



FAQ 2020 Shareholders' Meeting

13 – 20 May 2020





General Information

The Shareholders' Meeting is called in Ordinary session on 13 and 20 May 2020, in first and second call respectively, at 10,30 a.m. in Rome at the registered office of Leonardo, Piazza Monte Grappa, 4 – 00195.

In consideration of the COVID-19 health emergency and in compliance with Art. 106 of Decree Law n. 18 dated 17 March 2020 aimed at minimizing travels and gatherings, attending and voting at the Shareholders' Meeting can only occur through the Designated Representative (Computershare S.p.A.).

For any further information relating to the Shareholders' Meeting and, in particular, the procedures for the exercise of the related rights, Shareholders may contact +390645417413 (Computershare S.p.A.) or consult the Company's website (www.leonardocompany.com, section “2020 Shareholders' Meeting”).

We inform you that on the Company's website (www.leonardocompany.com, section “2020 Shareholders' Meeting”) is available the document "Shareholders' Guide“ prepared by the Company in order to collect all the information concerning the administrative and patrimonial rights associated with the shares held, including the ones that may be exercised at the Shareholders' Meeting.

The Guide will be permanently available on the Company's website with the purpose to give to Leonardo's Shareholders a useful tool to for a more active relationship with the Company, with no intent to substitute the official documentation.



CONTENTS

- [The agenda](#)
- [The required *quorum*](#)
- [Where can I find the Notice of Call of the Shareholders' Meeting?](#)
- [How can I get the documentation for the Meeting?](#)
- [When and where will the minutes of the Shareholders' Meeting be available?](#)
- [Which subjects have the right to attend the Meeting and to exercise the right to vote?](#)
- [Can I dispose of my shares before the Meeting?](#)
- [May the holders of shares that are not dematerialized attend the Meeting?](#)
- [What do I have to do to attend the Meeting?](#)
- [Which are the terms and methods to ask the integration of the agenda of the Shareholders' Meeting and the submission of proposed resolutions?](#)
- [How can I appoint a Representative for the Meeting?](#)
- [Which are the methods that allow the Proxyies to be sent to the Designated Representative?](#)



- Can I ask questions to the Company before the Meeting?
- Can I ask information on the first item on the agenda concerning the Financial Statements at 31 December 2019 of Sistemi Dinamici S.p.A.?
- Can I ask information on the second item on the agenda concerning the Financial Statements at 31 December 2019 of Leonardo S.p.a.?
- What should I do to receive the dividend?
- What is the mechanism for the appointment of the members of the Board of Directors?
- Who can submit a list for the appointment of the members of the Board of Directors?
- Can I know the procedure for presentation of lists of candidates?
- When will the submitted lists of candidates be published?
- How can I know the Guidelines of the Board of Directors of Leonardo S.p.a. to the Shareholders on the size and composition of the new Board of Directors?
- How will the number and the term of office of the new Board of Directors be determined?
- How will the Chairman of the Board of Directors be appointed?
- How will the emoluments of the Board of Directors be determined?



- Can I ask information on the eighth item on the agenda, concerning the first section of the Report on the policy regarding remuneration and fees paid?
- Can I ask information on the ninth item on the agenda, concerning the second section of the Report on the policy regarding remuneration and fees paid?
- Where can I find information on the Report on the policy regarding remuneration and fees paid?
- Can I ask information regarding the appointment of the independent auditors for the 2021-2029 nine-year period?
- Leonardo's share capital
- Who are Leonardo's shareholders?

[Back to contents](#)

The agenda

The Shareholders' Meeting is called in ordinary session to discuss and resolve upon the following agenda:

1. *Financial Statements at 31 December 2019 of Sistemi Dinamici S.p.A. and relevant Reports of the Board of Directors, Board of Statutory Auditors and Independent Auditors. Resolutions related thereto.*
2. *Financial Statements at 31 December 2019 of Leonardo S.p.a. and relevant Reports of the Board of Directors, Board of Statutory Auditors and Independent Auditors. Resolutions related thereto. Presentation of the Consolidated Financial Statements at 31 December 2019.*
3. *Determination of the number of members of the Board of Directors.*
4. *Determination of the term of office of the Board of Directors.*
5. *Appointment of the members of the Board of Directors.*
6. *Appointment of the Chairman of the Board of Directors.*
7. *Determination of the remuneration of the Board of Directors.*
8. *Report on the policy regarding remuneration and fees paid: resolution on the first section pursuant to Art. 123-ter, paragraph 3-ter, of Legislative Decree No. 58/98.*
9. *Report on the policy regarding remuneration and fees paid: resolution on the second section pursuant to Art. 123-ter, paragraph 6, of Legislative Decree No. 58/98.*
10. *Appointment of the independent auditors for the 2021-2029 nine-year period. Resolutions related thereto.*

The required quorum

The Ordinary Shareholders' Meeting is validly established in first call whether at least half of the corporate capital is represented, whilst no quorum is provided for second call. The ordinary Shareholders' Meeting, in both first and second call, adopts resolutions with the favourable votes of the absolute majority of the attending Shareholders.

[Back to contents](#)

Where can I find the Notice of Call of the Shareholders' Meeting?

The Notice of Call, in its full version, has been made available to the public at the date of 3 April 2020 at the Company's registered office, on the Company's website at the address www.leonardocompany.com (section "2020 Shareholders' Meeting"), as well as on Borsa Italiana S.p.A. and on the website of the Authorized Storage mechanism eMarket STORAGE (www.emarketstorage.com).

Pursuant to the applicable law, an extract of the Notice of Call has been published on the same date on the newspapers "Il Sole 24 Ore" and "Corriere della Sera".

How can I get the documentation for the Meeting?

The documents pertaining to the Shareholders' Meeting, including the Explanatory Reports pursuant to Article 125-ter of Legislative Decree 58/98 on the items of the Agenda, are made available to the public - within the terms provided by the existing provisions of law - at the Company's registered office, at Borsa Italiana S.p.A., on the website of the authorized storage mechanism eMarket STORAGE (www.emarketstorage.com) as well as (also with reference to the provisions of Article 125-quater of Legislative Decree No. 58/98) on the Company's website (www.leonardocompany.com, section "2020 Shareholders' Meeting").

In consideration of the epidemiological emergency COVID-19, the Company recommends the use of the remote communication methods indicated in the Notice of Call of the Shareholders' Meeting.

When and where the minute of the Shareholder's Meeting will be available?

The minute of the Shareholders' Meeting is published on the Company's website at the address www.leonardocompany.com (section "2020 Shareholders' Meeting") within 30 days the date of the Meeting and is also made available to the public at the Company's registered office, on the website of the Authorized Storage mechanism eMarket STORAGE (www.emarketstorage.com), as well as on Borsa Italiana S.p.a.

A summary report of the votes on each item on the agenda is made available to the public, within 5 days the date of the Meeting, on the Company's website at the address www.leonardocompany.com (section "2020 Shareholders' Meeting"), containing the number of shares represented at the Shareholders' Meeting, the shares on which a vote has been expressed, the percentage of the capital represented as well as the number of votes in favor, against and the abstentions.

[Back to contents](#)

Which subjects have the right to attend the Meeting and to exercise the right to vote?

In consideration of the COVID-19 health emergency and having regard to the provisions contained in art. 106 of the decree-law of 17 March 2020 n. 18 aimed at minimizing movements and assemblies, attending and voting at the Shareholders' Meeting can only occur through the Designated Representative (Computershare S.p.A.) without physical participation by the members.

Pursuant to Article 83-sexies of Legislative Decree No. 58/98 and Article 13 of the Articles of Association, those who intend to attend the Shareholders' Meeting and exercise the voting right shall provide the Company with the communication, issued by an authorised intermediary, certifying the holding of shares at the so-called "record date" (i.e. 4 May 2020), that is at the end of the accounting day of the seventh trading day prior to the date of the first call of the Shareholders' Meeting.

The intermediary must send the mentioned communication to the Company by the end of the third trading day before the date set for the first call of the Shareholders' Meeting (i.e. by 8 May 2020). Nevertheless, Shareholders will be entitled to attend and vote even if said notification has reached the Company after said time limit, provided it has been received before the start of the works of the Meeting **without prejudice to the principle according to which the right to attend and the right to vote during the Shareholders' Meeting can be exercised exclusively through the Designated Representative (Computershare S.p.A.).**

The trading calendar is available on the website of Borsa Italiana S.p.A. www.borsaitaliana.com.

Can I dispose of my shares before the Meeting?

In accordance with Article 83-sexies of Legislative Decree No. 58/98, any credit and debit entries made to the accounts after the accounting of the seventh market business day prior to the date of the Meeting in first call (4 May 2020 – record date) are not relevant for the purpose of the exercise of the right to vote at the Shareholders' Meeting. Therefore, following such date, the person entitled of the right to vote will be free to dispose of the shares held.

May the holders of shares that are not dematerialized attend the Meeting?

Holders of shares that have not yet been dematerialized may only exercise their right to attend the Shareholders' Meeting only if they deliver their share certificates to an authorized intermediary in time for the same to be entered in the centralized management system in dematerialized form.

[Back to contents](#)

What do I have to do to attend the Meeting?

In consideration of the COVID-19 health emergency and having regard to the provisions contained in art. 106 of the Decree Law of 17 March 2020 n. 18 aimed at minimizing movements and assemblies, attending and voting at the Shareholders' Meeting can only take place through the designated representative (Computershare S.p.A.), therefore the shareholder should:

- request the authorized financial intermediary (Bank, Manager, Broker) from which their ordinary Leonardo shares are deposited to make the communication for the participation in the Shareholders' Meeting. Since each intermediary uses different operating practices, it is advisable not to wait for the last days to request the sending of the communication to be sent to the Company and to inquire about the timing foreseen for these operations in its deposit contract;
- grant proxy to the Designated Representative Computershare S.p.A. in the manner and within the terms indicated in the Notice of Call.

[DOWNLOAD THE NOTICE OF CALL](#)

[Back to contents](#)

Which are the terms and methods to ask the integration of the agenda of the Shareholders' Meeting and the submission of proposed resolutions?

Integration of the agenda and presentation of resolutions proposal pursuant to Art. 126-bis, paragraph 1, first sentence, of Legislative Decree No. 58/98

In accordance with Article 126-bis of Legislative Decree No. 58/98, those Shareholders who, even jointly with others, represent at least one fortieth of the share capital, may by 14 April 2020 (first business day following the tenth day after the date of publication of this notice) request additions to the items on the agenda or submit additional motions to those already on the agenda, stating the additional items and motions in the relevant application.

No additions to the agenda may be considered for those matters in relation to which the Shareholders' Meeting can resolve, by law, only if submitted by the Directors or in relation to projects or reports prepared by said Directors, other than those specified in Article 125-ter, paragraph 1, of Legislative Decree No. 58/98.

Applications must be presented in writing by the proposing Shareholders via fax to number +3901010013250 or to the certified e-mail address assemblea@pec.leonardocompany.com, together with the suitable documentation issued by an authorized intermediary certifying the ownership of the abovementioned shareholding on the date of the request.

Within the deadline and in the manner indicated above, the proposing Shareholders must submit a report stating the reasons for any proposed motions on additional matters which they propose for discussion or the reasons for any further proposed motions regarding matters already on the agenda.

Any additions to the agenda or presentation of proposals for further motions on matters already included on the agenda will be communicated by the Company, in the same manner as prescribed for publication of the Notice of Call of the Shareholders' Meeting, at least fifteen days prior to the date set for the Shareholders' Meeting in first call (and therefore no later than 28 April 2020). At the same time of the communications of the additions to the agenda or additional motions on matters already on the agenda, the Company will make available to the public, in the manner prescribed by Article 125-ter, paragraph 1, of Legislative Decree No. 58/98, such additional motions on matters already on the agenda, the Shareholders' reports as well as any observations made by the Board of Directors.



[Submission of individual resolution proposals pursuant to Art. 126-bis, paragraph 1, penultimate sentence, of Legislative Decree No. 58/98](#)

Due to the fact that the attendance to the Shareholders' Meeting and the exercise of the voting rights can only take place through the Designated Representative (Computershare S.p.A.), the Company, in order to make it possible for the parties concerned to exercise the right referred to in Art. 126-bis, paragraph 1, penultimate sentence, of Legislative Decree No. 58/98 - albeit with methods and terms duly compatible with the Covid-19 health emergency and with the unfailing requirement that the individual resolution proposals are known by the details of those entitled to attend the Shareholders' Meeting and exercise the voting rights in good time to provide voting instructions to the Designated Representative - provides that those entitled to attend the Shareholders' Meeting and exercise their voting rights may individually submit resolution proposals on topics already on the agenda by 6 May 2020, thus committing themselves to their subsequent publication.

In particular, the legitimacy to submit these proposals is subject to the receipt by the Company of the certification confirming the ownership of the shares as at 4 May 2020 ("record date"). Ownership can also be certified later, but within the third day (7 May 2020) following the "record date".

The resolution proposals must be submitted in writing by the legitimate Shareholders by fax to the number 01010013250 or by the certified email to the address assemblea@pec.leonardocompany.com, showing the express reference "2020 Shareholders' Meeting - individual resolution proposals", the item on the agenda of the Shareholders' Meeting to which they refer, the text of the proposed resolution and the personal data of the applicant (surname and name, place and date of birth, tax code or all identification data in the case of an entity or company).

For the purpose of the relevant publication, as well as with reference to the meeting proceedings, the Company reserves the right to verify the pertinence of the resolution proposals to the agenda, their completeness, their compliance to the applicable regulation and the legitimacy of the proposing Shareholders.

The proposals submitted within the terms and in the manner described above will be made available to the public, by the Company, no later than 8 May 2020 on the Company's website (www.leonardocompany.com, section "2020 Shareholders' Meeting"), in order to allow those entitled to vote to express themselves consciously, also taking into account these new proposals and, therefore, allowing the Designated Representative to collect any voting instructions also on the same; to this end, it is recommended that those wishing to exercise their right to submit individual resolution proposals as envisaged in this paragraph send them as soon as possible, for the purpose of a timely publication.

[Back to contents](#)

How can I appoint a Representative for the Meeting?

Proxy pursuant art. 135 – undecies of Legislative Decree No. 58/98

Due to the hygienic-sanitary restrictions imposed by the spread of the Covid-19 health emergency and, in particular, of the provisions of the Decree Law n. 18 of 17 March 2020, Leonardo provided that the participation in the Shareholders' Meeting will take place exclusively by conferring a proxy to the Designated Representative Computershare S.p.A., based in Milan, Via Lorenzo Mascheroni 19 - 20145.

The proxy to the Designated Representative must contain voting instructions on all or some of the proposals on the agenda and has effect only for the proposals in relation to which voting instructions have been given. The proxy must be granted by the end of the second trading day before the date set for the Shareholders' Meeting (and, therefore, no later than 11 May 2020, in the event that the Shareholders' Meeting is held on first call and no later than 18 May 2020 in the event that the Shareholders' Meeting is held on second call).

In this regard, to facilitate the forwarding of the proxy and the voting instructions, from the section of the Company's website (www.leonardocompany.com, section "2020 Shareholders' Meeting"), it is possible to fill in and send the appropriate form prepared by Computershare S.p.A. also online and in a guided mode. Alternatively, it is possible to download the form from the same website to be sent within the terms indicated above to Computershare S.p.A. to the certified email address ufficioroma@pecserviziotitoli.it or by fax to the No. +390645417450 in the manner specified in the specifications titled "Instructions for filling in and submitting the form" referred to in the aforementioned form and illustrated in the next page.

[DOWNLOAD THE PROXY FORM TO THE DESIGNATED REPRESENTATIVE EX ART.135-UNDECIES](#)

Proxy pursuant art. 135 – novies of Legislative Decree No. 58/98

Pursuant to the above-mentioned Decree Law, those who do not intend to use the methods of attendance described above, can grant proxies and/or sub-proxies to the Designated Representative pursuant to Art. 135-novies of Legislative Decree No. 58/98, which, with related written voting instructions, shall be sent preferably by 6 p.m. on the day before the date set for the Shareholders' Meeting (and therefore by 6 p.m. on 12 May 2020 if the Shareholders' Meeting is held on first call and by 6 p.m. on 19 May 2020 in the event that the Shareholders' Meeting is held on second call) to Computershare S.p.A. to the certified email address ufficioroma@pecserviziotitoli.it or by fax to No. +390645417450. The proxy/sub-proxy can be granted by signing the specific form available on the Company's website (www.leonardocompany.com, section "2020 Shareholders' Meeting") in the manner indicated therein.

[DOWNLOAD THE PROXY FORM TO THE DESIGNATED REPRESENTATIVE EX ART.135-NOVIES](#)

The proxies and the voting instructions can be revoked within the same terms and in the same way as for sending them.

The granting of proxies pursuant to Art. 135-novies and Art. 135-undecies of Legislative Decree No. 58/98 does not involve expenses for the Shareholder, except for those of sending or shipping. As of 3 April 2020, Computershare S.p.A. is available to Shareholders to provide them with the information and clarifications that are necessary, to the phone number +390645417413 or to the email address infoleonardo@computershare.it.

[Back to contents](#)

Which are the methods that allow the Proxies to be sent to the Designated Representative

The proxies forms to be notified to the Designated Representative, with the voting instructions reserved for it together with an identity document and any documentation proving the signing powers, must be received with one of the following alternative methods:

- **Registered Email Holders (PEC):** as an attachment document (PDF format) sent to ufficioroma@pecserviziotitoli.it in the event that the Proxy Grantor (as Individual or as Legal Entity) is a Registered Email Holder;
- **Digital Signature Holders (FEA):** as an attachment document with digital signature sent to ufficioroma@pecserviziotitoli.it also by ordinary electronic mail in the event that the Proxy Grantor (as Individual or as Legal Entity) is a Digital Signature Holder;
- **Holders of ordinary e-mail:** the delegating party may send a copy of the electronically reproduced proxy to ufficioroma@pecserviziotitoli.it (PDF format). In this case, the original of the proxy, the instructions and a copy of the related documentation must be sent to the registered office of Computershare S.p.A. ref. “Delega Assemblea Leonardo S.p.a.”, Via Monte Giberto 33, 00138 Rome;
- **Via FAX at the number:** +39 0645417450. In this case the original of the proxy, instructions and a copy of the related documentation must be sent to the registered office of Computershare S.p.A. ref. “Delega Assemblea Leonardo S.p.a.”, Via Monte Giberto 33, 00138 Rome.

To facilitate the forwarding of the **proxy pursuant art. 135 – undecies of Legislative Decree No. 58/98**, from the **section of the Company's website** (www.leonardocompany.com, section “2020 Shareholders' Meeting”), it is possible to fill in and send the appropriate form prepared by Computershare S.p.A. also online and in a guided mode.

The transmission of the Proxy Form in a manner and in terms other than those indicated above or the exclusive transmission by post, will not guarantee the correct assignment of the proxy to the Designated Representative.

[Back to contents](#)

Can I ask questions to the Company before the Meeting?

Those who are entitled to vote may submit questions regarding the items on the agenda before the Meeting.

For the Meeting 2020, applications must reach the Company by the end of the seventh open market day preceding the date of the Shareholders' Meeting on first call (and therefore by 4 May 2020); this alternative, permitted by law and chosen on this occasion by the Company, to help Shareholders, given the fact that they will not be able to physically attend the meeting and receive during the Meeting itself answers to their questions as it happened in the past years.

In order to allow those entitled to vote to have more time at their disposal to express their vote through the Designated Representative and also keeping into consideration the answers given by the Company to the above mentioned questions, the Company has decided, instead of the two days allowed in this case by law for the publication of answers, to provide answers at least three days before the effective holding of the Shareholders' Meeting (that is to say, by 10 May 2020, should the meeting be held on first call or by 17 May 2020, should the meeting be held on second call) through the publication on the Company's website (www.leonardocompany.com, section "2020 Shareholders' Meeting").

Questions must be submitted together with the applicant's personal data (surname and name, date and place of birth, tax code or all the information required for identification if the inquirer is an entity or a company) and certification attesting the title to the shares as of 4 May 2020 (record date). Ownership can also be certified later provided that within the third day following the "record date" (7 May 2020). Questions must be sent only by fax to the number 01010013250 or by e-mail to the certified e-mail address assemblea@pec.leonardocompany.com.

The Company will not take into consideration requests received that are not strictly pertinent to the matters on the agenda of the Shareholders' Meeting as well as those for which the information requested is already available on this "2020 Shareholders' Meeting" FAQ.

[Back to contents](#)

Can I ask information on the first item on the agenda concerning the Financial Statements at 31 December 2019 of Sistemi Dinamici

S.p.A.?

The Board of Directors has decided to submit to the Shareholders' Meeting for approval the Report of the Board of Directors and the Financial Statements for the Year 2019 of Sistemi Dinamici S.p.A., that closes with a loss of € 2,528,651.00.

The Shareholders' Meeting has been called to approve the Financial Statements at 31 December 2019 of Sistemi Dinamici S.p.A. in consideration of the merger by incorporation of the Company into Leonardo S.p.a., with effect from 1 January 2020. Due to the process of identification of the corporate structures involved, the acquiring company Leonardo S.p.a. has assumed the rights and obligations of the merging company, continuing in all its relationships prior to the merger. In this context it is included the drafting of the said financial statements, relevant the year closed before the effects of the merger, as well as the subsequent approval by the Shareholders of the acquiring Company.

[DOWNLOAD THE EXPLANATORY REPORTS](#)

[Back to contents](#)

Can I ask information on the second item on the agenda concerning the Financial Statements at 31 December 2019 of Leonardo S.p.a?

The Board of Directors has decided to submit to the Shareholders' Meeting for approval the Financial Statements of Leonardo S.p.a. for the Year 2019, that closes with a net profit of € 389,777,585.94.

In light of this, the Board of Directors has resolved to propose to the Shareholders' Meeting, convened to approve the Board of Directors' report and Financial Statement at 31 December 2019, to allocate the 2019 net profit of Euro 389,777,585.94 as follows:

- Euro 19,488,879.30, equal to 5% of the net profit, to legal reserve;
- Euro 0.14 as the dividend per ordinary share held and outstanding at the ex-dividend date, excluding own shares held in portfolio at that date, to be paid - before tax, if any – starting from 24 June 2020, with the ex-dividend date of coupon no.11 falling on 22 June 2020 and the record date (i.e., the date in which shareholders are entitled to receive the dividend payment, pursuant to Article 83-terdecies of Legislative Decree No. 58/98 and Article 2.6.6, paragraph 2, of the Rule of the markets organized and managed by Borsa Italiana S.p.A.) falling on 23 June 2020.
- the residual as retained earnings.

What should I do to receive the dividend?

To receive the dividend of € 0.14 per share, gross of any legal reimbursements, it is sufficient to hold the Company's shares on the Record Date Dividend, i.e. on the date on which the payment is authorized pursuant to article 83-terdecies of the Legislative Decree 58/98 and article 2.6.6, paragraph 2, of the Regulations of the markets organized and managed by Borsa Italiana.

If approved, the dividend will be paid starting from 24 June 2020, with the ex-dividend date of coupon n. 11 falling on 22 June 2020 and Record Date Dividend coinciding with 23 June 2020. The foregoing is with reference to each ordinary share held and outstanding at the ex-dividend date, excluding own shares held in portfolio at that date, without prejudice to the regime of those actually assigned in the current financial year based on the incentive plans in force.

The amount of the dividend will be automatically paid into the bank/post account through the intermediary where the shares are deposited.

[DOWNLOAD THE EXPLANATORY REPORTS](#)



What is the mechanism for the appointment of the members of the Board of Directors?

With reference to the method for the appointment of Directors elected through the voting list discipline, please refer to Article 18.3 of the Articles of Association, which, in brief, provides the following:

- each person entitled to vote in the Shareholders' Meeting may vote for only one list; two-thirds of the Directors to be appointed (rounded down to the lower whole number where necessary, in case of a fractional number) shall be taken from the list that obtained the majority of votes cast by the Shareholders, in the order in which they are listed; the remaining Directors shall be taken from the other lists in the manner prescribed by Article 18.3 b);
- if the Majority List does not have a suitable number of candidates in order to achieve the number of directors to be elected pursuant to Article 18.3 letter a): i) all candidates shall be drawn from the same Majority List in the progressive order in which they are listed, ii) the other Directors shall be drawn from the Minority Lists, pursuant to letter b) above for a number of candidates equal to one third, according to the number of places reserved to such Lists, iii) the remaining Directors shall be drawn, for the places not covered by the Majority List, from the Minority List that has obtained the highest number of votes among the Minority Lists (the “first Minority List”) in relation to the capacity of such List; should the capacity of such List be insufficient, the remaining Director shall be drawn, with the same modalities, from the following List and so forth, according to the number of votes and to the capacity of such Lists. Lastly, if the overall number of candidates listed in the submitted Lists, both Majority and Minority, is lower than the number of Directors to be elected, the remaining Directors shall be appointed by a Shareholders' Meeting resolution pursuant to art. 18.4;
- if, following the above procedure, at least two independent Directors as required by the Articles of Association are not elected, the proportion of votes for each candidate will be calculated according to the method described in Article 18.3 b); consequently, the candidates elected will be those who have not yet been taken from the lists as provided by Article 18.3 subparagraphs a) and b) who satisfy the independence requirements and have obtained the highest proportions of votes, in the number needed to ensure compliance with the Articles of Association, replacing the non-independent Directors who have received the lowest proportion of votes. If the number of candidates does not make possible to comply with the requirement for at least two independent Directors, the Shareholders' Meeting will pass resolution, with the majorities provided by law, to replace the candidates who do not meet the independence requirements and have received the lowest number of votes;
- if application of the procedure referred to in subparagraphs a) and b) of the Article 18.3 does not allow the presence of at least two-fifth of members of the less represented gender, the number of votes to allocate to each candidate taken from the lists shall be calculated by dividing the number of votes obtained from each list by the list order number of each of these candidates; the candidate of the gender most represented with the lowest number of votes of the candidates taken from all the lists shall be replaced, without prejudice to the minimum number of independent Directors, by the candidate of the less represented gender who is listed (with the next highest list number) in the same list of the replaced candidate, or, failing this, by a person appointed with the majorities provided by law. If candidates from different lists have obtained the same number of votes, the candidate of the list from which the highest number of Directors was taken will be replaced or, in the alternative, the candidate from the list that received the lowest number of votes or, in the event of a tie, the candidate who obtained less votes from the Shareholders' Meeting in a specific vote.
- For the appointment of Directors who for any reason are not elected using the above procedure, as provided by Article 18.4 of the Articles of Association, the Shareholders' Meeting will pass resolution based on the majorities provided by law, in any case ensuring compliance with the above criteria.

[Back to contents](#)

Who can submit a list for the appointment of the members of the Board of Directors?

In accordance with Article 18.3 of the Articles of Association, each Shareholder may submit, or take part in the submission of, only one list of candidates and each candidate may only appear in one list, failing which shall be deemed ineligible, according to the method of the list vote.

The right to submit lists is held exclusively by those Shareholders who, alone or together with other Shareholders, represent at least 1% of the shares having voting rights in the Ordinary Shareholders' Meeting.

The minimum shareholding required to submit lists of candidates is determined by taking into account the shares which are registered in name of any shareholder on the day on which the lists are filed with the Company. In accordance with Article 18.3 of the Articles of Association, the expiring Board of Directors can submit a list of candidates. In this regard, the expiring Board of Directors has decided not to submit its own list of candidates.

Can I know the procedure for presentation of lists of candidates?

The lists of candidates, signed by the Shareholders who submit them, must be sent by certified email to assemblea@pec.leonardocompany.com, by 20 April 2020. The lists must be accompanied by the documentation indicated in the notice of call Assembly; in particular, the Shareholders must transmit, as indicated above, the certification proving ownership of the number of shares represented, even after the presentation of the list, provided within the deadline for the publication of the lists by the Company (and therefore by 22 April 2020).

Members wishing to submit a list of candidates are invited to contact the Group Corporate Affairs unit in advance at the certified e-mail address assemblea@pec.leonardocompany.com or at +390632473891 in order to define every necessary operational detail.

[DOWNLOAD THE EXPLANATORY REPORTS](#)

[Back to contents](#)

When will the submitted lists of candidates be published?

The lists of candidates regularly presented are made available to the public at the registered office, Borsa Italiana, as well as on the Company's website (www.leonardocompany.com, section "2020 Shareholders' Meeting") within twenty-one days prior to the date of the 'Shareholders' meeting on first call (and therefore by 22 April 2020).

How can I know the "Guidelines of the Board of Directors of Leonardo S.p.a. to the Shareholders on the size and composition of the new Board of Directors"?

With reference to the appointment of the new Board of Directors, taking into account the opinion of the Nomination, Governance and Sustainability Committee and the results of the Board self assessment, the Leonardo's Board of Directors – in accordance with the recommendations of the Corporate Governance Code – has issued its advice to the Shareholders about the composition of the new Board of Directors.

The "*Guidelines of the Board of Directors of Leonardo SpA to the Shareholders on the size and composition of the new Board of Directors*" was published on the Company website and attached to the explanatory reports pursuant to art. 125-ter of Legislative Decree no. 58/98 on the related items on the Shareholders' Meeting agenda

[DOWNLOAD THE EXPLANATORY REPORT](#)

[DOWNLOAD THE BoD GUIDELINES](#)

[Back to contents](#)

How will the number and the term of office of the new Board of Directors be determined?

In order to proceed with the appointment of the new Board of Directors, it is necessary to preliminarily determine the number of its members.

Number of members of the Board of Directors:

In accordance with the provisions of Article 18.1 of the Articles of Association, the Board of Directors must consist of a number of members no less than eight and no more than twelve, it being the duty of the Shareholders' Meeting to determine the number within these limits.

The expiring Board of Directors refrained from making specific proposals. The Board of Directors invited Shareholders to make proposals to determine the number of members of the Board of Directors to be appointed, in the manner and within the terms indicated in the notice of meeting, as well as to read the document "Guidelines of the Board of Directors of Leonardo S.p.a. to Shareholders on the size and composition of the Board of Directors " prepared by the Board of Directors.

Term of office of the Board of Directors:

Article 18.2 of the Articles of Association provides that the Board of Directors shall be appointed for a period not exceeding three financial years and that the Directors may be re-elected pursuant to Article 2383 of the Italian Civil Code.

The expiring Board of Directors refrained from making specific proposals. The Board of Directors invited Shareholders to make proposals to determine the term of office of the Board of Directors, in the manner and within the terms indicated in the notice of meeting, as well as to read the document "Guidelines of the Board of Directors of Leonardo S.p.a. to Shareholders on the size and composition of the Board of Directors " prepared by the Board of Directors.

[DOWNLOAD THE EXPLANATORY REPORTS](#)

[DOWNLOAD THE BoD GUIDELINES](#)

[Back to contents](#)

How will the Chairman of the Board of Directors be appointed?

The Shareholders' Meeting is vested with the power to appoint the Chairman of the Board of Directors; in fact, Article 19.1 of the Articles of Association provides that the Board of Directors elects among its members the Chairman only if the Shareholders' Meeting has not resolved upon this matter.

The expiring Board of Directors refrained from making specific proposals.

The Board invited the Shareholders to make proposals for the appointment of the Chairman of the Board of Directors, in the manner and within the terms indicated in the notice of meeting, as well as to read the document "Guidelines of the Board of Directors of Leonardo S.p.a. to Shareholders on the size and composition of the Board of Directors " prepared by the Board of Directors.

How will the emoluments of the Board of Directors be determined?

Article 27.1 of the Articles of Association requires that the members of the Board of Directors are due, in addition to the refund of expenses incurred in connection with their office, emoluments to be determined by the Ordinary Shareholders' Meeting and that the relevant resolution remains valid for subsequent financial years until otherwise determined by the Shareholders' Meeting.

In this regard it should be noted that the Ordinary Shareholders' Meeting held on 16 May 2017 determined the emoluments for the Board of Directors, now expiring, as follows: € 90,000.00 gross per annum for the Chairman and € 80,000.00 gross per annum for each of the other Directors.

The Board of Directors refrained from making specific proposals. Shareholders are invited to make proposal to determine the remuneration due to the Chairman and the other members of the Board of Directors in the manner and within the time limits indicated in the notice of call.

[DOWNLOAD THE EXPLANATORY REPORTS](#)

[DOWNLOAD THE BoD GUIDELINES](#)

[Back to contents](#)

Can I ask information on the eighth item on the agenda concerning the first section of the Report on the policy regarding remuneration and fees paid?

Following the entry into force of the rules that implement the European provisions contained in the so-called: "Shareholders Right Directory II" through Legislative Decree no. 49/2019, in art. 123-ter of Legislative Decree no. 58/98, paragraph 3-ter was added, under which the Shareholders' Meeting is called to express, with a binding resolution, its vote on the first section of the Report on the remuneration policy and on the remuneration paid pursuant to art. 123-ter, paragraph 3, of Legislative Decree no. 58/98, which illustrates the Company's policy for the year 2020 regarding the remuneration of the administrative bodies, general managers and other managers with strategic responsibilities and, without prejudice to the provisions of article 2402 of the civil code, of the members of the control bodies, as well as the procedures used for the adoption and implementation of this policy. With the proposed resolution on the eighth item on the agenda, the Board of Directors proposes to the Shareholders' Meeting to approve the first section of the aforementioned Report.

Can I ask information on the ninth item on the agenda concerning the second section of the Report on the policy regarding remuneration and fees paid?

The Shareholders' Meeting is also called to express, with a non-binding resolution, its favorable opinion on the second section of the Report on the policy regarding remuneration and fees paid pursuant to art. 123-ter, paragraph 6, of Legislative Decree no. 58/98, which: a) contains the representation of each of the items that make up the remuneration of the members of the administrative and control bodies, the General Managers and other Managers with Strategic Responsibility; b) analytically illustrates the remuneration paid to the persons indicated above in any capacity and in any form by the Company and by subsidiaries or associates. With the proposed resolution on the ninth item on the agenda, the Board of Directors proposes to the Shareholders' Meeting to express a favorable opinion on the second section of the aforementioned Report.

Where can I find information on the Report on the remuneration policy and fees paid?

The Remuneration Report is available to the public in accordance with the law at the registered office, at Borsa Italiana SpA, on the Company's website at www.leonardocompany.com (section "2020 Shareholders' Meeting") and on the mechanism's website eMarket STORAGE authorized storage (www.emarketstorage.com).

[DOWNLOAD THE EXPLANATORY REPORTS](#)



Can I ask information regarding the appointment of the independent auditors for the 2021-2029 nine-year period?

[Back to contents](#)

The Shareholders' Meeting approving the Financial Statements as at 31 December 2020 will let expire the statutory audit task granted by Leonardo S.p.a. to the Independent Auditors KPMG S.p.A. (hereinafter referred to as KPMG) on 16 May 2012, for the years 2012 to 2020.

Given the current regulation the task to KPMG will not be renewable, nor re-assignable, unless at least four years have passed since its termination. This regulation also states that the incoming auditor is prohibited from providing some services even during the financial year immediately before the beginning of the period under review (the so-called “cooling in period”).

In order to prevent any causes of incompatibility in the presence of prohibited services, the Company has anticipated the selective procedure for the assignment of the statutory audit assignment for the 2021-2029 nine-year period so as to allow the Shareholders' Meeting to deliberate the assignment in time of the relevant assignment. This anticipation, in addition to being permitted by Italian legislation, is also in line with the behavior already adopted by other national and international companies.

Article 16, paragraph 2, subpara. 2, of (EU) Regulation No. 537/2014 provides that the Board of Statutory Auditors, in its capacity as of Auditing Committee submits a well-grounded proposal to the Shareholders' Meeting containing at least two possible alternate proposals for granting, thus expressing a duly justified preference for one of the two proposals.

For the assignment of the task of independent auditor of Leonardo S.p.a. for the 2021-2029 nine-year period, a specific well-grounded Proposal was prepared by the Board of Statutory Auditors with which the offers formulated by E&Y S.p.A. and PricewaterhouseCoopers S.p.A. are alternately submitted to the Shareholders' Meeting, indicating the Board of Statutory Auditors itself its preference in favor of E&Y S.p.A.

During the Shareholders' Meeting, the proposal to entrust the legal audit of the accounts to E&Y S.p.A. will first be put to the vote. and, only in the event that this proposal does not reach the votes required for its approval, the proposal to entrust the same assignment to PricewaterhouseCoopers S.p.A. will be put to the vote.

The well-grounded proposal prepared by the Board of Statutory Auditors is available to the public at the registered office, on the Company's website at www.leonardocompany.com (section “2020 Shareholders' Meeting”) and on the website of the authorized storage mechanism eMarket STORAGE (www.emarketstorage.com), as well as at Borsa Italiana SpA.

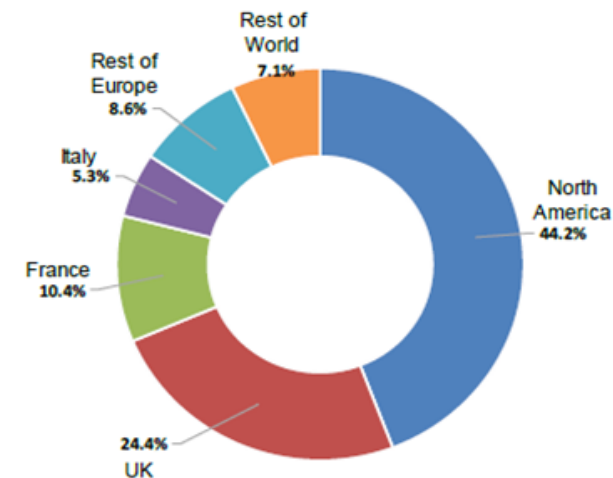
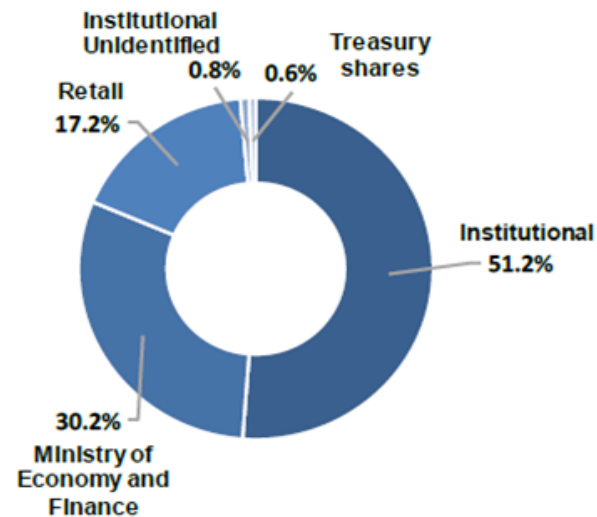
[DOWNLOAD THE EXPLANATORY REPORTS](#)
[DOWNLOAD THE WELL-GROUNDED PROPOSAL](#)

[Back to contents](#)

Leonardo's share capital

As of the date of the Notice of Call (3 April 2020), the share capital of Leonardo is equal to Euro 2,543,861,738.00, represented by 578,150,395 shares, all ordinary shares with a nominal value of € 4.40 each.

Who are Leonardo's Shareholders?





THANK YOU
FOR YOUR ATTENTION

leonardocompany.com

