

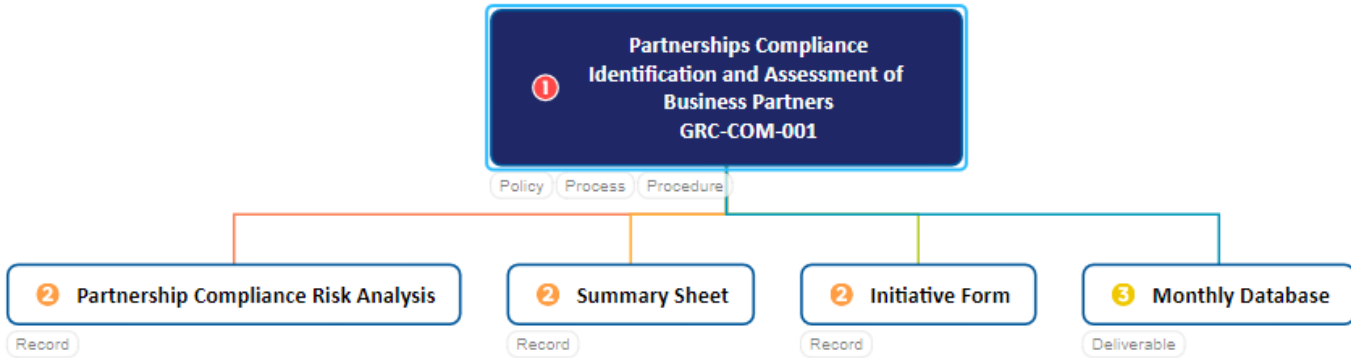
Partnerships Compliance

Identification and Assessment of Business Partners

Activity	Responsibility
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Authorized by:	GRC - Jon Foster
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NOTE: Refer to LEI US Inc. BMS for the current revision Uncontrolled copy if printed	

Revision	Release Date	Summary of Change
-	July 10th 2025	Initial Issue – To Align with Dir.LDO-DI-022 Rev A

Document Mapping



Related Documents Table

Legend: LEIUS / Leonardo Group / External

Leonardo Group Anti-Corruption Code / Code of Ethics / Charter of Values

Document Number	Document Title
LDO-DI-008	Directive – Conflict of Interest Management
LDO-DI-022	Directive – Identification and Assessment of Business Partners
CBC-100	Anti-corruption Policy
GRC-FORM-001	Initiative Form
GRC-FORM-002	Summary Sheet
679/2016	EU Regulation – GDPR, General Data Protection Regulation
FCPA Act 1977	US Regulation – Foreign Corrupt Practices Act
Act 2010	UK Regulation – UK Bribery Act
OECD 1997	OECD Org. for Economic Co-operation and Development – Convention on Combating Bribery
GA Res No. 58/4	UN Convention against Corruption

1. Purpose (Policy)

Since Leonardo Electronics Inc. US (LEIUS) has chosen to align with Leonardo Group Directives, this document is necessary to identify, select, and evaluate potential counterparties required for establishing commercial or business collaborations, also known as commercial partnerships.

2. Scope

A collaboration between the company and any other economic operator with a legal identity for future joint efforts aimed at securing orders, contracts, or business growth, regardless of the roles each party may assume (e.g., principal/purchasing agent in a group of companies, consortium member companies, "prime/subcontractor"). All the following criteria must apply: (In conjunction with criteria in Para. 4 Step 2.2)

- An agreement that governs joint efforts in readiness for a possible sale or marketing contract of one or more products/services to specific customers.
- A collaboration that aims to commercialize products, technologies, or commercial partnerships without significant technological development, new products, or parts.
- An agreement that is concluded once the activities defined within are completed.

Examples may include but are not limited to:

1. Letters of Intent (LoI)
2. Memorandum of Understanding (MoU)
3. Teaming Agreement (TA)
4. Consortium Agreement (CA)
5. Framework Agreement (FA)
6. Business Agreement (BA)

Exclusions include but are not limited to:

*Addressed under other directives, refer to the '*Related Documents*' table for more details.

1. Sales Contracts
2. Strategic Partnerships, Mergers, and Acquisitions¹
3. Government-to-Government Agreements (G2G) ²
4. Offset Agreements³
5. Intellectual services performance appointments⁴
6. Commercial Consultants, Sales Promoters, Lobbyists, Distributors, and Resellers²
7. Agreements for the purchase of goods/services in the form of "mere supplies"⁵
8. Sponsorship Agreements, Think Tanks, Associations, and Foundations⁶

¹ 19_2015 Mergers and Acquisitions Transactions

² LDO-DI-015 Commercial Advisors, Sales Promoters, Lobbyists & Distributors/Resellers

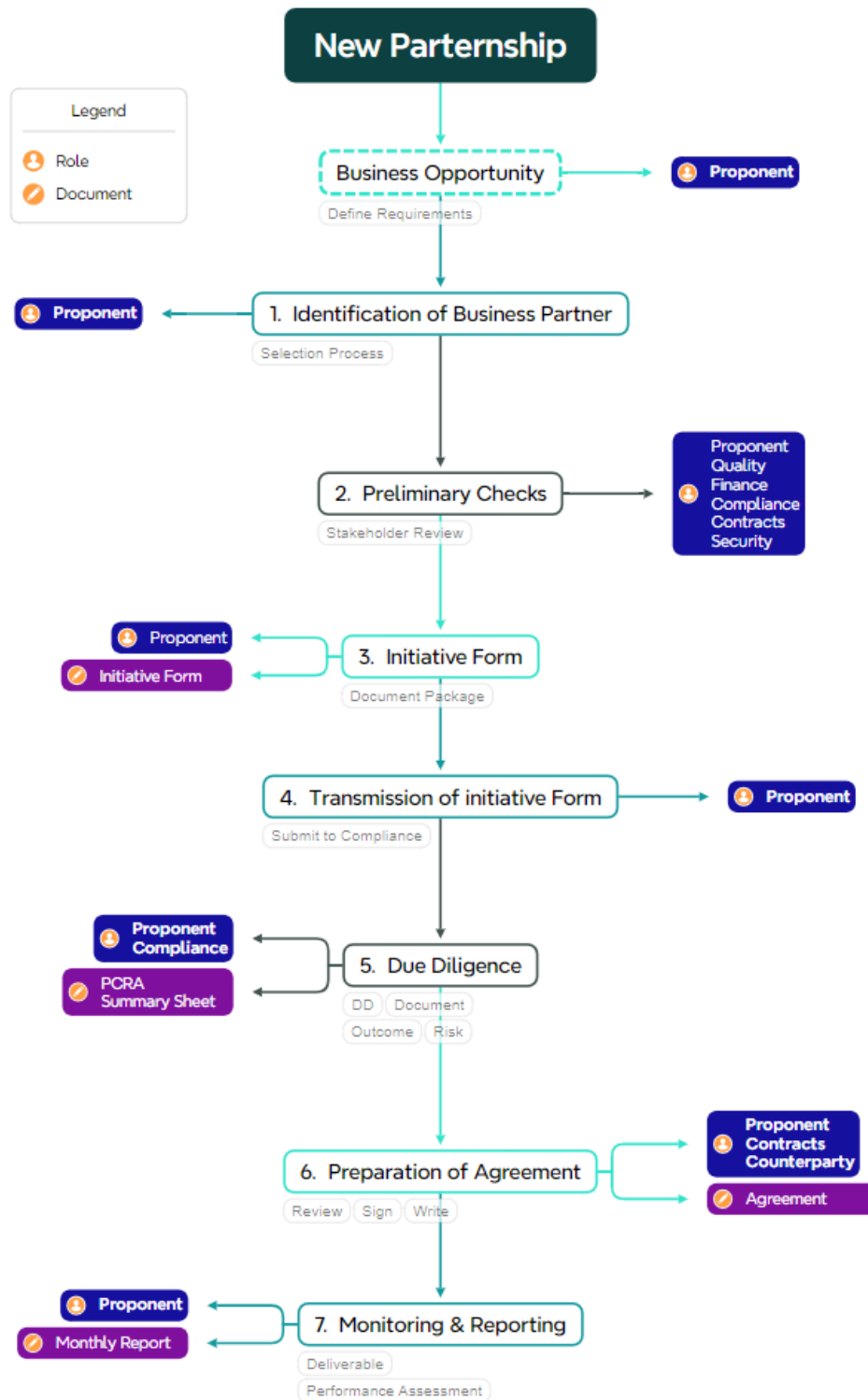
³ 29_2022 Offset Management

⁴ 22_2012 Execution and Management of Mandates for Professional Services

⁵ LDO-DI-014 Procurement of goods and industrial technical services

⁶ 23_2016 Management of the bodies of Companies, consortiums, associations & Foundations

3. Process



4. Procedure

Step	Title and Description	Roles	Documents
1	Identification of the Business Partner	Proponent	
<p><i>The proponent begins searching for a counterparty that fits the characteristics and requirements of the business opportunity.</i></p>			
2	Preliminary Checks	Proponent, Quality, Finance, Compliance, Contracts, Security	
<p><i>Once the counterparty has been identified, the proponent shall collaborate with the following stakeholders to communicate the intentions and gather their inputs:</i></p> <ol style="list-style-type: none"> 1. <i>Quality Department – To verify if the counterparty is already on the Approved Vendor List (AVL) and, if not, to determine the necessary steps to initiate the process. <u>Note: If the Counterparty is already on the AVL, note their most recent activity, as it may affect Conflict of Interest assessments and/or the need for Due Diligence.</u></i> 2. <i>Finance Department – To determine if the program in which this new potential partnership could result in any of the following criteria:</i> <ol style="list-style-type: none"> a. <i>Where the Counterparties' contribution is at least 20% of the value of the Companies' activity on the program itself.</i> b. <i>Where the program's value exceeds 5% of the company's annual revenue.</i> c. <i>Where the counterparties' contribution exceeds \$100M</i> 3. <i>Contracts/Compliance Department – To communicate the potential partnership and verify if the program that could result in said partnership is of one of the following contract types:</i> <ol style="list-style-type: none"> a. <i>Sales Promotion</i> b. <i>Commercial Advisory</i> c. <i>Distribution</i> d. <i>Reselling</i> 4. <i>Security Department – To verify any concerns/red flags associated with the following:</i> <ol style="list-style-type: none"> a. <i>Handling of Classified Information or Controlled Unclassified Information (CUI)</i> b. <i>Involvement of a National Critical Infrastructure</i> c. <i>Involvement of a Foreign Partner</i> 			
3	Initiative Form	Proponent	Initiative Form
<p><i>The proponent completes the Initiative Form, which addresses transparency, competence, and appropriateness of the potential partnership. Once completed, the following stages must be observed:</i></p> <ol style="list-style-type: none"> 1. <i>The Business Development Manager must sign the initiative form.</i> 2. <i>If any of the criteria in Steps 2.2, 2.3, or 2.4 are met, the form must be submitted to the C&BD OU for assessment and response before proceeding.</i> 3. <i>Communicate with the counterparty:</i> <ol style="list-style-type: none"> a. <i>A non-binding expression of interest regarding a potential collaboration, pending a positive outcome of the Due Diligence.</i> b. <i>An NDA for their review and signature</i> c. <i>A request for the counterparty to verify any pre-existing or current relations (up to 5 years) with Leonardo, indicating any actual or potential conflicts of interest.</i> 			
4	Transmission of Initiative Form	Proponent	
<p><i>The proponent submits to the Compliance Manager:</i></p> <ol style="list-style-type: none"> 1. <i>The signed Initiative Form</i> 2. <i>Any information provided by the Counterparty (ref. Step 3.3)</i> 3. <i>Draft Collaboration Agreement</i> 4. <i>Responses received from Stakeholders in preliminary checks (ref. Step 2)</i> 			

Note: The initiative form must be submitted at least 20 days prior to the desired final agreement date to avoid any schedule delays. (This is the allotted timeframe to conduct Due Diligence.)

5	Due Diligence	Proponent, Compliance	Summary Sheet, PCRA
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Compliance performs due diligence by analyzing and assessing the ethical and reputational risks involved in moving forward with a potential partnership. This must be done before signing the Agreement. Assessments should cover the entire control chain to identify the beneficial owner(s) of the potential partner. Unless there are compelling reasons to increase the screening level, a standard due diligence process is sufficient. (Desktop resources and open sources).

Note: In the event of an incomplete Initiative Form or a lack of supporting documentation (Ref. Step 4), the due diligence activity cannot be performed. If the deficiencies are not remedied within 15 days, the application will be considered void.

Checks to be included in the due diligence, but not limited to, are:

1. The identification of beneficial owners
2. The Corruption Perception Index (CPI) of the country/territory in which the partner is resident for Tax Purposes.
3. The Corruption Perception Index (CPI) of the country or territory where the initiative will be implemented.
4. Ethical and reputational assessments.
5. Candidate presence on backlists or advisory lists of international organizations (e.g., UN, EU, OFAC, etc.)
6. Presence on Public Exposed Persons (PEP) records.
7. Existing relations with the potential partner and Leonardo.
8. Conduct a risk analysis to determine the risk level associated with the potential partnership and assess any identified risks.

On completion of the due diligence, Compliance:

1. Complete and sign the Summary Sheet
2. Attaches the Risk Register to the Summary sheet if the outcome was greater than 'Low' risk.
3. Distributes the data package, along with any additional comments or suggestions necessary, to the proponent and the CEO of the Company. Note: Do not include the due diligence documentation.

On receipt of the data package from Compliance, the Proponent must:

1. In the event of a High/Unacceptable Risk outcome, send a report to the CCO, the C&BD OU, and notify the relevant stakeholders.
2. In the event of Unacceptable Risk, the application cannot proceed.
3. In the event of High Risk, if deemed necessary, engage with others to mitigate the risk level to a more acceptable level. Suppose the risk remains High and the decision is still to proceed. In that case, the CEO must formalize the underlying reasons justifying the decision in writing on the Summary Form and sign it. Compliance must then be informed of the final decision.
4. For all other cases, after considering the feedback from Compliance, determine whether to proceed with the partnership.

Note: If the partnership is finalized between 3 and 6 months after the issue of the Summary Sheet, the Proposing OU evaluates whether it needs to request an update of the verifications already performed. If the partnership is finalized after this period, the proposing OU must definitely request an update of the checks already completed.

6	Preparation of Agreement	Proponent, Contracts	Agreement
<p><i>On the Proponent's instruction, Contracts prepares the draft agreement. Once complete, it is returned to the proponent for review and approval. The agreement must include at a minimum the following elements:</i></p> <ol style="list-style-type: none"> 1. <i>Collaboration Project objectives</i> 2. <i>Project duration</i> 3. <i>Roles and liabilities of the Parties involved</i> 4. <i>Partners' adhesion, suspension, and waiver</i> 5. <i>Applicable law and jurisdiction</i> 6. <i>Economic conditions</i> 7. <i>Anti-corruption regulations</i> <p><i>Once finalized, both the Company and the Counterparty must then sign the agreement, and a copy must be provided to the Compliance office.</i></p>			
7	Monitoring and Reporting	Proponent, Compliance	Monthly Report
<ol style="list-style-type: none"> 1. The proponent periodically monitors the existence of the rationale on which the choice of business partner was based, involving the relevant structures (PARCMP, LEG, FIN) as necessary. 2. Quarterly, the Proponent prepares and jointly sends an information note to the C&BD OU and the Company Compliance officer and CEO concerning: <ol style="list-style-type: none"> a. Agreements signed and still in force. b. Operations not yet finalized. 3. The Compliance Officer reports the status of current partnerships to the PARCMP at Leonardo Spa using the Monthly Report. 4. In the event of significant changes to the elements that have undergone Due Diligence, especially regarding the corporate and ethical-reputational assets of the involved Partners, the proponent notifies the Compliance Officer of the need to conduct new analyses and/or additional investigations, involving other departments if deemed necessary. In this case, no further documentation is required. 5. The monitoring of Due Diligence outcomes for existing partnerships, in the absence of significant events, must be carried out by the Proponent at least once every two years from the date of the Summary Form's issue, provided that the Partnership remains valid. 			

5. Deliverables

Doc No. (If applicable)	Title	Frequency	Recipient	Method
NA	Monthly Database	Every Month	LUSC	Email

6. Applicable Regulations

Reference	Description	Origin
Company Website	Code of Ethics	Leonardo
Company Website	Anticorruption Code	Leonardo
Company Website	Charter of Values	Leonardo
Decree 231/2001	Liability of legal persons, companies, and associations	Italy
Reg 679/2016	GDPR – General Data Protection Regulation	EU
FCPA 1977	Foreign Corrupt Practices Act	US
UK Act 2010	UK Bribery Act 2010	UK
OECD 1997	Organization for Economic Co-operation and Development	All
Res. No.58/4	General Assembly Convention against Corruption (Oct 31 st 2003)	UN

7. Acronyms and Definitions

Topic	Description
C&BD OU	Commercial and Business Development Organizational Unit (Leonardo Spa)
CCO	Chief Compliance Officer (Leonardo Spa)
Company	Leonardo Electronics Inc. US
Counterparty	Potential Partner
CUI	Controlled Unclassified Information
Due Diligence	Refers to the thorough research and evaluation carried out to confirm the accuracy of information and assess any potential risks before committing to a transaction, agreement, or important decision
EU	European Union
LEIUS	Leonardo Electronics Ins. US
NDA	Non-Disclosure Agreement - An Agreement by which the parties undertake not to disclose the confidential information exchanged between third parties.
PCRA	Partnership Compliance Risk Analysis
Proponent	The individual/Dept with the requirement/need
Risk Analysis	Ethical reputational risk analysis activities relating to potential partnerships are conducted, starting with assessing risk factors (so-called Red Flags Gate/Drivers) through the risk score and the possible compilation of the risk register.
UN	United Nations

8. Quality Records

This is a list of records produced in connection with this document, which provide evidence of performed activities and define where they are stored, along with their retention periods.

Record Name	Location	Retention Period
Initiative Form	SharePoint – Governance/Monitoring Internal Controls	7 years
Summary Sheet	SharePoint – Governance/Monitoring Internal Controls	7 years
PCRA – Partnership Compliance Risk Analysis	SharePoint – Governance/Monitoring Internal Controls	7 years