

**RULES OF PROCEDURE OF THE INTERNAL AUDIT COMMITTEE**

**Article 1**

**Formation – Chairmanship**

1. The Internal Audit Committee shall be formed by means of a resolution of the Board of Directors of Finmeccanica S.p.A.
2. It shall be composed of four non-executive directors, the majority of them independent, with a professional background and experience befitting the activities of the Committee, and at least one of whom shall have accounting and financial experience, evaluated by the Board of Directors at the time of the appointment.
3. At its first meeting, the Committee shall elect a Chairman, if one has not already been appointed by the Board of Directors.
4. The Chairman of the Board of Statutory Auditors or another Statutory Auditor designated by the Chairman of the Board shall be involved in the Committee's work. The Chairman and Chief Executive Officer and other members of the Board of Statutory Auditors may also take part. The Committee may invite the Internal Audit Manager to its meetings.
5. If for any reason a Committee seat should become vacant, the Board of Directors shall appoint a new member in accordance with the preceding paragraphs.
6. The Committee's term of office shall be identical to that of the Board of Directors, which, if terminated for any reason whatsoever, shall result in the immediate dissolution of the Committee.

**Article 2**

**Meetings and resolutions**

1. The Internal Audit Committee shall meet periodically to perform the functions and tasks referred to in Article 3 hereinafter. It shall meet at least every six months, when the Board of Directors approves the financial statements and interim report.
2. The Internal Audit Committee may meet in any location, in Italy or elsewhere.
3. Committee meetings shall be convened by the Chairman or – in case of his absence or impediment – by any other member of the Committee, subject to at least 72 hours' notice by telegram, fax or e-mail. In an emergency, it may be convened with 24 hours' notice.
4. The Internal Audit Committee shall have a secretary, selected from among the Company's employees, who shall be appointed during the first meeting.
5. Committee meetings may take place by teleconference or videoconference, on condition that all participants can be identified and are able to follow and take part simultaneously in the discussion of business, as well as being able to view the proceedings in real time. Provided that these conditions have been met, the Committee meeting shall be deemed to take place wherever the Chairman and secretary of the meeting are, in order to allow the minutes of the meeting to be drawn up and signed.
6. Committee meetings shall be chaired by the Chairman or, in his absence, by the member who is most senior in age.
7. For Committee meetings to be valid, the majority of its members must be present.
8. Resolutions shall be adopted by a majority vote of those present; in case of a tied vote, the person chairing the meeting shall have the deciding vote.
9. The Committee's resolutions shall be recorded in minutes, which shall be signed by the Chairman of the meeting and by the secretary. Copies of the minutes shall be authentic if signed by the Chairman, or by the acting chairman, and countersigned by the secretary.

### **Article 3**

#### **Functions, objectives and tasks**

1. The Internal Audit Committee has an advisory and proposal-making role, assisting the Board of Directors in fulfilling its responsibilities relating to supervision. The Internal Audit Committee assists the Board of Directors with drawing up guidelines for the internal audit system, identifying the executive director responsible for supervising the operation of the internal audit system, assessing the adequacy, effectiveness and efficiency of the internal audit system at least once a year and describing the key aspects of this in the corporate governance report. The internal audit system consists of the set of rules, procedures and organisational structures designed to allow, through the proper identification, measurement, management and monitoring of the major risks, sound and correct business management in line with predefined objectives.

Therefore, it is the responsibility of the Internal Audit Committee, for example:

- a. to assess, together with the responsible manager for drafting the company's financial reports and the auditors, the correct use of accounting policies and their suitability for preparing the consolidated financial statements;
- b. to express an opinion at the request of the executive director appointed for this purpose on specific aspects pertaining to the identification of the main business risks, in addition to the planning, implementation and management of the internal audit system;
- c. to examine the work plan devised by the Internal Audit Manager as well as the periodic reports prepared by him;
- d. to assess the proposals made by the independent auditors when tendering for the contract with the Company, in addition to the audit plan proposed and the audit results contained in the report and in the letter of recommendations, where applicable;
- e. to monitor the effectiveness of the audit process;
- f. to report back to the Board of Directors, at least once every six months at meetings when the draft financial statements for the year and half-year are approved, on the work undertaken and on the adequacy of the internal audit system.
- g. to perform any additional tasks assigned by the Board of Directors.

In performing the tasks referred to in the previous paragraph, the Internal Audit Committee may:

- a. examine and discuss with management and with the Internal Audit Manager the most significant findings, the reasons given and any difficulties encountered in the course of the work;
- b. meet with management to examine the main business risks identified and the measures taken to prevent, monitor and control them.

#### **Article 4**

##### **Powers**

1. In order to perform the tasks assigned to it, the Internal Audit Committee may enlist the help of the Internal Audit Manager of the Company, in addition to that of Company employees and external professionals, provided that such persons are contractually bound to observe the confidentiality obligations and to comply with the ethical principles of the Company. The Internal Audit Committee shall report to the Internal Audit Manager on the work carried out, particularly with reference to the risk management procedures, expressing his opinion as to the ability of the internal audit system to provide an acceptable overall risk profile.

#### **Article 5**

##### **Ethical conduct**

1. Members of the Internal Audit Committee are required to discharge the mandate assigned to them with professionalism, transparency, independence of judgement and conduct in line with the ethical principles of the Company. To this end, they shall refrain from any actions, behaviour or statements that could raise doubts as to the application of these criteria to their work.
2. The Internal Audit Committee shall constantly monitor the level of compliance with regulatory and procedural requirements adopted by Finmeccanica and by companies within the Group, making proposals and suggestions to the Board of Directors.