

Business Compliance

Commercial Advisers, Sales Promoters, Lobbyists & Distributors/Resellers

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-	Mar 19 th , 2026	Initial Issue – To Align with Dir.LDO-DI-015 Rev B and replacing CBC-100, 101 and 102



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2. Purpose

This document outlines the core principles and general rules for identifying, analyzing, and appointing Commercial Advisers, Sales Promoters, Lobbyists, and Commercial Distributors/Resellers, as well as managing the related contracts to ensure compliance with applicable national and international laws, mitigate the risk of crimes, and oversee ethical and reputational factors involved in commercial intermediation appointments.

3. General Principles

The management of this process supports the requirements of Leonardo Electronics US Inc.'s (LEIUS') Compliance Program, which aligns with applicable local laws, the Code of Ethics, the Group Policy on Human Rights, the Anti-Corruption Code, and the Charter of Values. These are recognized as the core values of the Leonardo Group. Anyone aware of violations, whether conduct, act, or omission, is encouraged to file a report through the Whistleblowing Platform.

4. Scope

This document applies to Leonardo Electronics US Inc., including all divisions thereof, to the extent that it complies with relevant US laws, regulations, and principles, specifically the Special Services Agreement (SSA), considering the following appointment definitions.

- **Commercial advisory, sales promotion, and lobbying** appointments to support the execution of commercial activities involving public and/or private entities or organizations.
- **Commercial Distribution/Reselling appointments**, for the purpose of granting third parties the right to sell specific products/systems in specific Countries/Territories.

Appointments for intellectual work that is not for profit, and for industrial or commercial partnerships¹, are outside the scope of this document.

5. Procedure

This process is overseen and managed by the CBC, SBC, and Leonardo Spa's Compliance OU. Process initiation requires a traceable commercial justification from the MKV.

NOTE: Understanding that there are exceptions to the process under particular circumstances could simplify this process. These exceptions are defined in Annex A and may warrant familiarization before initiating any effort.

a. Candidate Selection

Whenever there is a need for a new appointment or an existing appointment needs to be amended, renewed, or extended, a formal **Process Activation Request**² (hereinafter 'RAP') must be completed and submitted by MKV for approval. Included in this RAP process are sub-activities that are necessary to provide relevant information needed to conduct a thorough review, including but not limited to:

- Trade Compliance's Sensitive Country Assessment
- Market Advisor Assessment Survey (Classification Score)
- C&BDG IFM OU Assessment and Response
- BCRA – Business Compliance Risk Analysis (Driver and Gate Risk Score)

¹ This is covered by the Partnership Compliance - Identification & Assessment of Business Partners Directive as defined in the Related Documents Table

² GRC-208 – Process Activation Request Form (Annex 2 - LDO-DI-015 M02)

Once the need for a new counterparty is identified, the following steps are necessary to create a list of potential candidates and evaluate them to determine the preferred choice.

1. MKV shall prepare a Statement of Work (SOW) that specifies suitable skills to perform the required activities, following a traceable evaluation criterion.
2. MKV shall notify Trade Compliance in cases of appointments involving 'Sensitive' Countries (Trade Compliance Directive) - keep evidence of this communication and any resulting instructions.
3. MKV shall compile a shortlist of potential Candidates who have the appropriate skills to fulfil the SOW. The Candidates must be identified based on the criteria of transparency, competence, cost-efficiency, and fairness.
4. CBC will conduct a high-level analysis to identify key indicators and risk factors early on, including a basic screening to prevent wasting effort on candidates who are unsuitable due to early warning Red Flags. This analysis must be documented and retained.
5. MKV and Stakeholders shall evaluate each of the remaining shortlisted Candidates and rank them in order of preference for pursuit. Reasons for selections or deselections must be documented and kept on record.
6. MKV shall complete the Sales Promoter Commercial Advisor Assessment Survey (SPCA), which is a commercial and strategic evaluation based on the shortlisted Candidate producing a 'Classification Score'.

b. Process Activation Request

Having completed the candidate selection process, the MKV must now gather the documentation identified in the *Due Diligence Documentation Form* and complete the *Process Activation Request (RAP) Form* for the preferred candidate, ensuring that all fields are populated, consistent, and accurate.

Once complete, the MKV must send the RAP to Leonardo Spa's Commercial & Business Development Governance (C&BDG) - International Footprint Management (IFM) OU for their assessment and recommendations, allowing 5 business days for a response. After that, assuming a positive outcome, the MKV can proceed with signing the RAP. This coordination with the IFM is not necessary for Distribution/Reselling appointments.

c. Due Diligence

Following a positive outcome from the IFM OU, the MKV signs and sends the RAP to CBC to begin Due Diligence. The due diligence process involves analyzing and evaluating the risks associated with the appointment award; it is carried out by CBC in compliance with privacy laws before signing the contract and is repeated, if necessary, during its execution or if significant changes occur. Due diligence includes the following activities:

- Analysing the documents required to obtain the necessary information. The required documents are listed in the *Due Diligence Documentation Form*.
- Populating the *Application Form* as data is gathered, ensuring that all aspects of the application are complete and answered.
- Verifications of the Candidate's requirements, absence or insignificance of risk factors (Red Flags), and legal considerations, also with support from other relevant Company units.
- For distribution or reselling appointments, the MKV will ask the Finance Department to evaluate the Candidate's economic and financial viability based on the documentation and information collected by MKV. If no evaluation is performed, CBC will include this in the relevant Risk Analysis. These circumstances must also be noted in the Summary Sheet.
- MKV gathers the documentation and promptly submits it to the CBC for the specified activities. Documents received during due diligence **must** be signed and dated by the candidate; otherwise, they are invalid.
- If all DD documentation has not been received by the CBC within 6 months of initiating the RAP, then the application is deemed cancelled.



Document	Validity Period
Authorities/Public Administrations	As indicated in the document or by regulation
Tax Residence Certificate	Until the end of the calendar year of issue
Self-certification on non-permanent residency in Italy	Until the end of the calendar year of issue
Personal Data/resume, etc. (Self-declarations)	Nine months from the date of the signature (Can extend an additional 6 months if the candidate provides a declaration of validity)
Investigate reports issued externally	12 months from Issue

d. Verification of Candidate Requirements

- The CBC verifies and analyses the information and documentation gathered during due diligence and, based on the financial statements obtained, confirms the current active status of the candidate company. If there is any doubt, it requests support from the FIN OU.
- The CBC gathers all relevant corporate, financial, and regulatory information to assess the Candidate’s needs, including details related to identifying the Beneficial Owner(s). This information is collected through documents provided by the Candidate (such as company brochures, resumes, references, financial statements, criminal records, or certificates of pending charges and relevant self-declarations), via automated screening systems, and through services offered by companies specializing in business information (including external information and reputational reports).
- The CBC, if necessary, will request clarifications regarding discrepancies and/or inconsistencies found during verification of external databases, to be provided by the Candidate in a written and signed declaration.

Providing untruthful information and/or declarations by the Candidate, except for minor typos or misprints, will hinder the positive outcome of due diligence and prevent the signing of the contract. If such falsehoods are discovered after signing, they will result in termination for non-fulfillment and may also require the Candidate to indemnify or compensate for any resulting damages.

e. Legal Verification

Legal verification analyzes and evaluates:

1. The applicable local regulations.
2. The requirements and limitations/restrictions related to the appointments.
3. Any existing mandatory regulations concerning the types of products or services (military, ‘dual use,’ or commercial).
4. The identification of the applicable antitrust and ‘non-competition’ legislation. (Distribution/Reselling appointments only)

CBC requests a General Legal Opinion (GLO) regarding the Territory/territories of the appointment to the Operational Legal Compliance (LEGCMP) within the Anti-corruption, Ethics & Integrity OU of Leonardo S.p.a., by sending an email to legalopinions@leonardo.com. The legal team will then send CBC a report along with any comments or observations, which must be included in the due diligence documentation.

If, after reviewing the Legal Opinions, any doubts arise regarding their interpretation or application that might be of common interest across the Leonardo Group, CBC may request a Specific Legal Opinion (SLO) from LEGCMP. If, on the other hand, a detailed analysis is of exclusive interest to a particular Company, CBC may independently request a Subsidiary Specific Legal Opinion (SSLO).

In all cases, the Subsidiaries may decide to contact other local law firms, despite the requirement to share with LEGCMP and SBC OU, before requesting the opinions, regarding the wording of the queries, and then, after completing the activity, the results of the SLO/SSLOs.

f. Risk Analysis

CBC also performs an assessment of the possible Red Flag areas, which includes, among others:

- level of corruption in the Country/Territory in which the Candidate is to perform the activity under the scope of the agreement (see CPI - Transparency International's Corruption Perceptions Index)
- questionable reputation, recently established company, insignificant presence in the Territory, or insufficient experience in the specific business sector relating to the appointment.
- requests for payments to/from bank accounts in countries other than that of the Candidate's office/residence
- Use of Third Parties to perform the activities included under the scope of the appointment
- Family relations or personal/professional links between the Candidate and members of the Public Administration, Institutional Customers, Publicly Controlled Companies, Individuals or Private Entities or suppliers of the Company that may lead to conflict of interest or improper influence
- family relations or personal/professional links between the Candidate and employees of the Leonardo Group that may lead to a conflict of interest,
- inclusion of the Candidate in lists drawn up by international organizations (e.g. UN, EU, OFAC, etc.) for the purpose of preventing the financing of terrorism and money laundering
- economic requests not aligned with the relevant provisions
- impossibility to identify the Beneficial Owner(s).

Completing the **Business Compliance Risk Assessment (BCRA)** based on the findings from the due diligence gathering exercise will highlight any Red Flags that, when summarized, will produce a risk score in two parts: the Gate Risk Level (Potential for committing a crime) and the Driver Risk Level (Potential risks of an ethical-reputational nature). If a Gate risk is triggered, then the immediate risk will be '**Not Acceptable**,' and the application cannot proceed.

Medium and High risks will require populating the risk register and defining follow-up actions as outlined in the **Summary Sheet**. If additional elements are required for the evaluation, a direct interview can be arranged with the Candidate to ensure that no uncertainties remain before a decision is made upon the appointment.

g. Outcome of the Due Diligence

Not Acceptable

- If the Risk Analysis shows a 'Not Acceptable' risk level, the CBC must inform MKV that it cannot proceed with the appointment and promptly notify the SBC OU, which then informs SCMP. Subsequently, the Head of SCMP notifies the Chief Compliance Officer and the C&DC. The Head of MKV then promptly informs the CEO and the Head of the C&BDG - IFM OU.

High, Medium, and Low

- In all other cases, after completing the due diligence, CBC shall fill out and sign the **Summary Sheet**, confirming the completion of the verification activity and its outcome, providing details on the results of the Risk Analysis (evaluation of the Drivers related to ethical-reputational risks) and any mitigation actions taken. The appointment risk level, based on the defined Driver Risk Score, is HIGH/MEDIUM/LOW.



The CBC shall then:

Task	Risk Applicability	Low	Med	High
Update the risk register			•	•
Update the risk grid located on the Summary Sheet		•	•	•
Submit the Summary Sheet to the Head of Compliance, Legal, and Contracts for a written opinion				•
If assessors give negative feedback but the CEO still proceeds with the appointment, they must notify assessors in advance, explaining why, and include this notice in the CCO's record.				•
Send the Summary Sheet with all written opinions to MKV for signature, then to the SBC OU, which will notify SCMP and the Chief Compliance Officer.				•
Send the Summary Sheet to MKV for signature and, subsequently, to the SBC OU for final assessment		•	•	

If, within five (5) working days of receiving the Summary Sheet, SBC requests additional information or elements, CBC will take action to provide the necessary clarifications. The additional elements shall be provided within five (5) working days of the request. Once the additional elements are obtained, SBC:

- Acts in coordination with STC when involving 'Sensitive' countries or when deemed necessary.
- Acts in coordination with IFM regarding commercial aspects, sharing the Summary Sheet along with any attachments. The IFM OU provides its written feedback within five (5) working days. This is not required for Distribution/Reselling appointments.

Within the next five (5) business days, based on the received information and any additional findings, SBC will – if necessary – make recommendations to the CBC in the process closure notice (release of the Summary Sheet). CBC will then submit all documentation to the Company CEO, who is responsible for making the final decision on the appointment.

If SBC makes recommendations with critical remarks and the CEO still intends to proceed with the appointment, the CEO must notify the Chief Compliance Officer in writing and explain the reasons for the decision.

For each phase of the process, the corresponding periods are calculated starting on the day after the documentation and/or request is received.

CBC shall update SBC and the Company CFO/Finance or equivalent unit monthly via the 'Monthly Database' on the portfolio of commercial intermediation appointments, settlement agreements, and related items.

h. Candidate Training

All parties involved in carrying out activities within the scope of the appointment must complete specific online training on ethics, anti-corruption, compliance, and security issues before signing the contract. The LUSC Office will coordinate these arrangements with the SBC, who will then inform those parties on how to access the online training, their login details, and expectations. All training activities provided must be documented, and recipients' successful accomplishments must be verified with a certificate of completion for the online course. LEIUS has no visibility of this course, its contents, or whether it has been completed, and is completely reliant on LUSC's efforts. All training activities provided must be documented, and recipients' successful accomplishments must be verified with a certificate of completion for the online course.

Failure to perform the training activity shall preclude the finalization of the appointment.



LEIUS may also request additional or repeat training activities during the term of the appointment. Failure to complete them within 30 days without justification may result in suspension. With justification, a 15-day extension can be granted. Continued failure to meet training requirements may result in termination.

Once the Candidate has completed the training course, SBC shall inform CBC, who can then begin the subsequent contract preparation activities.

i. Remuneration

Retainer Fee (Commercial Advisors and Lobbyist Appointments):

- A regular fixed amount, payable in periodic instalments
- Expense reimbursements are also acceptable if they are justified, reasonable, documented, and authorized in advance by the head of the MKV.

Success Fee (Commission – Sales Promoter Appointments):

- On the signature of a sales/supply contract by the Company, that becomes effective within 6 months following the expiry date of the appointment, without prejudice to the need to prove the causal link between the activity and the sales contract.
- For framework agreements, payment will only be due for purchase orders signed or issued during the contract term, even if they become effective in the six months before the contract expires.
- The fee is calculated as a percentage of the value of the sales or supply contract and is payable after receiving the related payment from the Customer, either in whole or in part, as specified in the appointment. Specific criteria may be used to determine the sales or supply contract value that is more advantageous for the Company, against which the agreed percentage is applied to accurately calculate the remuneration.
- Expense reimbursements are also acceptable if they are justified, reasonable, documented, and authorized in advance by the head of the MKV.

Fixed Fee (Commercial Advisory appointments in support of offset appointments):

- A fixed fee for advisory services related to analysing, identifying, and developing offset projects, as well as reviewing relevant legislation and regulations.
- A percentage amount calculated based on the value of credits assigned by the relevant authorities concerning the submitted projects. This element is governed by the same rules and constraints as those outlined in this paragraph for Success Fee compensation.
- The sum of the two payment components may in no case exceed the amount established as Cap.

Discounts based on performance targets (Distribution/reselling appointments):

- Discount applied, according to the terms and methods specified in the contract, to the price of the product/service identified in the Company price catalogue.
- Can be celebrated based on performance targets in the contractual reference period.
- MKV must verify sales to certify the exact fulfilment of obligations, the effectiveness of the services performed, and their consistency.
- Expense reimbursements are also acceptable if they are justified, reasonable, documented, and authorized in advance by the head of the MKV.

NOTE:

1. In certain justified cases, an extra payment may be made upon achieving additional, pre-defined objectives outside the original scope. MKV certifies this achievement and promptly informs the Head of CBC.
2. In exceptional cases, a limited upfront payment may be provided to cover initial expenses related to appointment costs, deducted from the total remuneration. If no remuneration is due, the advance will be refunded.
3. The determination of the remuneration, commissions, and reimbursement of expenses must be:
 - a. proportional to the practices of the geographical area, the target market, and the company's specific business, as well as proportionate to the activities or services covered by the contract.
 - b. consistent with the nature and duration of the appointment and the role and skills of the commercial intermediary.
 - c. aligned with the level of compensation typically offered to the Adviser/Promoter/Lobbyist for performing activities or services in similar transactions.
 - d. in compliance with the applicable legislation.

j. Drafting Contract

The contract, drafted by the Contracts, Compliance, and Legal office (CC&L), shall be signed by the Director of Contracts. Any deviations that reduce contractual safeguards shall be communicated to SBC. Conversely, deviations intended to strengthen contractual safeguards are automatically considered approved.

- If more than 12 months have passed since the last due diligence document or external information report was obtained, you must verify the information's validity before signing the contract.
- Only one appointment per geographic area or country shall be granted, except in exceptional cases that must be properly justified in the RAP.
- The appointment must be in writing and cannot exceed two years. However, it may be renewed, extended, or amended in writing after an evaluation of whether all requirements are met.
- The contract cannot be transferred or assigned to a third party, even partially, without prior written approval from the Company.
- If there is a need to terminate the appointment before its scheduled end, CBC shall promptly provide formal notice to SBC, stating the reasons for the termination.
- An **Expiration Letter**/Stop Work notice is to be sent to the counterparty close to the expiry of the appointment, unless a disclaimer letter has already been signed.

k. Performance Monitoring

The MKV

- Analyses activity reports that accompany the **Invoice Authorization Form**
- Analyses documentation received periodically from the counterparty
- Monitors 'Active Expired Agreements.'

The CBC shall provide the Accounts and Finance Dept. and SBC with a monthly list of the agreements that are still generating payments. The SBC shall verify this list and then submit it to the Leonardo Spa Compliance, Governance, and Monitoring (CG&M) OU.

l. Payments

Payment to the counterparties shall only be authorized after the following verifications.

- CBC validates the information obtained before the agreement was signed.
- MKV confirms the accuracy of the activity reports provided by the counterparty, certifying the fulfillment of contractual obligations and the effectiveness of the services.
- Certification by the Head of MKV of the following requirements: -
 - For Sales Promotion assignments, confirmation of receipt of payments and/or additional adequate documentation proving the causal link between the Promoter's activities and the award of the sales contract by the Customer.
 - For Commercial Advisory assignments in support of offset activities, certified confirmation of receipt of the relevant offset credits and reports.
 - For Commercial Advisory or Lobbying assignments, receipt of the periodic reports, and of their adequacy.

Evidence of the performed verifications must be provided by filling out and signing the **Invoice Authorization Form (IAF)** by the Head of the MKV OU for their section or area of responsibility, and by the Head of the CBC OU certifying the accuracy and relevance of the information and documentation provided by the counterparty during due diligence. Payment shall be made by the Accounts and Finance Dept. only upon receipt of the signed IAF. Payment must be made exclusively by bank transfer to a bank account in the name of the intermediary, and in all cases, in a bank located in the Country where the intermediary is registered or resides.

Under no circumstances may payments be made:

1. In the absence of an IAF duly filled out and signed
2. In the absence of an invoice describing the activities/services rendered.
3. In cash or via untraceable methods or otherwise different than a bank transfer.
4. To a natural person or legal entity other than the one that signed the relevant agreement and performed the services therein.
5. To bank accounts in Countries other than the one in which the intermediary is established/resident.
6. For reasons not strictly related to the performance of the appointment.

m. Training Personnel

To ensure the reference principles and general rules outlined in this document are applied consistently, regular training sessions are necessary to reinforce and expand participants' knowledge and skills in this area. Training is generally provided to all personnel, with particular focus on those directly involved in the activities described.

6. Related Documents

Type	Number	Document Title
Directive	LDO-DI-015	Commercial Advisors/Sales Promoters, Lobbyists, and Distributors/Resellers (Business Compliance)
Directive	LDO-DI-008	Conflicts of Interest Management
Directive	LDO-DI-001	Management of Internal Regulatory System
Directive	09_2019	Enterprise Risk Management
Directive	LDO-DI-012	Trade Compliance
Directive	LDO-DI-022	Partnership Compliance Identification & Assessment of Business Partners
Directive	LDO-DI-033	Offset and Industrial Cooperation
Directive	23_2016	Management of Bodies of Companies, Consortia, Associations, and Foundations
Procedure	GRC-100	Partnerships Compliance – Identification and Assessment of Business Partners
Procedure	GRC-103	Management of Bodies of Companies, Consortia, Associations, and Foundations
Procedure	EXP-101	Trade Compliance Manual Procedures
Procedure	QP019	Documented Information
Form	QF407	Records Disposition Log
Procedure	QP032	Financial Policies
Procedure	FIN-108	Delegation of Authority
Procedure	CONTR-100	Contract Administration
Procedure	QP-018	Security practices and procedures

7. Applicable Regulations

Reference	Description	Origin
Company Website	Code of Ethics	Leonardo
Company Website	Anticorruption Code	Leonardo
Company Website	Charter of Values	Leonardo
Company Website	Whistleblowing Management Guidelines	Leonardo
Decree 231/2001	Liability of legal people, 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

8. Acronyms

Topic	Description
BCRA	Business Compliance Risk Assessment
CBC	Company Business Compliance
C&BDG IFM OU	Commercial and Business Development Group International Footprint Management Org. Unit
CCO	Chief Compliance Officer (Leonardo Spa)
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CUI	Controlled Unclassified Information
EU	European Union
FCPA	Foreign Corrupt Practices Act
FIN OU	Finance Organizational Unit
GLO	General Legal Opinion
IAF	Invoice Authorization Form
IFM	International Footprint Management
KPI	Key Performance Indicator
LEGCMP	Legal Compliance
LEIUS	Leonardo Electronics Ins. US
LUSC	Leonardo US Company
MKV	Marketing and Sales Organizational Unit
NDA	Non-Disclosure Agreement
OECD	Organization for Economic Co-operation and Development
OU	Organizational Unit
PCRA	Partnership Compliance Risk Assessment
RAP	Process Activation Request
SBC	Subsidiary Business Compliance
SCMP	Subsidiary Compliance
SLO	Specific Legal Opinion
SOW	Statement of Work
SPCA	Sales Promoter Commercial Advisor
SSA	Special Service Agreement
SSLO	Subsidiary Specific Legal Opinion
STC	Subsidiary Trade Compliance
UK	United Kingdom
UN	United Nations



9. Quality Records

This is a list of records produced in connection with this document that provide evidence of activities performed, indicate where they are stored, and specify their retention period. All records are archived in SharePoint at: *Governance/Compliance Program/Internal Control System/Traceability and Archiving/Control of Records*

Description	Doc Number	Type	Freq.	Recip.	Method	Ret. (yrs)
SBC Monthly Database Report	NA	Deliverable	Monthly	LUSC	VDR	5
SBC Key Performance Indicators	NA	Deliverable	Monthly	LUSC	VDR	5
SBC Training	NA	Deliverable	Quarterly	LUSC	VDR	5
SBC KPI Process Duration	NA	Deliverable	Quarterly	LUSC	VDR	5
Environmental Report	NA	Deliverable	Bi-annual	LUSC	Email	5
Offset Reporting	NA	Deliverable	Annual	LUSC	Email	5
Lobbyist Reporting	NA	Deliverable	Annual	LUSC	Email	5
Annex 1 Declaration on the Status of Implementation	GRC-207	Deliv/Form	Bi-annual	LUSC	Email	10
Annex 2 Request for Process Activation (RAP)	GRC-208	Deliv/Form	AR	C&BDG IFM	Email	10
Annex 3 Due Diligence Documentation	GRC-209	Form	NA	NA	NA	10
Annex 4 Application Form	GRC-210	Form	NA	NA	NA	10
Annex 5 Summary Sheet	GRC-211	Deliv/Form	AR	C&BDG IFM	NA	10
Annex 6 Disclaimer Letter	GRC-212	Form	NA	NA	NA	10
Annex 7A Representations and Warranties (Individuals)	GRC-213	Form	NA	NA	NA	10
Annex 7B Representations and Warranties (Legal Entities)	GRC-214	Form	NA	NA	NA	10
Annex 8 Privacy Notice	GRC-215	Form	NA	NA	NA	10
Annex 10 Invoice Authorization Form	GRC-216	Form	NA	NA	NA	10
Annex 11 Expiration Letter	GRC-217	Form	AR	Candidate	NA	10
Candidate Declaration of Physical and Tax Residency	GRC-218	Form	NA	NA	NA	10

Annex A – Simplified Process.

Amend Contract

Conditions:

Minor (Insignificant) amendment:

- Does not increase risk exposure arising from the contractual relationship
- Does not impact negatively on the circumstances verified through the legal opinion office in Leonardo Spa.

Examples:

- Reduction of remuneration
- Decrease in products/services/customers
- Reduction in the duration of the activity;
- Changes that do not affect the method of payment of remuneration for the Commercial Adviser/Sales Promoter and Lobbyist, and the discount for the Distributor/Reseller.

All other scenarios must complete the full standard process.

▪ CBC Provides Documentation Package

CBC signs and submits a communication to SBC, signed by the MKV and the CEO, detailing the amendment's features and rationale. It also includes information about the aspects that identify the minor change and/or help reduce risk exposure.

▪ SBC Review

The SBC may wish to coordinate with the STC if a sensitive country is involved.

It is very likely that the SBC will request further clarification or information before submitting to the C&BDG IFM OU for a final decision.

▪ CBC provide Additional Information

CBC to gather required information/clarity as requested by the SBC and submit directly.

▪ SBC Review #2

The SBC will re-assess the document package and, assuming it has all that is required, shall forward it to the C&BDG IFM OU for assessment and response.

▪ C&BDG IFM OU Review

To determine if the simplified process applies, the reduction in risk exposure will be considered a primary factor even if the change affects significant contractual elements (such as a decrease in remuneration, products/services/customers, or activity duration).

Assuming the C&BDG IFM OU has all the information it needs and can make a decision on the request, it will provide its response to the SBC for forwarding to the CBC.

▪ **SBC Review #3**

The SBC shall record the response from the C&BDG and forward it to the CBC for processing.

▪ **CBC inform MKV of outcome**

The CBC shall confirm that the response is clear and concise, raise any questions with the SBC for clarification, and once satisfied, forward it to the MKV and CEO for a final decision on the way forward.

▪ **CEO to make final decision**

The CEO shall instruct the MKV and notify the CBC of the direction to take.

Extend Contract

Conditions:

Sales Promotion Appointments:

- Limited to 6 months with no further extension beyond
- There have been no changes to Promoters' circumstances
- Have a proven business need that justifies not renewing the contract for the full term. (Inadequate time, not intending to renew after expiration of extension, but requires additional time to close off existing activities)

▪ **Candidate Declaration**

The MKV works with the candidate to determine if there have been any changes to the candidate's circumstances since the original contract award. If there have been no changes, the candidate must provide a declaration confirming that the information previously provided is current and valid.

Assuming that all is in order, then the MKV shall provide the CBC with the signed and dated declaration from the Candidate. Any changes to the candidate's circumstances will be assessed on a case-by-case basis and, if not simply rectified, may result in failure to comply with Simplified Process conditions and preclude the opportunity for extension.

▪ **CBC Desktop Due Diligence**

The CBC performs Desktop Due Diligence checks, including:

- Visual Compliance
- OFAC Sanctions
- UN Lists
- PEP Screening
- Westlaw Company Investigator
- CPI

If red flags are identified, a more comprehensive Due Diligence check (Reputational report) will be required and will subsequently preclude a simplified process.

- **CBC assembles documentation package**

The CBC shall gather the following documentation:

1. Candidates Declaration (Signed and dated)
2. Original Application Form (Annex 4) (Signed and Dated)
3. Formal statement including:
 1. The request for extension, with justification
 2. The activities performed and outcome (Due Diligence)
 3. Signed by MKV and CEO

And submits the package to the SBC for their assessment and response.

- **SBC Review**

The SBC may wish to coordinate with the STC if a sensitive country is involved.

It is very likely that the SBC will request further clarification or information before submitting to the C&BDG IFM OU for a final decision.

- **CBC provides additional information**

CBC to gather required information/clarity as requested by the SBC and submit directly.

- **SBC Review #2**

The SBC will re-assess the document package and, assuming it has all that is required, shall forward it to the C&BDG IFM OU for assessment and response.

- **C&BDG IFM OU Review**

Assuming the C&BDG IFM OU has all the information it needs and can make a decision on the request, it will provide its response to the SBC for forwarding to the CBC.

- **SBC Review #3**

The SBC shall record the response from the C&BDG and forward it to the CBC for processing.

- **CBC inform MKV of outcome**

The CBC shall confirm that the response is clear and concise, raise any questions with the SBC for clarification, and once satisfied, forward it to the MKV and CEO for a final decision on the way forward.

- **CEO to make final decision**

The CEO shall instruct the MKV and notify the CBC of the direction to take.



▪ **Distribution/Reselling Contracts**

Conditions:

Distribution/Reselling Appointments:

- Whose overall expected/foreseen annual volume of business is less than €200,000,
- The verification of legal aspects is performed directly by the LEIUS Legal OU.
- Verification of the Candidate's requirements is conducted through desktop review of available specialized databases (e.g., D&B, Visual Compliance, etc.), unless specific elements or circumstances highlight particular Red Flags or criticalities. In such cases, CBC shall undertake the necessary in-depth investigations and promptly report to the SBC OU and, for 'Sensitive' Countries, also to the Subsidiaries Trade Compliance OU (STC).
- The appointments finalized under this simplified approach will be explicitly indicated in the reporting activities.
- Where distribution or reselling involves purchasing low-value civil or commercial products or services through online transactions, specific operating procedures will be provided.