



# **Independence of the non executive directors**

## **Criteria for assessing the significance of the commercial, financial or professional relationships and of the remuneration other than the fixed remuneration**

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### *Disclaimer*

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## PREFACE

For the purpose of assessing the independence of the non executive directors, as required by the Corporate Governance Code (“Code”), the Board of Directors of Leonardo – upon proposal of the Nomination and Governance Committee and in compliance with art. 2, Recommendation 7 of the Code – has defined quantitative and qualitative criteria to assess the significance of:

- commercial, financial or professional relationship that the non executive directors, directly or indirectly<sup>1</sup>, have or had in the previous three financial years with Leonardo, with the companies controlled by Leonardo, with the executive directors or the top management of Leonardo or of the companies controlled by Leonardo or with a subject who - also together with others through a shareholders' agreement – controls Leonardo or, if the control is held by a company or another entity, with its executive directors or top management;
- remuneration of the non executive directors other than the fixed remuneration for the position held within the board and for the membership of the board committees or of the committees required by law, that they receive or received in the three previous financial years from Leonardo, from a company controlled by Leonardo or from a company controlling Leonardo.

The criteria defined by the Board of Directors of Leonardo are reported below.

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<sup>1</sup> For example through subsidiaries, or through companies of which he or she is an executive director, or as a partner of a professional or a consulting firm.

“Without prejudice to the competence of the Board of Directors to evaluate in any case the specific situation by considering the relevance of the relationship and its suitability to affect the independence of the non executive director;

- a) the fee collected by the non executive director, for each financial year of reference, for the commercial, financial, professional relationships and/or for the remuneration other than the fixed one are deemed significant if, on the whole, are higher than the annual payment collected for the position held by the non executive director of Leonardo and affect more than 15% on the annual revenue and/or the annual taxed income of the director.

With reference only to the commercial, financial and professional relationships, if the non executive director of Leonardo is a partner of a professional or a consulting firm, or if he/she controls or is the executive director of a legal subject or other entity, the Board of Directors considers significance the relationships held with these entities if the payments corresponded to them are higher than the annual remuneration paid to the non executive directors of the Company for the position held and affect more than 15% on the annual revenue of the entities;

- b) even regardless of the amount of the payments and their impact as indicated in letter a) above, the Board deems as well significant the commercial, financial and professional relationships and/or the remuneration other than the fixed remuneration pertaining to an important transaction of Leonardo or the Group it heads or that may have an effect on the position or role held by the director within the legal subject/entity/professional firm of which the director is partner, executive director or controlling person.

For its evaluations, the Board of Directors considers in particular the duration, the regularity and the stability of the commercial, financial and professional relationships and/or the remuneration other than the fixed remuneration, as well as in general the importance of them for the director’s reputation.”