

Anti-Corruption Policy

Advisor, Lobbyist, Distributor and Sales Promoter Appointments

Activity	Responsibility
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Abstract

To achieve its business goals, and because of the nature of its products and services, Leonardo Electronics US, Inc. (LEI) operates in certain overseas markets. The use of Advisors to assist is a recognized and legitimate business practice. Where Advisors are permitted, they are also required to operate by local law and regulation. A clear and valid justification needs to be a key premise prior to starting the selection or renewal process. LEI recognizes that certain Advisors may operate in business environments that can be susceptible to corrupt practices and unethical behaviors, including a high risk of bribery, and therefore considers that a diligent and cautious approach to each Advisor's selection or renewal as outlined in this Policy is necessary and appropriate.

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Amendment Summary

Revision	Issue Date	Summary of Change
1	July 01st 2023	Initial Issue (Supersedes QP070 @ Rev 3)

Document Structure

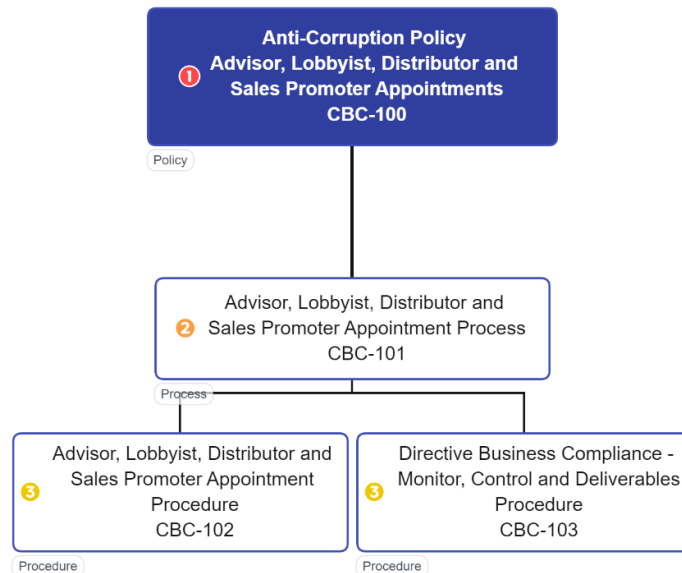


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Introduction

To achieve its business goals, and because of the nature of its products and services, Leonardo Electronics US Inc. (herein referred to as LEI) operates in certain overseas as well as domestic markets. The use of Commercial Advisors, Sales Promoters, Lobbyists, and Distributors/Resellers (herein referred to as Advisors) to assist, either directly or indirectly, in the achievement of business goals is a recognized and legitimate business practice, where Advisors are permitted (and, in some instances, required) to operate by local law and regulation. LEI recognizes that certain Advisors may operate in business environments that can be susceptible to corrupt practices and unethical behaviours, including a high risk of Bribery, and therefore considers that a diligent and cautious approach to each Advisor's selection or renewal as outlined in this Policy is necessary and appropriate.

Even where the use of Advisors is permitted by the laws of a country or territory it may not be necessary to use one; a clear and valid business justification for an Advisor must be presented prior to starting the selection or renewal (including amendments and extensions) process.

If an Advisor wins business on behalf of LEI through unlawful and unethical business practices, including Bribery, its actions will expose the company (and potentially the wider Leonardo group) to significant reputational, financial, and criminal risks, not necessarily limited to the relevant territory in which it is engaged. Where an Advisor is engaged in supporting the winning of contracts with foreign public officials, that risk is increased.

For these and other business reasons, LEI sets a high benchmark of corporate ethics. Bribery and any form of corrupt or unethical behaviour to secure a commercial advantage by an employee and/or an Advisor is not tolerated.

Scope

This Policy, and the associated processes herein, applies to LEI and any wholly owned subsidiaries or controlled companies where there is a proven and compelling business case for engaging an Advisor, Distributer and/or Sales Promoter.

This Policy is in full support of Leonardo Group Directive LDO-DI-015-A - Commercial Advisors/Promoters, Lobbyists and Distributors/Resellers (Business Compliance). LEI will undertake on-going monitoring, review, evaluation and continuous improvement process for this Policy in the context of developments in the law or Directives from Leonardo S.p.A. (parent).

Policy Statement

1. LEI provides goods and services to its customers and meet its business goals in an ethical way and in accordance with US and applicable overseas bribery & corruption-related and other applicable laws, rules, and regulations.
2. All activities undertaken by Advisors on LEI's behalf, and by LEI employees working with Advisors or on Advisor-related matters, will be performed:
 - a. transparently in accordance with US and applicable overseas laws, conventions and anti-bribery and corruption practices, including but not limited to the US Foreign Corrupt Practices Act (FCPA), the UK Bribery Act, Italian Legislative Decree 231/2001, and Leonardo Group Directive LDO-DI-015-A. Business Compliance.
 - b. in accordance with this Policy and its related Processes and Procedures regarding Advisors.
3. LEI adheres to the principles in the applicable US Department of Justice guidance to the FCPA through the implementation of leading anti-bribery practices such as top-level commitment, zero tolerance towards bribery and corruption, together with appropriate periodic risk assessment and due diligence to identify ethical and reputational risks to ensure informed decision-making.
4. Compliance with this Policy is mandatory. Employees who fail to comply with this Policy may be subject to disciplinary measures, including termination.

Policy Operational Requirements

All LEI personnel involved with the company's Advisor relationships must follow and comply with: (a) the specific Policies and Procedures that are part of this Policy; and (b) the general principles, guidelines, and obligations below:

1. Pursuant to the principles of Leonardo Business Compliance Directive, the selection of each Advisor is subject to and conditional upon conducting a comprehensive legal and integrity due diligence investigation (DD), to determine whether the selection can lawfully proceed and to assess the credentials of the proposed Advisor. A particular focus of DD is to identify any potential "Red Flag" risks in connection with the proposed Advisor such as regulatory non-compliances, civil and criminal sanctions, incorporation or residence in a tax haven, illicit behaviour, capability and experience, criminal activities, and a lack of transparency in the ultimate owners of the Advisor's business.
2. The DD process must be repeated before renewal, extension or amendment of an Advisor selection, proportional to the risks perceived at such time.
3. In accordance with the Leonardo Group Success Fee Policy, compensation payable to Advisors must be proportionate to the Services provided and must be set out in a fully executed written agreement before those Services are provided.
4. LEI shall maintain current, accurate and complete records of the compensation provided to, and performance and quality of services provided by, any Advisor.

5. All activities relating to Advisors will be monitored and reviewed at regular intervals by Company Business Compliance CBC Office and/or Marketing/Business Development Office MBD (as appropriate) to identify scope for compliance, continuous improvement, including the maintenance of this Policy and its related documents. CBC will prepare and submit periodic reports to the company's senior management which will include any suspicions, allegations or actual evidence of any Bribery or corruption and the actions taken; these reports should also include brief details of the Advisor population and compensation paid to Advisors.
6. Where there are reasonable grounds to believe that an Advisor has been involved in bribery or any other form of corrupt activity, whether in connection with the services that they are providing to LEI or otherwise, the related facts and circumstances will be promptly and thoroughly investigated, also informing Leonardo S.p.A. Senior Compliance Officer SCO and Subsidiary Business Compliance SBC and, if those grounds are substantiated, reported to the appropriate authorities, whether in the US, UK, Italy, or the local applicable jurisdiction.
7. An LEI employee must report any Advisor-related wrongdoing, suspicions of wrongdoing, or suspected or actual violations of this Policy - either to their line manager, to CBC, or using the Ethics Point reporting tool in the LEI Employee Portal.
8. All activities pursuant to this Policy shall be conducted in an open and transparent way and will be subject to an internal audit program.

Policy Structure and Administration

This Policy is supported by a Process and related Procedures – designed to operationalize and facilitate LEI Advisor selection.¹

CBC is responsible for the overall Advisor selection process and for the management and administration of the Process and related Procedures, and is authorized to create, amend, terminate and maintain records of all Advisor-related agreements, Annexes, and other documents.

¹ The Policy's emphasis on LEI's transparent, risk-based and ethical relationships with Advisors applies to and governs all situations where the Process or related Procedures may be incomplete or ambiguous.

LEI Compliance Program

LEI's overall company ethics and compliance program is designed to embed, promote and continuously improve ethical and otherwise appropriate behaviors across the Company. As part of LEI's overall compliance program, this anti-corruption policy is related to other LEI policies and requirements, including:

- Ethics and Business Conduct Policy
- Anti-Corruption Code of Leonardo Group
- Corporate Security Policy
- Leonardo Group Directive LDO-DI-015-A Business Compliance

To support these measures, LEI has a compliance program-related training program. With respect to this Policy, risk-specific training must be undertaken at regular intervals by all employees and Advisors. General and specific training will be provided to all key customer-facing employees on the procedure for the selection of Advisors as well as on ethical conduct, corruption, and bribery issues.

Whistleblowing

Anyone who becomes aware of any violations or deviations from the provisions set out in this and its supporting documents is required to promptly file a report by sending an email to the Supervisory Body of Leonardo Electronics US Inc.

Control of Records and Document Retention

All documentation and data used both in support of the Advisor selection process (including but not limited to completed application documentation, the results of the selection process and DD) and subsequent management of the Advisor will be maintained within LEI's records by CBC. Records will also include information on proposed selections or renewals that do not proceed for business or other reasons (e.g., no longer required and those that do not proceed due to Red Flags). All Advisor documentation and data will be consolidated in a master file (unique to each selection process) and securely maintained by CBC in accordance with the business Compliance Directive.

All documentation and data related to the selection and management of Advisors will be retained for the period of:

1. 10 years from the date of them ceasing to be an Advisor; and
2. 6 years from the date of the last payment obligation.

Tax Considerations

The use of Advisors and/or intermediaries may pose a tax-related risk to the company under various applicable laws, rules and regulations. Accordingly, LEI may require extra documentation or statements from Advisors to prevent criminally facilitating tax evasion, either in the US or in a foreign country. In recognition of the LEI's corporate relationships with its English and Italian affiliates, consultations should be made with the LEI Finance Department if there is any question or issue related to appropriate Advisor taxation treatment. See generally: [OECD Global Forum on Transparency and Exchange of Information for Tax Purposes](#).

Definitions and Abbreviations

Advisor	any third-party intermediary engaged by the Company to support the identification, definition and/or implementation of commercial/marketing policies, strategies, offset or operations, including supporting bids and sales activity. The business description of the role of an Advisor (e.g., marketing or commercial advisor; Lobbyist; sales representative or promoter; business consultant; service agent) is less relevant than an analysis of the specific services that each is to provide. These services must be analysed on a case-by-case basis to assess the category of intermediary.
Agreement	a contract to be entered into between the Company and the Advisor or the Lobbyist, as the case may be, substantially in one of the company's standard templates for purposes of this Policy
Bribery	any offence committed in contravention of (a) the US Foreign Corrupt Practices Act (FCPA), (b) Italian Legislative Decree 231/2001, (c) the UK Bribery Act, and/or (d) any equivalent laws in any relevant jurisdiction.
Bribery Act	the UK Bribery Act 2010, as amended
Company	Leonardo Electronics US, Inc.
Distributor	A legal entity that is a Reseller or Distributor with a proven experience and/or the necessary certification and/or registration who, on a non-occasional basis or occasional basis, purchases from Leonardo products, or services to sell them in the relevant Territory(ies) based on a specific contract. This definition excludes Prime Contractors whereby a Prime Contractor is a customer who purchases products or equipment and integrates into a higher-level assembly for onward sale
Lobbyist	a person or legal entity with whom agreements are concluded – where permitted by the applicable existing regulations – aimed at advocating the company's requests and interests in the legislative and administrative bodies of a given country or territory
Policy	this LEI Anti-corruption policy regarding Advisors and Sales Promoters" document - relating to the appointment, management, payment and renewal (including amendments and extensions) of Advisors.
Procedures	the specific Advisor and/or Sales Promoter-related sequenced actions, activities and responsibilities within a Process that are depicted graphically and by narrative, and that operationalize and support the Process and Policy
Process	a series of graphically depicted high level actions or operations leading to a result that supports and operationalizes the Policy
Red Flag	an indication of possible Advisor risk - including regulatory non-compliance(s), civil and criminal sanction(s), incorporation or residence in a tax haven, illicit behaviour, inadequate capability and experience, criminal activity, and/or a lack of transparency in the ultimate or beneficial owners of the Advisor's business
Sales Promoter	legal entity with whom agreements are executed aimed at supporting the awarding of a contract for the supply of products/services by the Company
Services	the services as provided by the Advisor or Lobbyist, as the case may be.



CBC	LEI Company Business Compliance Office
CEO	Chief Executive Officer
DD	Due Diligence
US FCPA	US Foreign Corrupt Practices Act, as amended
LEI	Leonardo Electronics US, Inc.
MBD	LEI Marketing/Business Development Office
SBC (OU)	Leonardo S.p.A. Subsidiaries Business Compliance Operating Unit.
SCO	Leonardo S.p.A Senior Compliance Officer
OECD	Organization for Economic Co-operation and Development