

Regulations of the Board of Statutory Auditors

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INTRODUCTION

These Regulations (hereinafter referred to as "Regulations") discipline 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 By-laws, as well as in light of the principles and rules established by the current Corporate Governance Code for Listed Companies issued by the Corporate Governance Committee (hereinafter referred to as the "Corporate Governance Code") to which the Company complies and by the Rules of Conduct of the Board of Statutory Auditors of listed companies issued by the National Board of Chartered Accountants and Accounting Experts (hereinafter referred to as "Rules of Conduct").

Art. 1 Composition

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

Two Regular Auditors and an Alternate Auditor 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 by the minority list.

At least two of the Regular Auditors and at least one of the Alternate Auditors are chosen from among those registered in the Register of Statutory Auditors who have exercised the independent accounts audit activity for a period of not less than three years; the By-laws of Leonardo identify further criteria for the appointment of Auditors who do not meet these requirements.

The composition of the Board of Statutory Auditors must ensure gender balance.

In compliance with the provisions of the Corporate Governance Code, the Board of Statutory Auditors assesses the independence of its members at the first useful meeting subsequent to their appointment, on the basis of the information acquired by the Auditors themselves, thus periodically renewing this assessment, on an annual basis and in any case upon the occurrence of circumstances relevant for the independence, and by communicating the results of these assessments to the Board of Directors.

The Board of Statutory Auditors implements 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 Auditor having regard to the overall position of the latter.

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



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 regulation, 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 check the compliance with the laws, regulations and By-laws as well as the correct administration, the adequacy of the corporate organizational and accounting structures, the risk management and control system, the independent audit activity of the annual and consolidated accounts, the independence of the auditing firm and the financial reporting process.

The Board of Statutory Auditors must immediately notify Consob 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, the Board of Directors and the board Committees; the Chairman reports on behalf of the Board on the activities carried out by the Board and expresses the related opinions, where applicable.

In addition, the Board holds meetings with the Top Management of the Company and the managers of the Company and the Group. The Board also meets periodically with the Independent Auditors, the Boards of Statutory Auditors of the main direct subsidiaries of the Group (making use of the Group Internal Audit organizational unit as regards the foreign subsidiaries from which it periodically acquires adequate information flows) and the Supervisory Body pursuant to Legislative Decree No. 231/01.

The Board of Statutory Auditors receives periodic information flows from the corporate units, also by virtue of specific provisions contained in the Company's procedures.

Art. 3

Functioning of the Board of Statutory Auditors

The Board meets as often as necessary for the performance of its functions, according to a calendar prepared for this purpose by the Chairman. The number of meetings must be consistent with the size, complexity and characteristics of the Company.

The Board appoints a Secretary who, unless otherwise resolved, remains in office until the expiry of the Board. The Secretary, to be identified among Leonardo's employees or collaborators in the context of the LSC/Group 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 call notice of the meeting.



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 by means of telecommunications in accordance with the provisions of the Company By-laws, 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 establishes the agenda of the meetings and sends it, through the Secretariat of the Board of Statutory Auditors, to the other members by means of specific email containing the call notice.

The call notice 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, normally at the same time as the notice of the meeting, to the Auditors to allow them to express on the topics covered by the meeting. The Secretariat of the Board of Statutory Auditors is responsible for making the documentation available, which remains preserved in the documents of the Board of Statutory Auditors, thus implementing the dedicated virtual area, even in the days following the meeting with what acquired directly during the meeting.

The Board of Statutory Auditors resolves by an absolute majority of the presents. In the event of a tie, the vote of the Chairman prevails. The communications made during the meeting and the resolutions adopted by the Board of Statutory Auditors are recorded in minutes transcribed in a specific book, signed by the Chairman and all the other Auditors, including the Auditors absent for viewing and sharing. 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.

Art. 4

Role of the Chairman

The Chairman of the Board of Statutory Auditors guarantees the effectiveness of the debate within the Board and endeavours 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 Auditors in due time and that the documentation supporting the



resolutions made available during the meetings of the Board of Statutory Auditors is quantitative and qualitative adequate with respect to the items on the agenda.

The Chairman also ensures that: i) the self-assessment process of the Auditors is carried out effectively and is conducted with methods consistent with the level of complexity of the work of the Board; ii) the corrective measures envisaged to deal with any deficiencies found are adopted; iii) the Company prepares and implements insertion and induction programs for the members of the Board of Statutory Auditors.

Art. 5 Confidentiality

The Auditors are required to keep the documents and information acquired in the performance of their office confidential, as well as the contents of the discussions that take place within 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 privileged and confidential 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. Confidentiality is also a necessary element to ensure that information can be sent to the Auditors promptly and be complete with regard to all the important aspects for making decisions.

For this purpose, it was envisaged that the acquisition of the documentation by the Auditors will take place through their access to a protected IT platform ("Virtual Area") to access which requires the obtaining of "ad personam" credentials generated by the Company and the entry of a personal password when making each access.

The Auditors also access the documentation sent to the Directors for the Board and the Board committees meetings, as well as the documentation entered in the Virtual Area by the Internal Audit Department (Audit Report, Start-up Communications, 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 LSC/Group Corporate Affairs organizational unit.

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

- taking care of the preparation of what is necessary for the meetings of the Board (planning of the interventions, calls, collection and sharing of the documentation, etc.);
- 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 Auditors for access to all documentation;



- taking care of the keeping and storing of the books of the meetings and resolutions of the Board of Statutory Auditors and of the documentation for the deeds of the meetings;
- handle all the activities 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 guarantee the compliance with the regulations to the Board.

Art. 7

Entrusting specific activities to individual members

Given the activities foreseen in the exercise of the mandate, the Chairman can entrust the performance of specific activities to one or more members on the basis of their skills. The appointed Auditor is required to report to the Board on the activities carried out during the first useful meeting.

In any case, as regards to the activities entrusted to individual members, the collective responsibility of the Board remains.

Art. 8

Joint meetings

The Board of Statutory Auditors, in order to facilitate the circulation of information at the intra-corporate level and to allow an increasingly efficient internal control system, can hold its meetings jointly with the Control and Risks Committee, where deemed appropriate in relation to the topics to be discussed, with the other internal Committees of the Board of Directors and the Supervisory Body (“ODV”).

Art. 9

Self-assessment and Diversity of the Board of Statutory Auditors

The Board of Statutory Auditors, on an annual basis, carries out a self-assessment of its composition and functioning.

This self-assessment pursues the following purposes:

- ensuring a check of the correct and effective functioning of the control 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;
- identifying the main areas for improvement, thus promoting their discussion within the Board and defining the corrective actions to be taken;
- professionally stimulating the Auditors to reflect, based on the perception of the performance of the Board in the past year, the most appropriate improvement actions to be taken in the future;
- strengthening the relationships of collaboration and trust between the individual members;
- encouraging the active participation of the individual members, thus ensuring full awareness of the specific role covered by each of them and of the related responsibilities.



The self-assessment 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 collegial meeting. The outcome of the self-assessment process is formalized in a specific document ("Self-assessment Report"), which is sent to the Appointment, Governance and Sustainability Committee and to the Company's Board of Directors.

The Board of Statutory Auditors, taking into account the annual results of the self-assessment process, approves its Diversity Policy, through which identifies the diversity criteria deemed necessary for its optimal composition, identifies the goals that it intends to pursue through the approval of this Policy and defines the implementation methods of the Policy.

In the last year of office, the Board of Statutory Auditors, also on the basis of the results emerged from the Self-assessment process, draws up a document aimed at expressing its orientation to the Shareholders regarding the optimal composition of the appointing Board of Statutory Auditors. The Board of Statutory Auditors sends this document to the Board of Directors in good time to allow an analysis of its content and assessments regarding its publication in view of the Shareholders' Meeting that will appoint the new Board of Statutory Auditors.

Art. 10 **Final provisions**

The amendments to these Regulations are approved by the Board of Statutory Auditors. The Chairman may proceed directly, by informing the other Auditors at the first useful meeting, of the adjustments resulting from regulatory interventions or changes in the Company's organizational structure.





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