

## FINMECCANICA – Società per azioni

### CODE OF CONDUCT FOR INTERNAL DEALING

#### INTRODUCTION

The Board of Directors of Finmeccanica S.p.A. (hereinafter “Finmeccanica”) has adopted the present Code of Conduct for Internal Dealing so that it may govern with binding effect, in accordance with the provisions of Article 114, paragraph 7 of the Italian Financial Services Act (Legislative Decree No 58/1998) and with Articles 152-*sexies* and 152-*octies* of the ISSUERS’ REGULATIONS (CONSOB Resolution No 11971/1999), the information flows pertaining to the transactions listed in Article 3 below and carried out – including those carried out through intermediaries– by the “Key Persons” identified in Article 1 and by the “Persons closely related to Key Persons” identified in Article 2.

The Chairman of Finmeccanica may supplement and/or amend this Code if required by future legislative or regulatory provisions and based on the material information supplied by the relevant authorities or from actual experience or market practice.

#### 1. KEY PERSONS

For the disclosure obligations referred to in this Code, “**Key Persons**” is understood to mean:

- members of the Board of Directors and Board of Statutory Auditors of Finmeccanica;
- individuals holding at Finmeccanica the office of General Manager/Chief Operating Officer and Co-General Manager/Co-Chief Operating Officer.

The Chairman of Finmeccanica may identify, by a special amendment to the present Code, other persons within Finmeccanica (or its controlled companies, if the book value of the shareholding represents more than 50% of the assets of Finmeccanica), following structural and/or organisational changes that qualify them as “Key Persons” based on the criteria set out in Article 152-*sexies* of the Issuers’ Regulations.

## 2. PERSONS CLOSELY RELATED TO KEY PERSONS

Under Article 152-*sexies*, subparagraph d) of the Issuers' Regulations, the term "**Persons closely related to Key Persons**", also subject to the disclosure obligations set out in Article 114, paragraph 7 of the Italian Financial Services Act, means the following:

- a) the spouse, unless legally separated, children, including those of the spouse, if dependent and, if living together for at least one year, the parents and close-in laws of the Key Persons;
- b) the legal entities, partnerships and trusts in which a Key Person or one of the persons indicated in subparagraph a) holds a management position, whether individually or collectively; the term "management position" is understood to mean any role carried out by an individual or body with administrative powers (sole administrator, Board of Directors or management committee); in the case of several directors, the Key Person holds the management position if more than half of the board is composed of the Key Person and/or by Persons closely related to Key Person;
- c) the legal persons directly or indirectly controlled by a Key Person or by one of the persons indicated in subparagraph a); companies controlled by a Key Person or by a Person closely related to Key Person are considered to be companies in which they hold a "significant share of ownership"; in particular, a significant share is considered to be held when the person holds more than a 50% equity claim; in case of a chain of controlled companies, the equity claim is calculated by "weighting" the equity claims at each level;
- d) partnerships whose economic interests are essentially equivalent to those of a Key Person or one of the persons indicated in subparagraph a) above; equivalent economic interests in a partnership exist when the Key Person holds, individually or jointly with Persons closely related to Key Persons, an equity claim of more than 50%;
- e) trusts set up for a Key Person or one of the persons indicated in subparagraph a);

Pursuant to Article 152-*octies*, paragraph 10 of the Issuers' Regulations, Key Persons must inform the Persons closely related to them of the existence of the conditions under which said persons are subject to the disclosure obligations.

### 3. DISCLOSURE OBLIGATIONS OF KEY PERSONS

The Key Persons referred to in Article 1 shall inform Finmeccanica, in accordance with the terms and conditions of the following Articles 4 and 5, of **any acquisition, transfer, subscription or exchange transactions carried out by them and by Persons closely related to them relating to shares issued by Finmeccanica** or other financial instruments associated therewith.

Under Article 152-*sexies*, subparagraph b) of the Issuers' Regulations, the term "**financial instruments associated with the shares**" issued by Finmeccanica means the following:

- a) financial instruments that allow shares to be subscribed for, acquired or transferred;
- b) debt instruments convertible into shares or exchangeable for them;
- c) the equities derivatives indicated in Article 1, paragraph 3 of the Italian Financial Services Act (\*);
- b) other financial instruments equivalent to shares and representing these shares;
- e) listed shares (traded on regulated Italian markets) issued by companies, whether Italian or foreign, controlled by Finmeccanica and the financial instruments referred to in subparagraphs a), b), c) and d) associated therewith;
- e) unlisted shares issued by companies controlled by Finmeccanica, if the book value of the shareholding in the controlled company represents more than 50% of the assets of Finmeccanica, as indicated in the last approved financial statements, and the financial instruments referred to in subparagraphs a), b), c) and d) associated therewith.

Disclosure obligations regard transactions for a total amount equal to or exceeding the threshold of **€5000** and performed during the same calendar year.

---

(\*) Futures contracts on financial instruments, interest rates, currencies, commodities and indices, even when these are executed in return for payment of the difference in cash; spot and forward contracts (swaps) on interest rates, currencies, commodities and equity indices (equity swaps), even when these are executed in return for payment of the difference in cash; forward contracts linked with financial instruments, interest rates, currencies, commodities and indices, and options on currencies, interest rates, commodities and indices, even when these are executed in return for payment of the difference in cash; combinations of these contracts or securities.

This amount is calculated by totalling the transactions relating to shares and to the financial instruments associated therewith, carried out on behalf of each Key Person and on behalf of Persons closely related thereto.

For associated financial derivatives, the amount is calculated with reference to the underlying shares.

The following transactions are excluded from the scope of this Code and therefore do not need to be disclosed:

- a) securities lending operations or the creation of rights of pledge or usufruct;
- b) transactions performed between the Key Person and the Persons closely related thereto; conversely, transactions between Key Persons must be disclosed;
- c) transactions without any financial consideration (e.g. gifts and inheritances); conversely, barter transactions must be disclosed, since the estimated value of the financial instruments exchanged is taken as the transaction price;
- d) the complimentary allocation of shares or acquisition/subscription rights and the exercise of such rights when they derive from payment plans, as provided by Article 114-*bis* of the Financial Services Act; conversely, sales of shares originating from the exercise (simultaneous or otherwise) of these rights or from the complimentary allocation of shares etc. must be disclosed.

#### **4. PERSON RESPONSIBLE FOR COMPILING AND MANAGING INFORMATION AND DISCLOSING INFORMATION TO THE MARKET – COMPLIANCE PROCEDURES**

The Legal and Corporate Affairs Department of Finmeccanica is the Person Responsible for compiling and managing information concerning the transactions reported by the Key Persons indicated in Article 1 and for disclosing it to CONSOB and the market.

Each Key Person shall notify the Person Responsible in writing of the transactions carried out by completing the form attached hereto (Filing Model), providing all relevant information, the disclosures remaining the Person's sole responsibility.

The Person Responsible will be notified by one of the following procedures:

- notification sent by email to the following address:

.....(omissis).....

- notification sent by fax to the following number:

.....(omissis).....

Before each notification, the Key Person shall give advance notice by calling one of the following numbers:

.....(omissis).....

The Person Responsible shall in turn send the Key Person, by fax or email, confirmation of receipt of the information.

For each request for clarification concerning the completion of the attached Filing Model, the Key Person may contact the Group Finance Department on one of the following numbers:

.....(omissis).....

## **5. DISCLOSURE OF TRANSACTIONS PERFORMED BY KEY PERSONS**

### **5.1 DISCLOSURE BY KEY PERSONS**

The Key Persons referred to in Article 1 shall inform the Person Responsible at Finmeccanica of the transactions described in Article 3, according to the procedures indicated in Article 4.

This amount is calculated by totalling the transactions relating to shares and the financial instruments associated therewith, carried out on behalf of each Key Person and on behalf of Persons closely related to Key Persons.

The information must be received **within four trading days from the date of the transaction** by which the €5000 threshold has been reached or exceeded.

To determine when the transaction took place, the point in time at which the order was attached to the counterparty offer is used, and not the payment date.

For transactions carried out under an individual investment portfolio management mandate, unless these are based on the client's instructions, the disclosure obligations apply from the date on which the client is notified of the transaction by the broker. (9)

No disclosure is necessary when there are no transactions, or if the transactions are below the €5000 threshold, without prejudice to the obligation to disclose these when their total amount reaches the €5000 threshold in the same calendar year.

## **5.2 DISCLOSURE BY FINMECCANICA**

The Person Responsible shall arrange to notify CONSOB and the public of any transactions carried out by Key Persons and by Persons closely related to them, reported to the Company in accordance with the terms and conditions set out herein, **by the end of the next trading day following receipt of the notification from the Key Person.**

The Person Responsible will notify CONSOB and the public in accordance with the procedures set out in Article 66, paragraphs 2 and 3 of the Issuers' Regulations, using the special form supplied by CONSOB and contained in Schedule 6 of the Issuers' Regulations (the Filing Model attached to this Code). This is also available in electronic form on the **NIS network managed by Borsa Italiana S.p.A.**

**In case of malfunction of the NIS**, or if the Person Responsible is unable to access the network, the information will be sent according to the following methods:

- **sent to CONSOB** by fax (on the number .....(omissis).....) and email (to the address .....(omissis).....), or by any other method subsequently indicated by CONSOB;
- **sent to BORSA ITALIANA S.P.A.** by email (to the address .....(omissis).....), or by any other method subsequently indicated by BORSA ITALIANA S.P.A.;
- **sent to at least two press agencies** by fax (.....(omissis).....).

---

(9) For these transactions, the abbreviation "SGR" must be entered in the "Notes" section of Part 4 of the Filing Model.

## **6. TRANSACTION LIMITS AND RESTRICTIONS**

Key Persons and the Persons closely related thereto are prohibited from dealing in the shares and financial instruments referred to in Article 3 of this Code in the 15 days preceding the approval of the draft financial statements, interim report and quarterly reports of Finmeccanica by the Board of Directors.

The Board of Directors of Finmeccanica also reserves the right to grant exemptions from the aforementioned restriction, and to prohibit or limit the performance at other times of the year, by any or all of the Key Persons and Persons closely related thereto, of transactions relating to the shares and financial instruments referred to in Article 3 of the present Code.

## **7. NON-COMPLIANCE WITH THE CODE**

In case of non-compliance with the disclosure obligations governed by this Code, as laid down by Article 114, paragraph 7 of the Italian Financial Services Act and the corresponding implementing regulations issued by CONSOB (Articles 152-*sexies* – 152-*octies* of the Issuers' Regulations), provision is made for an administrative fine (of between €5000 and €500,000) to be imposed on the persons indicated in Article 114, paragraph 7, as laid down by Article 193, paragraph 1-*bis* of the Italian Financial Services Act.

For Key Persons who are employees of the Company (or its subsidiaries), such non-compliance may entail the application of disciplinary measures affecting the employment relationship.

In case of the late or incomplete submission of the information indicated in the form attached to the present Code, Finmeccanica must arrange to disclose this to CONSOB and to the market directly, explaining that the delay/incompleteness of the information is the exclusive fault of the Key Person.

## **8. ENTRY INTO FORCE**

The disclosure obligations and the procedures laid down in the present Code shall take effect as from and with reference to transactions conducted from 1 April 2006.

The €5000 disclosure threshold is calculated, for 2006, with reference to transactions carried out from 1 April 2006 – the effective date of the regulations – until 31 December 2006 inclusive.

Rome, 28.03.2006

Enc: Filing Model (Issuers' Regulations, Schedule 6: disclosure form in accordance with Article 152-*octies*, paragraph 7).