ANTICORRUPTION CODE OF LEONARDO GROUP

Introduction

1. Scope ......................................................................................................................... 4
2. Adoption and implementation .................................................................................... 4
3. Definitions .................................................................................................................. 4
4. Roles and responsibilities .......................................................................................... 8
5. Reference standards and best practices ...................................................................... 9
6. Anti-corruption objectives ......................................................................................... 10
7. General rules of conduct ............................................................................................ 11
8. Principles of conduct in key risk and risk-conducive areas...................................... 12
   8.1 Financing ................................................................................................................ 13
   8.2 Acquisition and management of orders ................................................................. 13
   8.3 Procurement of goods and services ........................................................................ 15
   8.4 M&A Transactions .................................................................................................. 17
9. Principles of conduct in risk-conducive areas ............................................................ 17
   9.1 Gifts and business expenses .................................................................................... 17
   9.2 Sponsorships and contributions to associations and entities ................................. 18
   9.3 Selection and recruitment of Staff ......................................................................... 19
   9.4 Appointments for professional services .................................................................. 20
   9.5 Sales Promotion Appointments .............................................................................. 20
   9.6 Bookkeeping and audits ........................................................................................ 21
10. Staff Training and dissemination of the Anti-Corruption Code .................................. 22
11. Reports ...................................................................................................................... 24
12. Penalties and contractual clauses .............................................................................. 25
Introduction

Leonardo S.p.a., in carrying out its business activities, is committed to fight against corruption and to prevent the risk of illegal practices at all work levels and in any geographical area, by disseminating and promoting ethical values and principles, as well as by the implementation of rules of conduct and effective control processes, in line with the requirements set forth by applicable laws and international best practices. In this context, during the meeting on 21 April 2015, the Board of Directors approved the Anti-Corruption Code, revised on 26 September 2019 and on 7 April 2022, in order to strengthen the controls incorporated to fight and prevent corruptive practices.


Compliance with the relevant laws, transparency and proper management, trust and cooperation with stakeholders and zero tolerance towards corruption are the ethical principles followed by Leonardo and which have inspired its models of conduct in order to compete effectively and fairly in the market, improve customer satisfaction, maximise value for the benefit of its shareholders, develop the skills and promote the professional growth of its human resources. In particular, the firm belief of acting to the Company’s advantage does not justify behaviour in contrast with these principles.

All the recipients and everyone who works in the name and on behalf of Leonardo or for its benefit is therefore committed, without distinction or exception, to observe and enforce these principles within his own function and responsibilities. Such commitment requires that all the parties involved in any business dealing with Leonardo have to act, in all their transactions with the Company, in accordance with rules and methods inspired by the same values.
1. **Scope**

The Leonardo Group is a multinational organization that operates in many Countries all over the world in the Aerospace, Defense and Security sector. In view of its size and global operations, the Leonardo Group has developed specific compliance controls in order to prevent the risk of misconduct in activities that are most vulnerable to corruption in dealings with the public authorities and private entities. The Anti-corruption Code levels out and integrates the Group's existing rules for preventing and fighting against corruption and is an integrated and consistent system of principles of integrity and transparency whose purpose is to prevent and fight against the risks of illegal practices in the conduct of its business and corporate activities.

2. **Adoption and implementation**

The Anti-Corruption Code is applicable, with immediate effect, to all the recipients indicated hereunder. The Boards of Directors (or administrative bodies) of Group Companies directly controlled¹ by Leonardo adopt the Anti-Corruption Code at the first possible meeting and ensure that the boards of the respective subsidiaries promptly adopt the same².

Leonardo and the Group Companies³ will exert their best efforts to ensure that companies in which they hold a non-controlling interest (including joint ventures), adopt the rules of the Anti-Corruption Code.

3. **Definitions**

For the purposes of this Anti-Corruption Code, the terms listed therein shall have the meaning indicated hereunder.

**Anti-corruption law**: the applicable laws set forth by the legal systems of each Group company, above all Legislative Decree 231/2001, the *Bribery Act* (2010), the *Foreign Corrupt Practices Act* (1977), the Convention on the Organisation for

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¹ The companies directly controlled by Leonardo S.p.a. pursuant to section 2359 of the Italian Civil Code.

² The companies indirectly controlled by Leonardo S.p.a. pursuant to section 2359 of the Italian Civil Code.

³ The companies directly or indirectly controlled by Leonardo S.p.a. pursuant to section 2359 of the Italian Civil Code.
Economic Cooperation and Development (OECD) on combating the bribery of foreign public officials in international business transactions (1997), the applicable Conventions of the Council of Europe (Civil and Criminal Law Conventions on Corruption - 1999) and the United Nations Convention against Corruption (the so-called Merida Convention, General Assembly Resolution no. 58/4 dated 31 October 2003).

**Anti-corruption Regulatory Instruments:** corporate protocols that, in addition to this Anti-corruption Code, set out specific rules and control processes. *Inter alia*, the Code of Ethics, the Whistleblowing Management Guidelines and corporate procedures.

**Business expenses:** any costs incurred for the purchase of goods and services for advertising purposes or public relations.

**Code:** the Anti-Corruption Code adopted by Leonardo S.p.a. and its subsidiaries pursuant to section 2359 of the Italian Civil Code.

**Contributions to associations and entities:** contributions by Leonardo or Group companies for membership of a specific entity, amounts due as an associate or member of an Association or Foundation or Think Tank as well as donations to non-profit entities (e.g. NPOs).

**Coordination and Consultation Body for the Prevention of Corruption:** the board consisting of the *pro tempore* Chairman of Leonardo and the *pro tempore* Chairmen of the Control and Risk Committee, the Board of Statutory Auditors and the Surveillance Body of Leonardo pursuant to Legislative Decree 231/01.

**Corruption:** anyone who in carrying out activities directly or indirectly for or on behalf of Leonardo or the Group companies promises, receives or gives benefits and/or undue payments to third parties, either directly or indirectly, for personal gain, or that of Leonardo, the Group companies or third parties. For the purposes of this Code, no distinction is made between "corruption of a public administration" and "corruption of individuals".
Disclosures Committee: the Committee appointed by Leonardo S.p.a. Service Order no. 23 dated 19 March 2015, whose members are the Managers of the Legal, Corporate Affairs, Compliance, Criminal Law and Anticorruption, Group Internal Audits, Human Resources and the Security, Administration, Finance and Control organisational units of Leonardo, is responsible for managing the investigation and reporting phases of any information received (even anonymously), pursuant to the "Whistleblowing Management Guidelines" approved on 18 March 2015 by the Leonardo Board of Directors and subsequently revised.

Facilitation payments: any undue payments made, even indirectly, in order to encourage services, even if due, from the Public Administration.

Gift: an object of low commercial value, given or received.

Joint Venture: contractual agreement for a stable collaboration pursuant to which Leonardo or a Group Company undertakes to carry out economic activities with a third party (Partner) under joint control.


Leonardo Group or Group: the companies in which Leonardo holds, directly or indirectly, a controlling interest pursuant to section 2359 of the Italian Civil Code.

Leonardo Group personnel: the employees of Leonardo and the Group Companies (senior managers, middle managers, pilots, white and blue-collar workers).

M&A Transactions: the transactions carried out by Leonardo or by Group Companies involving acquisitions, transfers, mergers, spin-offs, transfers of companies or business units, strategic alliances and partnerships.

Professional services: any activity of assistance or consultancy, however the same is called, consisting of intellectual property services, as set forth by section 2230 of the Italian Civil Code, by persons who are registered or otherwise with a professional register.
Public Administration: a national, supranational or foreign authority having public functions and authoritative powers, even if the same acts through instruments of private law.

Private entities: legal persons under private law and natural persons who perform activities for/with Leonardo or for/with the Group Companies.

Recipients: the members of the Boards of Directors and Statutory Auditors (or the administrative and control bodies) including employees, collaborators in any capacity of Leonardo and the Group Companies, including anyone who is party to a contract for valuable consideration or free of charge, with Leonardo or the Group Companies.

Sales Promoter: anyone who carries out, in favour of a Group Company, services made subject of Sales Promotion Appointments.

Sales Promotion Appointments: agreements whose scope is to support the activities of Leonardo or a Group Company when evaluating the conditions and opportunities of the markets in which the Group operates, or to assist Leonardo or a Group Company to prepare an offer.

Sponsorships and advertising initiatives: contracts related to a specific event, project or activity, entered into by Leonardo or by the Group Companies to promote and advertise the name, image and brand or promote activities, products and business services.

Supplier: a natural or legal person who supplies goods or services to Leonardo or a Group company.

Undue advantages: undue advantages relevant to the relationship or subject matter of the same.
4. Roles and responsibilities

All companies directly controlled by Leonardo in accordance with section 2359 of the Italian Civil Code, shall promptly notify the Coordination and Consultation Body for the Prevention of Corruption that the Code has been duly adopted also by their subsidiaries\(^4\), so as to allow the Body to evaluate the implementation thereof by the Group.

The effective implementation of this Code – and the compliance with its provisions – is verified through audit activities.

The Coordination and Consultation Body for the Prevention of Corruption will regularly review the Code, recommending any updates or changes that may be required to the Leonardo Board of Directors, above all as regards developments in the best practices and applicable laws or in the case of critical situations that may be ascertained.

The Leonardo Board of Directors is therefore responsible for making any subsequent amendments and additions to the Code, other than in the case of official amendments and additions introduced by the Coordination and Consultation Body for the Prevention of Corruption through the Legal, Corporate Affairs, Compliance, Criminal Law and Anticorruption and the Group Internal Audit. Any Anti-corruption Regulatory Instrument adopted, or that may be adopted, by Leonardo in order to prevent the risk of corruption, shall be considered as an integral part of the Code.

The Coordination and Consultation Body for the Prevention of Corruption will send yearly reports of its activities to the Leonardo Board of Directors, the Board of Statutory Auditors, the Audit and Risk Committee and the Surveillance Body as set forth by Legislative Decree 231/01.

The Disclosures Committee will prepare a six-monthly report summarising the activities carried out and the status of the Action Plan relevant to reports involving any conduct potentially subject to the risk of corruption - for the bodies/company

\(^4\) With reference to foreign subsidiaries, this is applicable as long as it is compliant with the relevant laws.
boards of Leonardo and each Group Company - a copy of which will also be sent to the Coordination and Consultation Body for the Prevention of Corruption\(^5\).

5. **Reference standards and best practices**

The Code is based and must be interpreted in accordance with the principles set forth by:

- the anti-corruption regulations in force in countries where Leonardo and the Group Companies operate; and in any case;
- applicable laws in the so-called "domestic" markets, in particular Legislative Decree 231/2001, Italian Criminal Code (with particular reference to section 316 et seq), Italian Civil Code (with particular reference to section 2635 and section 2635-bis), *US Foreign Corrupt Practices Act* (1977) and *UK Bribery Act* (2010);
- the United Nations Convention against Corruption (so-called Merida Convention, General Assembly Resolution no. 58/4 dated 31 October 2003);
- the Conventions of the Council of Europe (*Civil and Criminal Law Conventions on Corruption* - 1999);
- the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (1997) and the United Nations Convention against Corruption (2003);
- the Law 146/2006 (that ratified and enforced in Italy the United Nations Convention and the Protocols against Transnational Organized Crime, adopted by General Assembly on 15 November 2000 and 31 May 2001);
- the standards of self-discipline adopted by trade associations (*Common Industry Standards of ASD - AeroSpace and Defence Industries Association of Europe; Global Principles of Business Ethics of IFBEC - International Forum for Ethical Business Conduct*); and

\(^5\) “Whistleblowing Management Guidelines” approved on 18 March 2015 by the Board of Directors of Leonardo S.p.a and subsequently revised.
the guidance, the international best practice and the international standard (ISO 37001:2016) regarding the prevention and the fight against corruption.

6. Anti-corruption objectives

All the Recipients – each of them in their respective competence and responsibilities – must:

- repudiate and prevent corruption, in respect of the zero tolerance principle;
- ensure the compliance with all the relevant Anti-corruption laws;
- ensure the implementation of what is required by the anti-corruption management system, as well as its continuous improvement.

All Recipients are prohibited from engaging in bribery and corruption in all activities for or on behalf of Leonardo and its Group Companies, including making corrupt payments to public officials, engaging in commercial bribery, and making facilitation payments.

Moreover, for the implementation of the anti-corruption management system, it is necessary to:

- enforce and observe the provisions of the relevant Anti-Corruption Regulatory Instruments;
- carry out the controls set out in the Anti-Corruption Regulatory Instruments;
- provide the training sessions and activities hereby provided;
- impose, in case of breach, the sanctions hereby provided;
- establish appropriate mechanism for the monitoring and the continuous improvement of the anti-corruption management system.

Leonardo and the Group’s Companies, in compliance with the international standard (ISO 37001), shall determine specific objectives and take the necessary actions to strengthen their programs to combat and prevent the risks of corruption. These
objectives and actions shall be to identify and implement opportunities for improvement of their respective anti-corruption management systems\(^6\).

For achieving these objectives, this Code sets out specific rules of conduct and controls that must be complied with in the main risk areas and risk-conducive areas.

7. General rules of conduct

All the Recipients must fulfil the Anti-corruption law and the provisions set out in this Code and in the Anti-corruption Regulatory Instruments.

Thereto, in order to comply with this Code, the following general principles must be complied with in the main risk and risk-conducive areas:

- **separation of responsibilities**: duties, operational activities and control functions should be appropriately separated, ensuring that the person in charge of the operational activity is always different to that who control and authorises such activities;

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\(^6\) Leonardo S.p.a. established the Anticorruption organisational unit, with the specific task to supervise its anti-corruption management system, in order to regularly monitor, with the support of the relevant Leonardo’s organisational units, the performance, the adequacy toward risks and the implementation of the system, as well as the developments in the relevant laws, in the internal organization and in any other internal or external factors that are significant for the anti-corruption system and its updating. For these purposes, the Anticorruption organisational unit provides an annual plan (that sets out the operating objectives of the anti-corruption system and that must be consistent with the provisions of the Anti-Corruption Code) and, for the monitoring activities, an annual report on the activities carried out and the main results, on the performance, the adequacy, the implementation of the system and the implementation of the annual plan, as well as the results of any internal investigations and audits. The Head of the Anticorruption organizational unit of Leonardo S.p.a., who reports to the Chairman and the Group General Counsel, is responsible for implementing and managing Leonardo's anticorruption system and ensuring compliance with this Code, with the necessary support of the organizational units involved in the areas of respective competence. The Anticorruption organisational unit, through the Group General Counsel, has the direct access to the administrative and control bodies of the Company, including the Board of Directors.
**signing power system:** signing powers, which are formally defined, must be related to and consistent with the organizational and management responsibilities assigned and exercised within the value limits defined;

**clarity and simplicity:** the duties and responsibilities of all those involved in the company processes, including activities and controls, must be clearly defined and should provide mechanisms that are easy to apply;

**impartiality and absence of conflicts of interest:** the Recipients of the Code must act with professionalism, impartiality and in compliance with Anti-corruption law. They must therefore avoid all and any situations that might give rise to a conflict of interests, and which may - even potentially - affect their ability to act in the interests of the company and in accordance with such Laws;

**traceability and filing:** all activities - and the relevant checks - must be traceable and auditable *ex post*, wherever possible, even by means of appropriate documentary/information technology media; the documentation produced must be appropriately filed and stored.

In particular, only members of the company bodies of the Group and relevant company structures may engage in relations with the Public Administration and Private Entities. No Recipient may interfere improperly, for example by agreeing, offering or receiving, directly or indirectly, benefits of any kind, in excess of normal business practices or courtesy, or in any case with the intention of obtaining Undue advantages in the conduct of any business activity, even if such practices are considered to be "customary" in the country in which the Group operates, including Facilitation payments.

8. **Principles of conduct in key risk and risk-conducive areas**

As regards the activities of the Leonardo Group, the following areas have been identified as the highest Corruption risk areas. In these areas, the general principles set forth by par. 7 must be integrated as indicated hereunder.
8.1 Financing

In the management of financing, the following principles must be complied with:

- transactions with the institution or financing body must be traceable;
- documentation relevant to the different phases of application and management of the financing should be complete, accurate and truthful;
- powers of attorneys issued to sign the financing application and reporting documents forwarded by the financing institute or body must be complied with;
- the execution of the project financed, and compliance of the accounting status with respect to material status of the project should be regularly monitored;
- proper accounting records should be kept.

8.2 Acquisition and management of orders

The following principles should be complied with as regards the acquisition and management of orders, including public orders:

- examination of the tender and/or request for offers and start-up of bid preparation activities;
- identification of persons responsible for preparing the proposed bid, the relevant time-frame and the different authorisation stages;
- identification of the persons authorized to deal with customers, both when preparing the proposed bid and upon submittal of the same;
- the persons who prepare the offer and those who check the same must be different;
- approval, according to the corporate functions, of the essential specifications (technical, industrial and commercial) and the economic and financial analysis of the proposed bid, collected into a single document;
- the powers of attorneys issued to sign the bid forwarded to the customer and the relevant contract must be complied with;
compliance, right from the bid stage, with principles of transparency and objectivity in identifying and selecting subcontractors, if any.

In the acquisition and management of orders, awarded by the Public Administration through tenders by negotiated procedure without prior publication of the tender, the following principles should be complied with:

- identification of the persons responsible for evaluating whether the conditions of the tender by negotiated procedure apply;
- examination of the bid invitation and start-up of bid preparation activities;
- identification of the persons responsible for preparing the proposed bid, the relevant time-frame and different approval stages and execution of the contract;
- identification of the persons who are authorised to deal with the Public Administration, both when preparing the proposed bid and upon submittal;
- the persons who prepare the offer and those who check the same must be different;
- approval, according to the corporate functions, of the essential specifications (technical, industrial and commercial) and the economic and financial analysis of the proposed bid, collated into a single document;
- compliance of the powers of attorneys issued to sign the bid sent to the Public Administration;
- approval, according to the corporate functions, of any changes to the proposed bid once it has been negotiated with the Public Administration;
- compliance with the powers of attorneys issued to sign the contract;
- compliance, right from the bid stage, of the principles of transparency and objectivity in identifying and selecting subcontractors, if any;
- periodic monitoring of the proper execution of contracts;
- identification of the persons responsible for testing activities in accordance with the contractual provisions and applicable laws.
8.3 Procurement of goods and services

Recipients involved in the procurement of goods and services must act in accordance with the governance system of the company organization and the internal approval processes of the Group Companies for which they work.

As a rule, staff covering duties involving corporate procurement functions must be rotated.

The procurement of goods and services must comply with principles of:
- cost effectiveness, efficiency, promptness and accuracy;
- free competition, equal treatment, non-discrimination, transparency;
- proportionality and advertising;
- minimizing risks and maximizing value.

The procedures to select suppliers for works contracts or the supply of goods and services are the following:
- tender with publication of the tender notice;
- invitation to tender.

Private negotiations may be carried out only in specific cases and for justified reasons.

The purchase of goods and services must comply with the following principles:

Qualification of suppliers
- identification of roles, duties and responsibilities of the persons who are responsible for qualifying suppliers;
- the persons who qualify a new supplier, and the persons who carries out analysis and due diligence activities (verification of ethical, financial, technical, safety and workplace health requirements, etc.) prior to qualification, must be different;
- the documentation relevant to the qualification process must be fully traceable;
periodic monitoring and updating of the qualified suppliers list in order to verify that the qualification requirements still apply;

assessment by and feedback from functions who request goods or services supplied by qualified suppliers must be traceable at all times.

Selection of suppliers

definition, time planning and monitoring and, in compliance with existing powers, approval of requirements for the purchase of goods and services;

identification of the necessary criteria (product categories, economic commitment, technical specifications) in order to start the tender procedure;

definition, before the tender, of the criteria to evaluate bids;

separation of the functions of the person who makes the technical evaluation, the person who evaluates the prices and the person who awards the tender;

compliance with existing powers of attorneys as regards signing of the contact with the supplier selected;

definition of persons responsible for, and operating procedures relevant to, renewals or extensions of contracts;

the documentation relating to the supplier selection process must be traceable at all times.

Management of the contract with the supplier

monitoring the progress of supplier activities;

compliance of the activities carried out by the supplier with respect to the contractual provisions must be checked (acceptance of goods or services).

Those who wants to become a Supplier of goods or services of Leonardo must accept and comply with the principles set forth in this Code.
8.4 M&A Transactions

Any M&A transaction, including any corporate or contractual collaboration under a Joint Venture, must include a due diligence of the counterparty in order to verify:

- the identity, reputation, professional conduct and integrity of the shareholders and directors of the companies involved in the M&A transaction and, in the case of Joint Venture, of the Partner;
- the potential corruption risk areas of the company involved in the M&A transaction or Joint Venture;
- if the companies involved in the M&A transaction or Joint Ventures have an anti-corruption policy;
- the existence of proceedings, penalties or sentences for breach of the Anti-corruption law, against the companies involved in the M&A transaction and, in the case of a Joint Venture, against the Partner, shareholders, directors or the management thereof.

Moreover, following the M&A transaction, the company made subject of the acquisition, merger and contribution must comply with the provisions of the Code.

In particular as regards Joint Ventures, Leonardo and the Group Companies, will work through their representatives to ensure acceptance by the Joint Venture of the provisions of the Code, in order to prevent any conduct that might imply breach of the Anti-corruption law, while Leonardo and the Group Companies shall have the authority to carry out anti-corruption checks, as part of the activities relevant to the Joint Venture.

9. Principles of conduct in risk-conducive areas

The following are areas that may be conducive to Corruption risks.

9.1 Gifts and business expenses

Any gift and business expenses should:
be made or received in good faith and in connection with legitimate business purposes;
not consist of a cash payment;
not be made or received in order to exercise undue influence, or any expectation of reciprocity;
be reasonable, and in any case should not imply that the same are made or received to obtain preferential treatment;
be addressed to beneficiaries who cover a role related to activities of the company, and must comply with generally recognised requirements of reputation and integrity;
take into account the profile of the beneficiary as regards practices in institutional or professional relationships;
be implemented pursuant to specific company approvals (e.g. gift catalogue, structures that offer agreed discounted terms);
conform with generally accepted standards of professional courtesy;
comply with applicable laws and regulations.

9.2 Sponsorships and contributions to associations and entities

Any sponsorship of and contribution to an association or entity must include a prior due diligence and subsequent control, in order to verify:
the nature, extent or fame of the event, project or activity;
the identity, reputation, professional conduct and integrity of the recipients of the sponsorship or contribution;
that the initiative is permitted by law;
that the event, project or activity that justifies the payment are conducted according to the expectations of Leonardo or the Group Company that makes the payment.
9.3 Selection and recruitment of Staff

The selection and recruitment of personnel comply with the principles of fairness and impartiality, according to the professionalism and skills of the worker.

As part of the selection and recruitment personnel process, the Leonardo Group ensures that human resources comply with the job profile actually required by the company, avoiding favouritism and concessions of any kind and making the selection solely according to professionalism and skills.

In pursuit of the company objectives, the worker must be aware that any conduct in breach of the Code or the Anti-corruption law will not be tolerated, even if such conduct abstractly favours Leonardo.

In particular, in order to avoid any conflict of interest, including potential conflict of interests, the Leonardo Group requires its staff to declare, upon recruitment, that the same has no conflict of interest with the Company.

The selection and recruitment of staff shall comply with the following principles:

- separation between the person who:
  - declares that it is necessary to recruit a member of staff;
  - approves the budget for recruitments;
  - selects and recruits the job candidates;
- as a rule a list of candidates is prepared (short list) to cover the position;
- candidates are assessed according to their professionalism, training and aptitude for the job;
- as a rule, an ethic and reputational due diligence is carried out toward the candidates.
9.4 **Appointments for professional services**

The selection of professionals must comply with the criteria of competition, transparency, responsibility, cost effectiveness, efficiency, promptness and accuracy.

When selecting a professional:

- the reasons for which it is necessary to appoint the professional must be indicated, and the professional is, as a rule, selected from two candidates with potentially suitable characteristics to carry out the activities made subject of the appointment;

- the reasons for which it is necessary to use a specific professional (without starting the selection process) must be indicated, if this is necessary for the activities made subject of the appointment (known as *intuitu personae*);

- a due diligence shall be carried out in order to ascertain that the professional has the necessary integrity, reputational standards and professionalism to carry out its duties, and that there are no conditions of incompatibility or any conflict of interests;

- it should be ascertained that the country where the professional resides or has its registered offices is not on the list of Countries with a low-tax system, if the country in question is different to that in which the activities are to be carried out.

Reasons must be given for the services supplied by the professional, even through reports, in order to ascertain the compliance thereof with the terms and conditions of the appointment awarded.

The activities carried out to assign duties for professional services should be traceable at all times.

9.5 **Sales Promotion Appointments**

The selection process for Sales Promoters must comply with the criteria of competition, transparency, competence, fairness and cost-effectiveness.
When selecting the business Promoter a due diligence should be carried out, above all to verify:

- that the Sales Promoter has the integrity and professionalism required to carry out the appointment, and that there are no situations of incompatibility and conflict of interests;
- that the Country where the Sales Promoter resides or has its registered offices is not included in the list of countries with a low-tax regime, if the country in question is different from that in which the promotional services are to be carried out.

The services supplied by the Sales Promoter should be monitored, even through reports, in order to ensure that they comply with the terms and conditions of the appointment.

The activities carried out to assign Sales Promotion Appointments must be traceable at all times.

### 9.6 Bookkeeping and audits

As regards bookkeeping (general accounts, financial statements and other corporate communications), Leonardo and the Group Companies have a system of internal controls and carry out a sufficient number of adequate accounting audits in order to offer a reasonable guarantee of the reliability of financial reporting and preparation of the financial statements in accordance with generally accepted accounting principles and, in any case, in compliance with applicable Italian laws, and the legal system where the Group Companies have their registered offices or a stable operative establishment.

The internal control system accordingly provides specific controls at different organizational levels, with appropriate implementation procedures.
10. **Staff Training and dissemination of the Anti-Corruption Code**

The Human Resources and Organization Department of Leonardo ensures that all the employees of the Group are aware of the Code and that all employees must comply with the provisions of the same and contribute to its implementation.

The Human Resources Department of Leonardo defines the planning of training courses in accordance with the limitations set forth by the Code and manages, with the operational support of the Human Resources department of each Group company, the training of staff as regards the contents of the Code, giving proof of this to the Coordination and Consultation Body for the Prevention of Corruption.

In this context, communication actions include:

- publication of the Code on the Leonardo website and intranet and that of each Group company;
- ensuring that each member of staff receives a copy of the Code and that new members of staff receive a copy at the time of recruitment, signing a declaration that they have received a copy and undertake to become familiar and comply with the provisions of the same.

Training courses are organized as follows:

- Management staff with functions of representation of the Company: introductory brochures, meetings with first level managers or classroom workshops with senior managers of the Group who are most exposed to the risk of Corruption;
- Other personnel: information is given to new employees at the time of recruitment; an e-learning training course through the corporate intranet (for the new employees, it shall be carried out within three months from their recruitment).

The awareness raising and the training of the employees are regularly planned and carried out (on a one-year or three-year basis, in light of the risks faced by the employees according to their roles and responsibilities). Participation in training
sessions, including the e-learning course, is mandatory; the Human Resources and Organisation department establishes the modalities, the accountabilities and the expected time to provide these training session and ensures that all members of staff, specifically the new employees, attend the training courses.

During the training session, will be exemplified the operative risks and the possible concrete situations in which corruptive activities may take place, taking into account the specific duties and risks related to each staff category. The training sessions will also encourage employees to report suspected wrongdoing and will indicate the whistleblowing options available to employees as set forth in paragraph 11, "Reports," below.

Any refresher courses will be held in the case of significant changes to the Code or supervening regulations relevant to the activities of the Group Companies, if the Coordination and Consultation Body for the Prevention of Corruption does not consider that it is sufficient to communicate the changes in the manner described above.

Specific training session will be held for third parties who act in the name or on behalf of Leonardo, taking into account the results of the anti-corruption risk assessment.

This Code must be disclosed through the internal and external channels of communication (e.g. corporate intranet and corporate website) and made available to all the Recipients.

All Group Companies encourage commercial and financial partners, professionals, Sales Promoters and collaborators, customers and suppliers of the company to be aware of and comply with the Code. The above will be asked to sign a declaration confirming that they have received a copy of the Code, and undertaking to comply with the principles of the same and ensuring compliance thereof by their collaborators.
11. Reports

Leonardo encourages all employees, third parties, suppliers, joint venture partners and other collaborators, and anyone who is aware of facts that are contrary to this Code, the Anti-corruption Regulatory Instruments and any applicable Anti-Corruption law to report, even anonymously, possible breaches without fear of retaliation, discrimination or penalization. This protection will apply both to whistleblowers and to all employees, third parties, suppliers, joint venture partners and other collaborators.

Leonardo will support and protect any employee who refuses to act unethically in accordance with this Code and the Code of Ethics, even when such actions contributed to or resulted in a loss of business or other competitive disadvantage to Leonardo.

In order to protect the person who submits the report from any sort of retaliation, discrimination or penalization (regardless of whether he or she is a Recipient), the Leonardo Group also ensures full discretion and confidentiality in managing such reports, from the time of receipt and during the investigation and conclusive stages.

Leonardo and the Group Companies will conduct an annual anonymized survey of their employees to ensure that their employees at all levels are aware and feel assured of this commitment.

Reports involving Leonardo, may be submitted to:

- organismodivigilanza@leonardocompany.com;
- Surveillance Body, Piazza Monte Grappa 4, 00195 - Rome, Italy;
- Fax number: +39 06 45538059;
- Website: www.leonardocompany.com.

Reports concerning Group Companies may be submitted through the specific channels decided by each Company.
The regulations of the "Whistleblowing Management Guidelines", approved on 18 March 2015 by the Leonardo Board of Directors and subsequently revised, are applicable in full.

12. **Penalties and contractual clauses**

Breach of the rules of conduct set forth by the Code entail, on the part of the Group Companies, internal measures, through the application of disciplinary sanctions, and external measures, through their full cooperation with the relevant public authorities. Any breach will be prosecuted promptly, with appropriate and proportionate disciplinary measures, taking into account the criminal relevance of the conduct and filing a criminal proceeding if necessary.

**Directors and Auditors**

In the case of breach of the provisions of the rules of conduct set forth by the Code or the Anti-corruption law by one or more Directors and/or Auditors of Group Companies, the Coordination and Consultation Board for the Prevention of Corruption will inform the Board of Directors and the Board of Statutory Auditors concerned, who, according to their respective responsibilities, will adopt the following measures, taking into account the seriousness of the offence, in accordance with the law and/or the By-Laws:

- record the statements in the minutes of the meetings;
- issue a formal warning;
- revoke the appointment/power of attorney;
- request that a Shareholders' Meeting be called indicating on the agenda the adoption of appropriate measures against the persons responsible for the breach, including filing legal action to ascertain the responsibility of the director with respect to Leonardo or Group Companies and the payment of any damages incurred.
Senior Managers and Pilots

In case of breach of the rules of conduct set forth by the Code or the Anti-corruption law, the most appropriate measures will be adopted against the same, in compliance with the relevant laws and national collective labour agreements.

In particular:

- if the breach is serious enough to undermine the relationship of trust, and makes it impossible to continue the employment relationship even temporarily, the manager/pilot will be dismissed without notice;
- if breach is not extremely serious but in any cases damages the relationship of trust, the senior manager/pilot will be dismissed without notice, with justification.

Blue and White Collar Workers and Middle Managers

The conduct of employees in breach of the rules of conduct set forth by the Code or the Anti-corruption law, are in any case considered to be "disciplinary offences".

The penalties applied are those set forth by the company's disciplinary Regulations, in compliance with the procedure set forth by clause 7 of the Workers' Statute and applicable collective laws.

As regards the above Code, reference is also made to the disciplinary regulations set forth by the collective agreement.

The abstract categories of breach describe any conduct subject to penalties, and indicate the relevant disciplinary measures according to the seriousness of the same.

In particular, in accordance with the provisions set forth by the Collective Bargaining Agreement for Workers in the private metalworking and plant installation industry:

- any employee who does not comply with the rules of the Code and the Anti-corruption law or whose conduct, in carrying out activities in the relevant risk and risk-conducive areas, does not comply with the provisions of the Code or
the Anti-corruption law, shall be receive a verbal and written warning, a fine or may be suspended from work and its salary suspended, depending on the seriousness of the breach, since such conduct is considered as breach of the duties of the employee as set forth by the National Collective Agreement and is detrimental to the discipline and morale of the company;

any worker who in performing its duties in the risk and risk-conducive areas, is in serious breach of the provisions of the Code or the Anti-corruption law, shall be dismissed with prior notice, in that such conduct is considered as more serious breach than that indicated by the previous point;

any employee whose conduct in performing its duties in the risk and risk-conducive areas, clearly demonstrates its intention of committing a crime of corruption in breach of the Code or the Anti-corruption law, that determines the concrete application of penalties against Leonardo and the Group Companies, shall be dismissed without prior notice, in that such conduct is considered as very serious breach that causes serious moral and/or material damages to Leonardo and the Group Companies.

This document is intended as the disciplinary code of the Company for all the purposes set forth by law and is subject to the billposting fees set forth by clause 7 of the Workers’ Statute.

Penalties for foreign Companies of the Group

As regards foreign Companies of the Group, in case of breach of the provisions of the rules of conduct set forth by the Code and the Anti-corruption law, such companies shall apply the measures set forth by applicable laws against the members of the administrative and control bodies and its Personnel.

Employees, auditors, consultants, partners, counterparties and other external parties

Any conduct by persons other than the Personnel of the Leonardo Group in breach of the Code or the Anti-corruption law, will be examined to evaluate whether it is
necessary to adopt appropriate measures, such as unilateral termination of the contract, and will be provided by specific contractual clauses.