summary of all the amounts paid during the course of the 2015 financial year, regardless of their nature or form, to those persons who held, during said year, even for a fraction of the period, the position of member of the Governing or Supervisory bodies, General Manager or Executives with Strategic Responsibilities.

on behalf of the Board of Directors

**The Chairman**

**Giovanni De Gennaro**

**TABLE 1. REMUNERATION PAID TO MEMBERS OF THE GOVERNING AND SUPERVISORY BODIES, GENERAL MANAGERS AND ALL EXECUTIVES WITH STRATEGIC RESPONSIBILITIES** (Amounts in thousands of euro)

LAST AND FIRST NAME(S)	POSITION HELD IN THE FINANCIAL YEAR 2015	TERM OF OFFICE	EXPIRY OF THE TERM OF OFFICE	FIXED REMUNERATION	REMUNERATION FOR THE PARTICIPATION IN COMMITTEES	NON-EQUITY VARIABLE REMUNERATION		NON-CASH BENEFITS	OTHER FEES	TOTAL	FAIR VALUE OF EQUITY PAYMENTS	TERMINATION OR SEVERANCE INDEMNITY
						BONUSES AND OTHER INCENTIVES	PROFIT-SHARING					
De Gennaro Giovanni	Chairman	1.1/31.12.2015	FY 2016	90 148				5		243		
Moretti Mauro	Director Chief Executive Officer and General Manager	1.1/31.12.2015	FY 2016	80 939		585		72		1.676	221 (7)	
Alpa Guido	Director	1.1/31.12.2015	FY 2016	80	28					108		
Calderone Marina Elvira	Director	1.1/31.12.2015	FY 2016	80	15					95		
Cantarella Paolo	Director	1.1/31.12.2015	FY 2016	80	22					102		
Dassù Marta	Director	1.1/31.12.2015	FY 2016	80	22					102		
De Nicola Alessandro	Director	1.1/31.12.2015	FY 2016	80	23					103		
Frigerio Dario	Director	1.1/31.12.2015	FY 2016	80	26					106		
Landi Fabrizio	Director	1.1/31.12.2015	FY 2016	80	23					103		
Merlo Silvia	Director	1.1/31.12.2015	FY 2016	80	27					107		
Rubini Marina	Director	1.1/31.12.2015	FY 2016	80	23					103		
Bauer Riccardo Raul	Chairman Board of St. Aud.	1.1/31.12.2015	FY 2017	78					11 (1)	89		
Abriani Niccolò	Regular Auditor	1.1/31.12.2015	FY 2017	52					25 (2)	77		
Corsi Luigi	Regular Auditor	11.5/31.12.2015	FY 2017	33					1 (3)	34		
Perrini Francesco	Regular Auditor	11.5/31.12.2015	FY 2017	33						33		
Savi Daniela	Regular Auditor	11.5/31.12.2015	FY 2017	33						33		
Fratino Maurilio	Regular Auditor	1.1/11.05.2015	FY 2015	19					5 (4)	24		
Montaldo Silvano	Regular Auditor	1.1/11.05.2015	FY 2015	19					26 (5)	45		
Pinto Eugenio	Regular Auditor	1.1/11.05.2015	FY 2015	19					14 (6)	33		
Executive with Strategic Responsibilities			FY 2016	491		294		46		831	134 (7)	
(I) Remuneration in the Company drawing up the financial statements				2.754	209	879	0	123	31	3.996	355 (7)	
(II) Remuneration from subsidiaries and affiliates									51	51		
(III) Total				2.754	209	879	0	123	82	4.047	355 (7)	

(1) Refund of lump-sum expenses.

(2) Remuneration for position held in other Group Company from 01/01/2015 to 31/12/2015.

(3) Refund of lump-sum expenses.

(4) Refund of lump-sum expenses.

(5) €th. 13 for refund of lump-sum expenses and €th. 13 for remuneration for position held in other Group Company from 01/01/2015 to 11/05/2015.

(6) €th. 1 for refund of lump-sum expenses and €th. 13 for remuneration for position held in other Group Company from 01/01/2015 to 11/05/2015.

(7) The fair value relating to the 2015-2017 LTI Plan corresponding to the maximum amount of incentive that can be allocated upon full achievement of all performance targets, has been calculated on the base of the following parameters: the book value referring to the TSR (adjusted fair value € 10.90), the book value referring to the Group Debt and ROS (€ 13.12), the maximum number of shares that can be allocated within the Plan and the vesting period effectively elapsed in the 2015 financial year (5/36 months, i.e. from 1.8.2015 to 31.12.2015).



**TABLE 2.** STOCK OPTIONS ALLOCATED TO THE MEMBERS OF THE GOVERNING BODY, GENERAL MANAGERS AND ALL EXECUTIVES WITH STRATEGIC RESPONSIBILITIES

A	B	OPTIONS HELD AT THE BEGINNING OF THE FINANCIAL YEAR			OPTIONS ALLOCATED DURING THE FINANCIAL YEAR							OPTIONS EXERCISED DURING THE FINANCIAL YEAR			OPTIONS EXPIRED DURING THE FINANCIAL YEAR	OPTIONS HELD AT THE END OF THE FINANCIAL YEAR	OPTIONS FOR THE FINANCIAL YEAR
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15) = (2)+(5)-(11)-(14)	(16)
LAST AND FIRST NAME (S)	POSITION HELD IN FINANCIAL YEAR 2015	PLAN	NUMBER OF OPTIONS	STRIKE PRICE	POSSIBLE PERIOD OF EXERCISE	NUMBER OF OPTIONS	STRIKE PRICE	POSSIBLE PERIOD OF EXERCISE	FAIR VALUE AT THE DATE OF ALLOCATION	DATE OF ALLOCATION	MARKET PRICE OF THE SHARES UNDERLYING ALLOCATION OF THE OPTIONS	NUMBER OF OPTIONS	STRIKE PRICE	MARKET PRICE OF THE UNDERLYING SHARES AT THE DATE OF THE EXERCISE	NUMBER OF OPTIONS	NUMBER OF OPTIONS	FAIR VALUE
De Gennaro Giovanni	Chairman		0			0						0			0	0	
Moretti Mauro	Chief Executive Officer and General Manager		0			0						0			0	0	
Executive with strategic responsibilities			0			0						0			0	0	





**TABLE 3A.** INCENTIVE PLANS BASED ON FINANCIAL INSTRUMENTS OTHER THAN STOCK OPTIONS, FOR THE BENEFIT OF THE MEMBERS OF THE GOVERNING BODY, GENERAL MANAGERS AND ALL EXECUTIVES WITH STRATEGIC RESPONSIBILITIES

LAST AND FIRST NAME	POSITION HELD IN FINANCIAL YEAR 2015	PLAN	FINANCIAL INSTRUMENTS ALLOCATED DURING PREVIOUS FINANCIAL YEARS THAT ARE NOT VESTED DURING THE FINANCIAL YEAR		FINANCIAL INSTRUMENTS ALLOCATED DURING THE FINANCIAL YEAR					FINANCIAL INSTRUMENTS VESTED DURING THE FINANCIAL YEAR BUT NOT IMPUTED	FINANCIAL INSTRUMENTS VESTED DURING THE FINANCIAL YEAR AND IMPUTABLE	FINANCIAL INSTRUMENTS FOR THE FINANCIAL YEAR
			NUMBER AND TYPE OF FINANCIAL INSTRUMENT	VESTING PERIOD	NUMBER AND TYPE OF FINANCIAL INSTRUMENT	FAIR VALUE AT THE DATE OF ALLOCATION	VESTING PERIOD	DATE OF ALLOCATION	MARKET PRICE AT ALLOCATION	NUMBER AND TYPE OF FINANCIAL INSTRUMENTS	NUMBER AND TYPE OF FINANCIAL INSTRUMENT	VALUE AT THE VESTING DATE
Moretti Mauro	Chief Executive Officer and General Manager	2015-2017 LTI Plan - resolution of 11/5/2015	0		no. 132,210 shares <sup>(1)</sup>	€ 1.587.842	31/07/2015 - 31/07/2018	31/07/2015	€ 13.10	0	0	€ 220.534 <sup>(2)</sup>
Executives with Strategic Responsibilities		2015-2017 LTI Plan - resolution of 11/5/2015	0		no. 78,413 shares <sup>(1)</sup>	€ 941.740	31/07/2015 - 31/07/2018	31/07/2015	€ 13.10	0	0	€ 130.797 <sup>(2)</sup>
Executives with Strategic Responsibilities		2015-2017 Co-Investment Plan - Resolution 11/5/2015	0		no. 1,301 shares <sup>(3)</sup>	€ 14.857	31/05/2015 - 31/05/2018	31/05/2015	€ 12.21	0	0	€ 2.889 <sup>(4)</sup>

(1) Maximum number of shares that can be allocated within the 2015-2017 LTI Plan upon full achievement of all performance targets. The final calculation will be made at the end of the performance period in 2018. For the CEO and General Manager and the Executives with Strategic Responsibilities, once the vesting period is elapsed, 50% of shares will be subjected to a one-year lock-up in which the shares will not transferable.

(2) The fair value relating to the 2015-2017 LTI Plan corresponding to the maximum amount of incentive that can be allocated upon full achievement of all performance targets, has been calculated on the base of the following parameters: the book value referring to the TSR (adjusted fair value € 10.90), the book value referring to the Group Debt and ROS (€ 13.12), the maximum number of shares that can be allocated within the Plan and the vesting period effectively elapsed in the 2015 financial year (5/36 months, ie. from 1.8.2015 to 31.12.2015).

(3) Executives with Strategic Responsibilities have invested a portion of their 2014 bonus, equal to 25% of the amount, converting it into shares; the table shows the maximum number of matching shares relating to the Co-Investment Plan that may be allocated at the end of the vesting period only and that have been calculated by assuming the fulfilment, in the three financial years, of the performance gate condition required by the plan itself.

(4) The fair value relating to the 2015-2017 Co-Investment Plan corresponds to the maximum amount of matching shares that can be allocated upon full achievement of all performance targets, in each of the three financial years, has been calculated on the base of the following parameters: the book value referring to the matching shares (€ 11.42), the maximum number of matching shares, the vesting period effectively elapsed in the 2015 financial year (7/36 months, ie. from 1.6.2015 to 31.12.2015).



**TABLE 3B. CASH INCENTIVE PLANS FOR THE BENEFIT OF THE MEMBERS OF THE GOVERNING BODY, GENERAL MANAGERS AND ALL EXECUTIVES WITH STRATEGIC RESPONSIBILITIES**

A	B	(1)	(2)			(3)			(4)
			Annual bonus			Previous Years' Bonuses			Other Bonuses
LAST AND FIRST NAME	POSITION HELD IN FINANCIAL YEAR 2015	PLAN	(A)	(B)	(C)	(A)	(B)	(C)	
			Payable/paid	Deferred	Vesting period	No longer payable	Payable/paid	Still deferred	
Moretti Mauro	Chief Executive Officer and General Manager	MBO 2015	€ 585.552	0	0	0	0	0	
Executives with Strategic Responsibilities		MBO 2015	€ 294.306	0	0	0	0	0	





### **SECTION III**

#### **SHAREHOLDINGS OF MEMBERS OF GOVERNING AND SUPERVISORY BODIES, GENERAL MANAGERS AND ALL EXECUTIVES WITH STRATEGIC RESPONSIBILITIES**



The following table shows the shareholdings in the Company or in its subsidiaries, which are held by persons who held the position of member of the Governing and Supervisory Bodies, General Manager or Executive with Strategic Responsibilities in the course of 2015 financial year, even if only for a fraction of the period in question, as well as by their respective spouses that are not legally separated and minor children. Except as otherwise specified, said shareholdings must be deemed to be held directly and by way of property.

**SHAREHOLDINGS OF MEMBERS OF GOVERNING AND SUPERVISORY BODIES, GENERAL MANAGERS AND ALL EXECUTIVES WITH STRATEGIC RESPONSIBILITIES**

	INVESTEE COMPANY	NUMBER OF SHARES HELD AT THE END OF THE PREVIOUS FINANCIAL YEAR (2014)	NUMBER OF SHARES PURCHASED	NUMBER OF SHARES SOLD	NUMBER OF SHARES HELD AT THE END OF THE YEAR IN QUESTION (2015)
Executive with Strategic Responsibilities	Finmeccanica	19.063	3,903 <sup>(1)</sup>	0	22.966

(1) Shares purchased on the basis of the Co-Investment Plan for the Finmeccanica Group Management (Shareholders' Meeting of 11 May 2015)



## **IMPLEMENTATION STATUS OF THE 2015-2017 LONG-TERM INCENTIVE PLAN AND OF THE 2015-2017 CO-INVESTMENT PLAN**

### **TABLE 7 ANNEX 3A**

Drafted pursuant to art. 84-bis, paragraph 5 of “Issuers Regulation”, the Tables prepared in accordance with Schedule 7 of Annex 3A of the aforesaid Regulation, containing data concerning the implementation status of the Long Term Incentive Plan and Co-investment Plans, further updated compared to the Information Documents published on April 3, 2015, are provided in the Annex to the Remuneration Report.

		LONG-TERM INCENTIVE PLAN - FIRST CYCLE 2015 - 2017 ALLOCATION FY 2015						
		FINANCIAL INSTRUMENTS OTHER THAN STOCK OPTIONS (ALLOCATION OF SHARES)						
		SECTION 2 NEWLY-ALLOCATED INSTRUMENTS ACCORDING TO THE BoD's PROPOSAL TO THE SHAREHOLDERS' MEETING						
LAST AND FIRST NAME OR CATEGORY	POSITION	DATE OF THE SHAREHOLDERS' MEETING RESOLUTION	TYPE OF FINANCIAL INSTRUMENTS	NUMBER OF FINANCIAL INSTRUMENTS	DATE OF ALLOCATION	PURCHASE PRICE (IF ANY) OF INSTRUMENTS	MARKET PRICE AT THE DATE OF ALLOCATION	VESTING PERIOD*
Moretti Mauro	Chief Executive Officer and General Manager of Finmeccanica S.p.a.	11/5/2015	Finmeccanica S.p.A. shares	132.210	31/07/2015	-	€ 13,10	31/07/2015 - 31/07/2018
Executives with strategic responsibilities	-----	11/5/2015	Finmeccanica S.p.A. shares	78.413	31/07/2015	-	€ 13,10	31/07/2015 - 31/07/2018
Other Executives, employees and collaborators (no. 167)	-----	11/5/2015	Finmeccanica S.p.A. shares	1.209.306	31/07/2015	-	€ 13,10	31/07/2015 - 31/07/2018

(\*) Vesting period of the bonus converted into shares subject to restrictions on their transfer.

Maximum number of shares that can be allocated within the 2015-2017 LTI Plan upon full achievement of all performance targets. The final calculation will be made at the end of the performance period in 2018. For the CEO and General Manager and the Executives with Strategic Responsibilities, once the vesting period is elapsed, 50% of shares will be subjected to a one-year lock-up in which the shares will not transferable.



		CO-INVESTMENT PLAN - FIRST CYCLE 2015 - 2017 - ALLOCATION FY 2015						
		FINANCIAL INSTRUMENTS OTHER THAN STOCK OPTIONS (CONVERSION OF THE ANNUAL BONUS INTO SHARES)						
		SECTION 2 NEWLY-ALLOCATED INSTRUMENTS ACCORDING TO THE BoD's PROPOSAL TO THE SHAREHOLDERS' MEETING						
LAST AND FIRST NAME OR CATEGORY	POSITION	DATE OF THE SHAREHOLDERS' MEETING RESOLUTION	TYPE OF FINANCIAL INSTRUMENTS	NUMBER OF FINANCIAL INSTRUMENTS	DATE OF ALLOCATION	PURCHASE PRICE (IF ANY) OF INSTRUMENTS	MARKET PRICE AT THE DATE OF ALLOCATION	VESTING PERIOD (*)
Executives with strategic responsibilities	-----	11/5/2015	Finmeccanica S.p.a. shares	1.301 <sup>(1)</sup>	31/05/2015	-	€ 12,21	31/05/2015 - 31/05/2018
Other Executives, employees and collaborators (former employees) (no. 406)	-----	11/5/2015	Finmeccanica S.p.a. shares	63.466 <sup>(2)</sup>	31/05/2015	-	€ 12,21	31/05/2015 - 31/05/2018

(\*) Vesting period of the bonus converted into shares subject to restrictions on their transfer.

(1) Executives with Strategic Responsibilities have invested a portion of their 2014 bonus, converting it into shares; the table shows the maximum number of matching shares relating to the Co-Investment Plan that may be allocated at the end of the vesting period only and that have been calculated by assuming the fulfilment, in the three financial years, of the performance gate condition required by the plan itself. The number of shares purchased is equal to 3,903.

(2) Other Executives, employees and collaborators (former employees) have invested a portion of their 2014 bonus, converting it into shares; the table shows the maximum number of matching shares relating to the Co-Investment Plan that may be allocated at the end of the vesting period only and that have been calculated by assuming the fulfilment, in the three financial years, of the performance gate condition required by the plan itself. The number of shares purchased is equal to 190,400.

