

# *PARTNERSHIP COMPLIANCE*

**GROUP DIRECTIVE | LDO – DI – 022 | Rev. A**

## **IDENTIFICATION AND ASSESSMENT OF BUSINESS PARTNERS**

## 1. GENERAL PRINCIPLES

Leonardo operates observing the principles of loyalty, correctness, transparency and efficiency according to the national and international laws as well as with any internal applicable rule in compliance with the values of its Organizational, Management and Control Model ex D.Lgs 231/2001, of its Ethical Code, the Chart of Values, the Anti-Corruption Code and the Human Rights Respect Policy.

Principles and Values are extended to the Leonardo Group and any subject having relations with Leonardo (Workers, Suppliers, Business Partners, Financial partners and Consultants), in adherence to the following:

- identification and sharing of Responsibilities;
- clear definition of the Powers of Signature;
- transparency and simplicity;
- impartiality and no-conflict of interest;
- traceability and archiving of the documents.

Leonardo encourages anyone who becomes aware of violations (conduct, acts or omissions) of the law or of corporate protocols, even if potentially detrimental to the public interest or to the integrity of the Group, to report this, in good faith, through the Internal Reporting Channel identified in the Whistleblowing Management Platform, in accordance with the procedures set out in the Guidelines on the Management of Reports by Leonardo available in the dedicated section of Leonardo's Hub, on the Intranet and on the Leonardo website.

## 2. PURPOSE AND APPLICATION

In this context Leonardo Directive defines the roles, responsibilities and rules of the process relating to the identification, selection and assessment of Partners (other economic operators with legal personality) with which Leonardo S.p.a. and its Subsidiaries intend to establish agreement to execute activities involving a joint collaboration, current or future, with the objective of acquiring orders and/or contracts and/or business development, regardless of the roles that the parties may assume. Similar directives regulate the Strategic Partnerships and M&A Partnerships.

A Commercial Partnership is defined as an agreement characterized by the following requirements:

- regulates the performance of joint activities between Leonardo (or Subsidiary) and one or more economic operators with legal personality and preparatory to the concretization of a contract of sale/marketing of one or more products/services to one or more specific Customers;
- its purpose is collaborations aimed at commercializing products and technologies or commercial collaborations that do not envisage significant developments of technologies/new products/parts thereof;
- it ends upon completion of the activities foreseen in the Agreement in the manner regulated therein.

These Partnerships take the form, by way of example and not limited to, of Letters of Intent (LoI), Memorandum of Understanding (MoU), Teaming Agreement (TA), Temporary Business Groupings or Associations (RTI or ATI), Consortium Agreement (CA), Framework Agreement (FA), Business Agreement, etc.

### 3. THE PROCESS

The Process is splitted into the following phases:

- Identification of the Partner: this activity is triggered by the Proponent Organizational Unit (OU), that express an interest in seeking a potential Partner for the purpose of making a sale or establish a business collaboration.

Once the potential Partner has been identified, the Proponent OU fills out the *Initiative Form* which, according to the criteria of transparency, competence and appropriateness, shall contain all the necessary information about the potential Partner.

The *Initiative Form* must be approved according to the applicable roles and responsibility and must be delivered to the Partnership Compliance OU (PARCMP).

- Partner assessment: The PARCMP (or similar OU if it is a Subsidiary) performs the Due Diligence activity by analysing and assessing the ethical and reputational risks linked to signing the Agreement, also using the Risk Score evaluation.

Risk Analysis, starting from the evaluated Red Flags and using the methodology developed by the Leonardo's Risk Management structure allows to:

- synthesize, using the Risk Score tool, the level of risk associated with the potential Partnership;
- identify and evaluate any individual risks and treatment actions related to the potential Partnership, completing, where required, the appropriate Risk Register;
- At the end of the due diligence activities, the PARCMP unit manager (or equivalent subsidiary unit): completes and signs the summary form (cf. Annex 2, para. 8) stating the results, With the results of the Risk Analysis and any mitigation actions.

According to the Risk Score value, PARCMP may request further specialised opinions by other Leonardo (Subsidiary) competent OU, as well as all the necessary formal authorizations to proceed; if needed, risk mitigation actions are defined.

PARCMP also performs the supervision, monitoring and control of the ethic-reputational assessment on potential Partners provided by the Subsidiaries.

- Definition of the Agreement: following the evaluation by the Proponent OU, the Legal Affairs OU prepares the agreement, adapting it to the case at hand. The Proponent OU has the Agreement signed by its direct manager (with specific powers of signature) and then forwards it to the Counterparty for acceptance of the Agreement.
- Monitoring and Reporting: The Proponent OU periodically monitors the existence of the rationale on the basis of which the choice of the business partner was made; quarterly such the Proponent OU prepares and sends an information note to Leonardo Corporate concerning agreements signed and still in force as well as the operations not finalised.

---

Piazza Monte Grappa, 4

00195 Roma

T +39 06324731

F +39 063208621

