

FAQ Shareholders' Meeting 2019



General Information

The Shareholders' Meeting is called in Ordinary session on 9 and 16 May 2019, in first and second call respectively, and in Extraordinary session on 9, 15 and 16 May 2019, in first second and third call respectively, at 10,30 a.m. in Rome at the "Accademia dei Lincei", Via della Lungara 230 – 00165. Shareholders and all those entitled to attend and vote at the Shareholders' Meeting have the right to examine all the documents filed at the registered office and obtain copies thereof. 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, "Shareholders' Meeting 2019" section).

We inform you that on the Company's website (www.leonardocompany.com, section "Shareholders' Meeting 2019") 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.

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The agenda

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

Ordinary Session

1. *Financial Statements at 31 December 2018 and relevant Report of the Board of Directors, Report of the Board of Statutory Auditors and Report of the Independent Auditors. Resolutions related thereto. Presentation of the Consolidated Financial Statements at 31 December 2018*
2. *Integration of the Board of Statutory Auditors:*
 - 2.1. *Appointment of a Statutory Auditor*
 - 2.2. *Appointment of an Alternate Auditor*
 - 2.3. *Appointment of the Chairman of the Board of Statutory Auditors*
3. *Remuneration Report: resolution pursuant to Article 123-ter, paragraph 6, of the Legislative Decree No. 58/98*

Extraordinary Session

1. *Amendment of Leonardo's Articles of Association on gender balance in the composition of the management and control bodies*

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.

The Extraordinary Shareholders' Meeting is validly constituted when is represented at first convocation more than half of the share capital; at second convocation, more than one third of the share capital; at third convocation, more than one fifth of the share capital. The Extraordinary Shareholders' Meeting adopts resolution by the affirmative vote of at least three-quarters of the share capital present at the Meeting.

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

The Notice of Call, in its full version, is available to the public - within the terms of the law - at the Company's registered office, on the Company's website at the address www.leonardocompany.com (section "Shareholders' Meeting 2019") as well as 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 8 April 2019 on the newspapers "Il Sole 24 Ore" and "Italia Oggi".

How can I get the documentation for the Meeting?

The documents pertaining to the Shareholders' Meeting (also with reference to the provisions of Article 125-quater of Legislative Decree No. 58/98), including the Explanatory Reports pursuant to Article 125-ter of Legislative Decree No. 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, on the Company's website www.leonardocompany.com, section "Shareholders' Meeting 2019", as well as on the website of the authorized storage mechanism eMarket STORAGE (www.emarketstorage.com).

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

The minute of the Shareholders' Meeting is published on the Company's website at the address www.leonardocompany.com (section "Shareholders' Meeting 2019") within 30 days the date of the Meeting and is made available to the public also at the Company's registered office and on the website of the Authorized Storage mechanism eMarket STORAGE (www.emarketstorage.com).

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 "Shareholders' Meeting 2019"), 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.

Which subjects have the right to attend the Meeting?

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.* 29 April 2019), 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 6 May 2019). 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.

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 (29 April 2019) 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.

What do I have to do to attend the Meeting?

To attend the Shareholder's Meeting:

- It is sufficient to go to the authorised financial intermediary (Bank, Manager, Broker) where the Leonardo ordinary shares held are deposited and require the issue of the notice for the attendance to the Shareholders Meeting.
- The Company recommends to produce copy of the notice at the attendance of the Shareholders' Meeting.
- Due to the fact that each intermediary follows different operating procedures, it is advised not to request the delivery of the notice to be submitted to the Company during the last available days and to inquire about the timing provided for such operation in the deposit agreement.
- It is necessary, before the start of the Meeting, to submit at the Shareholders' Meeting place a valid identification document for the completion of the administrative operations.

Those who are entitled to attend the Meeting are invited to reach the place before the calling time in order to facilitate the registration process. Leonardo's staff will be available to the Shareholders and their representatives at the Shareholders' Meeting place one hour earlier the time of the start of the works.

Can I be admitted to the Meeting if I arrive late?

Those who should reach the place of the Shareholders' Meeting later than the beginning of the works are admitted to the Meeting. If a vote is underway, it is necessary to wait until the vote has been completed.

Is it possible to add items on the agenda and submit motions?

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, within ten days following the publication of this notice (i.e. not later than 18 April 2019) may request additions to the items on the agenda or submit motions additional 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 items on which, in accordance with the law, the Shareholders' Meeting resolves on proposal submitted by the Board of Directors or on the basis of projects or reports prepared by said Directors, other than those specified under 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 +390632657172 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 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 announced by the Company, in the same manner as prescribed for publication of this call notice, at least fifteen days prior to the date set for the Meeting in first call (and therefore not later than 24 April 2019). At the same time as it announces 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.

Furthermore, in accordance with Article 126-bis, paragraph 1, of Legislative Decree No. 58/98, a person entitled to vote may individually submit motions to be considered in the Shareholders' Meeting regarding items on the agenda.

How can I appoint a representative for the Meeting?

Voting by proxy

Those who are entitled to attend the Shareholders' Meeting may be represented by written proxy in accordance with applicable law. The proxy form, which is available for download on the Company's website (www.leonardocompany.com, section "Shareholders' Meeting 2019") or at the registered offices, may be used for this purpose. The proxy may be sent in advance by registered mail with return receipt to the registered offices of the Company to the attention of "Leonardo S.p.a. - Legal, Corporate Affairs, Compliance, Criminal Law and Anticorruption", or sent by fax to number +390632657172 or by e-mail to the certified e-mail address assemblea@pec.leonardocompany.com. If the delegate delivers or sends a copy of the proxy to the Company, he/she must certify under his/her own responsibility that the copy is a true copy of the original proxy and the identity of the delegating party.

Shareholders' Representative appointed by the Company

Pursuant to Article 135-undecies of Legislative Decree no. 58/98 and Article 14.3 of the Articles of Association, the Company has designated Computershare S.p.A. as the entity to which the Shareholders may grant a proxy free of charge, with voting instructions on all or some of the motions on the agenda. The proxy to the above representative must be granted by signing the relevant form which may be downloaded from the Company's website (www.leonardocompany.com, section "Shareholders' Meeting 2019") or requested at the registered office, and should be received by Computershare S.p.A., in the manner indicated in the proxy form in the special "Instructions for filling in and transmission", not later than the end of the second trading day before the date set for the Shareholders' Meeting (i.e. by 7 May 2019; if the Shareholders' Meeting takes place in calls following the first call, proxies may be accepted even if received by 13 May 2019 with reference to the second call of extraordinary Shareholders' Meeting, or by 14 May 2019 with reference to the second call of ordinary Shareholders' Meeting and the third call of the extraordinary Shareholders' Meeting). Any proxy granted in this manner shall be valid only for motions for which voting instructions have been given. The proxy and voting instructions may be revoked within the same terms and in the same manner provided for their delivery.

The original proxy to the Appointed Representative must be delivered to Computershare S.p.A. in Rome at Via Monte Giberto 33 - 00138 (possibly anticipating a copy with a declaration of conformity to the original), or by fax to number +390645417450 or by certified e-mail to ufficioroma@pecserviziitolit.it.

From 8 April 2019 the Appointed Representative will be at Shareholders' disposal for any information they may require at telephone number +390645417413 and e-mail address infoleonardo@computershare.it.

Can I ask questions to the Company before the Meeting?

Anyone who has voting rights may submit questions regarding the items on the agenda even before the meeting. These questions must be received by the Company not later than the third day before the date of the Shareholders' Meeting in first call (i.e. not later than 6 May 2019), pursuant to Article 127-ter of Legislative Decree no. 58/98, 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 29 April 2019 (record date).

Questions must be sent by registered mail with return receipt to the Company's registered offices to the attention of "Leonardo S.p.a. – Legal, Corporate Affairs and Compliance", or sent by fax to number +390632657172 or by e-mail to the certified e-mail address assemblea@pec.leonardocompany.com.

Any questions received before the above deadline will be answered during the Shareholders' Meeting at the latest; the Company reserves the right to provide a single answer to questions with the same content.

The Company will not take into consideration questions that are not strictly related to the items on the Shareholders' Meeting agenda, nor those whose answers have already been provided in this document.

The answers released in printed form are made available to those entitled to vote at the beginning of the Meeting and are also attached to the meeting minutes are considered to be provided in the meeting.

Can I ask information on the first item on the agenda concerning the Financial Statements at 31 December 2018?

The Board of Directors of the Company has decided to submit to the Shareholders' Meeting for their approval the Financial Statements for the Year 2018, that closes with a net profit of € 283,800,630.37.

In light of the foregoing, the Board of Directors resolved to propose to the Shareholders' Meeting to allocate 5% of this net profit to the legal reserve (€ 14,190,031.52), to distribute € 0.14 per share to the shareholders as a dividend and to allocate the remaining 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 22 May 2019, with the ex-dividend date of coupon n. 10 falling on 20 May 2019 and Record Date Dividend coinciding with 21 May 2019. 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.

Why is the Shareholders' Meeting convened for the integration of the Board of Statutory Auditors?

On 8 November 2018, the Regular Auditor and Chairman of the Board of Statutory Auditors of the Company, appointed by the Shareholders' Meeting on last 15 May 2018, has resigned. Pursuant to Article 2401 of the Italian Civil Code and to Article 28 of the Articles of Associations, the Alternate Auditor taken from the same list of the resigning Auditor (minority list) took on the office of Regular Auditor and Chairman of the Board of Statutory Auditors. In accordance with the law, he will remain in office until the first following Shareholders' Meeting.

Therefore the Shareholders' are convened to integrate the Board of Statutory Auditors by the appointment of a Regular Auditor, an Alternate Auditor and, finally, of the Chairman of the Board of Statutory Auditors.

How long will the new Auditors remain in office?

The Auditors appointed for the integration of the Board of Statutory Auditors of Leonardo will expire together with the members of the Board in office appointed by the Shareholders' Meeting on last 15 May 2018.

The mandate will expire with the Shareholders' Meeting called to approve the Financial Statements as at 31 December 2020.

How can I submit a candidature for a Regular Auditor or an Alternate Auditor?

Since the statutory and legal provisions relating to the so-called mechanism of voting list applicable for the renewal of the entire Board of Statutory Auditors do not apply, the Shareholders' Meeting is called to resolve with the majorities provided by law on the candidacies submitted by the Shareholders.

The proposals of candidature may be submitted during the Meeting by the Shareholders entitled to attend the Meeting, in compliance with the provisions of Article 16 of the Shareholders' Meeting Rules and within the conditions described in the Notice of Call of the Meeting, both made available to the public on the Company's website at the address www.leonardocompany.com, section "Shareholders' Meeting 2019".

Alternatively, the proposals of candidature can also be previously submitted by those Shareholders who, even jointly with others, represent at least one fortieth of the share capital within terms and conditions provided by art. 126-bis of the Legislative Decree No. 58/98 and indicated in the Notice of Call.

The candidatures must be accompanied with a statement of the Shareholder, other than those who hold, even jointly, a controlling or majority interest, certifying the absence of any relationship even indirect with the latter, in compliance with Article 144-quinquies of Consob Regulation no. 11971/99; with reference to the contents of such statement, Shareholders' attention is drawn on recommendations contained in the Consob Communication no. DEM/9017893 of 26 February 2009.

Which requirements are necessary to be candidated as Regular or Alternate Auditor?

The proposal of candidatures must be accompanied, among others, by a declaration of each candidate accepting the nomination and stating, under his/her own personal responsibility, that there are no causes of ineligibility and incompatibility, and the possession of the requirements prescribed by law and by the Articles of Association.

In particular each candidate must possess the independence requirements provided for Auditors in Article 148, paragraph 3, of the Legislative Decree No. 58/98, in addition to the requirements of integrity and professionalism as set out in the Italian Minister of Justice Decree no. 162 of 30 March 2000, pursuant to Article 148, paragraph 4, of the Legislative Decree. No. 58/98; each candidate must also declare himself/herself as independent also according to the criteria laid down, with regard to directors, in Article 3 of the Corporate Governance Code for listed companies.

The proposal of candidatures must be also accompanied by a "curriculum vitae" containing detailed information on the personal and professional characteristics of each candidate and by a list of the administrative and managerial positions held in other companies by the candidates (Article 2400 of the Italian Civil Code), updated or to be updated until the date on which the Shareholders' Meeting is actually held. In this regard, it is recalled that Auditors may not be appointed if they hold the office of Statutory Auditor in five issuers, or hold other administrative or managerial positions in other companies which together exceed the limit set by current legislation (Article 144-terdecies Consob Regulation no. 11971/99).

It is also recalled that, pursuant to Article 19, paragraph 3, of Legislative Decree No. 39 of 27 January 2010, as amended by Legislative Decree No. 135 of 17 July 2016, the members of the Board of Statutory Auditors, which for the purposes of such law serves as the Internal Control and Audit Committee, are as a whole competent in the sector in which the Company operates.

Furthermore, the Company has implemented a diversity policy of the Controlling Body aimed at identifying suitable profiles and requirements to favour its optimal composition, also in terms of diversity, in order, among other things, to offer a useful tool to the Shareholders intending to submit an application. The above-mentioned policy is shown in the Report on Corporate Governance and Ownership Structure 2019 of Leonardo, published on the Company's website (www.leonardocompany.com, section "Shareholders' Meeting 2019"), to which reference can be made.

Can I ask information on the third item on the agenda concerning the Remuneration Report?

The Shareholders' Meeting is called to express, through non-binding resolution pursuant to Art. 123-ter, paragraph 6, of Legislative Decree 58/98, its vote on the first section of the Remuneration Report provided in Article 123-ter, paragraph 3, of Legislative Decree no. 58/98, which illustrates the Company's policy on remuneration of members of the management bodies and other executives with strategic responsibilities, as well as the procedures used for the adoption and implementation of this policy. With the proposed not binding resolution on the sixth item on the agenda, the Board of Directors proposes to the Shareholders Meeting to vote in favor in the first section of that Report.

Where can I find information concerning the Remuneration Policy?

The Remuneration Report, drafted in accordance with Article 123-ter of Legislative Decree no.58/98 and in accordance with Article 84-*quater* by Consob no. 11971/1999 Regulation (Issuers' Regulations), is available to the public in accordance with terms and conditions required by law. In particular, the first section of the report illustrates the remuneration policy adopted with reference to the year 2019 and subsequent financial years, presenting the criteria and guidelines adopted by the Company in reference to the remuneration of the management bodies and other executives with strategic responsibilities. The second section, drafted in accordance with paragraph 4 of the abovementioned Art. 123-ter, shows analytically and in registered form the payment actually paid or attributed during the year 2018 to the members of the Administrative and Supervisory Bodies and any other Executives with strategic responsibilities.

The Remuneration Report is available to the public at the registered office, on the Company's website at the address www.leonardocomany.com (section "Shareholders' Meeting 2019") and on the website of the authorized storage mechanism eMarket STORAGE (www.emarketstorage.com).

Can I ask information on the only item on the agenda of the extraordinary session concerning the Amendments to the Articles of Association?

The Shareholder's Meeting is called in an extraordinary session to resolve upon an amendment of the Articles of Association of Leonardo on gender balance in the composition of the management and control bodies.

It is recalled in this regard that – in accordance with the law and the Articles of Association – the obligation of the presence of a minimum number of members belonging to the less represented gender will apply a third and last time for the 2020-2022 mandate of the Board of Directors of Leonardo and a third and last time for the 2021-2023 mandate of the Board of Statutory Auditors of Leonardo.

The Board of Directors, with the proposal submitted to the Shareholders' Meeting, intends to make permanent the presence of a minimum number of members belonging to the less represented gender in the composition of the corporate bodies of the Company, thus overcoming the transitional application of the law in force. In particular, the Board of Directors proposes to introduce in the Articles of Associations a minimum number of at least one third (or a possible higher number that could be in future established by law).

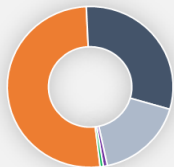
The proposed amendments are illustrated in the Explanatory Reports pursuant to Article 125-ter of Legislative Decree No. 58/98 on the items of the Agenda made available to the public on the Company's website at the address www.leonardocompany.com (section "Shareholders' Meeting 2019").

Leonardo's share capital

As of the date of the Notice of Call (8 April 2019), 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?

DISTRIBUTION OF SHAREHOLDERS



- 51.2% INSTITUTIONAL INVESTORS
- 30.2% MINISTRY OF ECONOMICS AND FINANCE
- 17.2% RETAIL INVESTORS
- 0.8% BROKERAGE/TRADING
- 0.6% TREASURY SHARES

GEOGRAPHICAL DISTRIBUTION OF INSTITUTIONAL INVESTORS



- 44.2% NORTH AMERICA
- 21.4% UNITED KINGDOM
- 12.0% FRANCE
- 6.7% ITALY
- 7.3% REST OF EUROPE
- 8.4% REST OF WORLD

THANK **YOU** FOR YOUR ATTENTION

