

# Rules of Procedure of the Board of Statutory Auditors

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## INTRODUCTION

These Rules of Procedure (hereinafter referred to as "Rules of Procedure") regulate the methods of functioning and the competences of the Board of Statutory Auditors of Leonardo - Società per azioni (hereinafter referred to as "Leonardo" or the "Company"), in compliance with the laws, regulations and the Articles of Association, as well as in light of the principles and rules established by the current Corporate Governance Code issued by the Corporate Governance Committee (hereinafter "Corporate Governance Code") adopted by the Company and by the Rules of Conduct of the Board of Statutory Auditors of listed companies issued by the Italian Accounting Profession (hereinafter referred to as "Rules of Conduct").

### Art. 1 Composition

The Board of Statutory Auditors (hereinafter the "Board") is appointed by the Shareholders' Meeting and consists of five Regular Auditors and four Alternate Auditors.

Two Regular Auditors and two Alternate Auditors are chosen from the minority lists. The Chairman of the Board of Statutory Auditors is appointed by the Shareholders' Meeting from among the Auditors taken from the minority list.

At least two of the Regular Auditors and at least two of the Alternate Auditors are chosen from among those registered with the Register of legal auditors who have exercised auditing activity of accounts for a period of not less than three years. The Articles of Association of Leonardo identify further criteria for the appointment of Statutory Auditors who do not meet these requirements

The composition of the Board of Statutory Auditors must ensure gender balance, on the basis of the applicable provisions of Law and of the Articles of Association.

In compliance with the provisions of the Corporate Governance Code, the Board of Statutory Auditors assesses the independence of its members at the first available meeting subsequent to their appointment, on the basis of the information acquired by the Auditors themselves, thus renewing this assessment on an annual basis and in any case upon the occurrence of circumstances that are significant for independence purposes. The Board of Statutory Auditors communicates the results of such assessments to the Board of Directors in order to inform the market.

The Board of Statutory Auditors adopts the same criteria set out in the Corporate Governance Code and in the Rules of Conduct, thus reserving the right to set ex ante specific quantitative and qualitative reference criteria for the assessment of the significance of the collaborations being assessed, without prejudice to its discretion in assessing the case of the Individual Statutory Auditor having regard to the overall position of the latter.



The Statutory Auditors are subject to the limits on the cumulation of positions established by the regulation. Statutory Auditors devote adequate commitment and time to carry out their office; upon acceptance of the mandate and periodically during it, each Statutory Auditor carefully assesses his/her availability of time to ensure the diligent performance of his/her duties.

## **Art. 2**

### **Role and powers of the Board of Statutory Auditors**

The Board of Statutory Auditors has supervisory and control powers provided for by current law and regulations, including the functions it is entitled to as the Auditing Committee referred to in Article 19 of Legislative Decree No. 39/2010 as amended and supplemented.

In particular, it supervises the compliance with the laws, regulations and articles of association as well as the principles of correct administration, the adequacy of the corporate organizational, administrative and accounting structure, the internal control system, the independent audit activity of the annual and consolidated accounts, the independence of the auditing firm and the financial and sustainability reporting process.

The Board of Statutory Auditors must immediately notify Consob (Italian Market Regulator) of the irregularities found in the supervisory activity and send the relevant minutes of the meetings and assessments carried out and any other useful documentation.

During the exercise of their office, the members of the Board attend the Shareholders' Meetings and meetings of the Board of Directors.

Statutory Auditors are recommended to attend the meetings of the internal Board Committees.

Furthermore, the Board:

- With reference to specific topics deserving analysis and discussion in the performance of its supervisory duties, holds meetings with the top management and executives of the Company and the Group;
- receives periodical information flows from the corporate units, also by virtue of specific provisions contained in the Company's procedures;
- meets periodically with the Auditing Firm, the Surveillance Body pursuant to Legislative Decree 231/01, the Boards of Statutory Auditors of the main direct subsidiaries of the Group and has recourse to the Group Internal Audit organizational unit to acquire periodic information from foreign subsidiaries.



### **Art. 3**

## **Functioning of the Board of Statutory Auditors**

The Board meets as often as necessary for the performance of its functions, and at least every ninety days, according to a calendar prepared for this purpose by the Chairman, after having heard the other statutory auditors. The number of meetings must be consistent with the size, complexity and characteristics of the Company.

The Board of Statutory Auditors meetings are attended by the Judge of the Court of Auditors delegated to supervise Leonardo's financial transactions.

The Board avails itself of the support of a Secretary. The Secretary, to be identified among Leonardo's employees or collaborators in the context of the Corporate Affairs organizational unit, must be expert in corporate law able to provide valid technical support for the work of the Board.

The meetings of the Board of Statutory Auditors are deemed held in the place indicated in the meeting notice of call. It is not necessary for the Chairman of the meeting to be at the place indicated in the notice of call.

The Board of Statutory Auditors is regularly constituted with the presence of the majority of the Regular Auditors. The meetings are chaired by the Chairman; in the absence of the Chairman the meetings are chaired by the other Auditor appointed by the minority list. In the event that the Auditors elected by the minority list are all absent, the meetings are chaired by the oldest Auditor.

Meetings of the Board of Statutory Auditors may take place, also exclusively, by means of telecommunications in accordance with the provisions of the Company Articles of Association, provided that all participants can be identified, and they are allowed to follow the discussion and intervene simultaneously in the discussion of the topics addressed and they can view documents in real time.

When implementing the planned activity program, the Chairman, having heard the other statutory auditors, establishes the agenda of the meetings and sends it to the Secretariat of the Board of Statutory Auditors that, by means of specific email, will communicate the notice of call.

The notice of call must be sent with reasonable advance and in any case no later than three days prior to the date of the meeting, except in cases of urgency, with the appropriate methods to guarantee the confidentiality and timeliness of the call. The meeting of the Board of Statutory Auditors called up without observing the modes listed above will in any case be valid if all the Regular Auditors are present or informed and declare not to oppose the discussion of the topics.

In order to allow an adequate and aware participation, the supporting documentation and the necessary information must be made available to the Auditors, normally at the same time as the notice of the meeting, to allow them to express their opinion on the topics covered by the meeting. The Secretariat of the Board of Statutory Auditors is responsible for making available the documentation supporting the discussion of the items on the agenda, which is kept on the records of the Board of Statutory Auditors.



The Board of Statutory Auditors resolves based on the absolute majority of the votes of those present. The statutory auditor who dissents from the majority is entitled to enter in the minutes the reasons of his/her disagreement.

The meetings of the Board of Statutory Auditors must be minuted and the minutes included in the book provided for in Art. 2421, para. 1, no. 5), of the Italian Civil Code and signed by the participants.

Minutes are also signed for acknowledgment by those statutory auditors who did not attend the meeting.

The Books of the minutes of the Board of Statutory Auditors are kept at the registered office by the Secretariat of the Board of Statutory Auditors and remain available for consultation at the request of each of the Auditors.

The Books of the meetings of the Board of Statutory Auditors can be also created and kept through IT tools.

In such cases, these are updated and stored in compliance with the provisions of Article 2215-bis of the Italian Civil Code.

#### **Art. 4**

### **Role of the Chairman**

The Chairman of the Board of Statutory Auditors guarantees the effectiveness of the debate within the Board and endeavors to ensure that the resolutions adopted are the result of an adequate discussion and of the conscious and reasoned contribution of all its members. For these purposes, the Chairman, through the Secretariat of the Board of Statutory Auditors, ensures that the documentation supporting the Board's resolutions is made available to the Statutory Auditors in due time and that this documentation made available during the meetings of the Board of Statutory Auditors is adequate in terms of quantity and quality with respect to the items on the agenda.

The Chairman also i) ensures that the self-evaluation process of the Statutory Auditors is carried out effectively and is conducted with methods consistent with the work of the Board; ii) ensures that the corrective measures envisaged to deal with any deficiencies found are adopted; iii) informs the Company so that it can prepare and implement induction programs for the members of the Board of Statutory Auditors.

#### **Art. 5**

### **Confidentiality**

The Statutory Auditors are required to keep confidential the documents and information acquired in the performance of their duties, as well as the contents of the discussions that take place during the Board meetings, and to observe, in addition to the provisions contained in the specific internal procedures adopted by the Company concerning the management and processing of inside information, the applicable regulation and the principles referred to in the Charter of Values, in the Code of Ethics and in the Organizational, Management and Control Model pursuant to Legislative Decree No. 231/01 of the Company.



For this purpose, according to the procedures the Statutory Auditors can acquire documentation by accessing a protected IT platform ("Virtual Area"), access to which requires obtaining personal credentials generated by the Company and the input of a personal password at each access.

The Statutory Auditors are also entitled to access the documentation sent to the Directors for the meetings of the BoD and of its internal Committees, as well as the documentation entered in the Virtual Area by the Internal Audit unit (audit reports, kick-off notice, other reports).

## **Art. 6**

### **Secretariat of the Board of Statutory Auditors**

The Board of Statutory Auditors is assisted by a Technical Secretariat set up within the Corporate Bodies Affairs organizational unit.

In particular, the Secretariat of the Board of Statutory Auditors is responsible for:

- supervising the preparation of what is necessary for the meetings of the Board (planning of the interventions, summoning, collection and sharing of the documentation, etc.);
- sending the notices of call of the Board of Statutory Auditors meetings;
- drafting the minutes of the Board meetings;
- saving all the documents relating to the Board's activities (resolutions, minutes, results of audits, reports sent and received, mail exchanges);
- managing the Virtual Area available to the Statutory Auditors for access to all documentation;
- supervising the keeping and storing of the books of the meetings and resolutions of the Board of Statutory Auditors and of the documentation on records;
- attending to the execution of all the tasks necessary to ensure the proper functioning of the Board.

Given Leonardo's size, complexity and characteristics, the Secretariat of the Board of Statutory Auditors provides constant support to the Board to guarantee the compliance with the applicable regulations.

## **Art. 7**

### **Joint meetings and information exchange with the Surveillance Body**

The Board of Statutory Auditors, in order to facilitate the circulation of information across the Company and to enable an increasingly efficient internal control system, can hold its meetings, where deemed appropriate in relation to the topics to be discussed, jointly with the Control and Risks Committee, with the other internal Committees of the Board of Directors and with the Surveillance Body ("SB").

With reference to the meetings with the Surveillance Body, the Board of Statutory Auditors, together with the Control and Risks Committee, meets such Body when examining the half-yearly report of the Surveillance Body; in these meetings the Board also receives information about the activity performed by the Surveillance Body on the compliance with the Code of Ethics adopted by the Company and on the Anti-Corruption Code.



In the context of these meetings being minuted, the Board provides information on the work done and on issues that can have an impact on the operation of the Internal Control and Risk Management System of Leonardo, in order also to guarantee a mutual regular exchange of information between the Control and Risks Committee, the Board of Statutory Auditors and the Surveillance Body.

## **Art. 8**

### **Self-evaluation and Diversity of the Board of Statutory Auditors**

Each year the Board of Statutory Auditors carries out a self-evaluation of its composition and functioning.

This self-evaluation pursues the following purposes:

- ensuring a check of the correct and effective functioning of the monitoring body by assessing the suitability of the members and the adequacy of its composition, as well as the availability of time and resources appropriate to the complexity of the assignment;
- inciting the Statutory Auditors to exchange views and reflect upon any improvement actions to be taken in the future, based on their perception about the Board's performance in the past year;
- strengthening the cooperation and trust among Board members;
- encouraging the active participation of each member, making them fully aware of their specific role and related responsibilities.

The self-evaluation process is coordinated by the Secretariat of the Board of Statutory Auditors - which can also rely on an independent external professional on the recommendation of the Board - and is carried out on the basis of a questionnaire, whose answers are collected and processed confidentially. The resulting data, used and reported anonymously and in a consolidated form, are discussed in a board meeting. The outcome of the self-evaluation process is formalized in a specific document ("Self-assessment Report"), the results of which are sent to the Company's Board of Directors in order to inform the market within the context of the Report on Corporate Governance and Ownership Structure.

In the last year of office, the Board of Statutory Auditors, also on the basis of the results emerged annually from the self-evaluation process, draws up a document aimed at expressing its guidelines to the Shareholders regarding the optimal composition of the about-to-be appointed Board of Statutory Auditors. Such document also includes the evaluations performed by the Board of Statutory Auditors in relation to the diversity policies of the monitoring body, in order to allow Shareholders to consider them in creating the lists that will be submitted for the renewal of the Board of Statutory Auditors. The Board of Statutory Auditors sends this document to the Board of Directors in good time to allow it to be published promptly in view of the Shareholders' Meeting that will appoint the new monitoring body.





## **Art. 9**

### **Final provisions**

Any changes to these Rules of Procedure are approved by the Board of Statutory Auditors. The Chairman may directly proceed, reporting to the other Statutory Auditors at the first available meeting, with adjustments to these Rules resulting from legislative/regulatory changes or from changes in the Company's organizational structure.





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