



Ordinary Shareholders' Meeting

10 e 19 May 2021

(first and second call)

“INDIVIDUAL RESOLUTION PROPOSALS”

With reference to the next Shareholders' Meeting, called in ordinary session on 10 and 19 May 2021 (in first and second call respectively), it is announced that the individual resolution proposals presented by the shareholders Ministry of Economy and Finance (hereinafter also "MEF") and Bluebell Partners Ltd, attached at the end of this document, will be put to the vote.

In order to facilitate the exercise of the right to vote, the Company has updated the proxy forms drawn up pursuant to Article 135-novies and 135-undecies TUF, available on the Company's website in the section dedicated to the Shareholders' Meeting (www.leonardocompany.com, Section "2021 Shareholders' Meeting").

Ministry of the Economy and Finance

The shareholder Ministry of the Economy and Finance (holding 30,204% of the share capital of Leonardo S.p.a.) has submitted, in accordance with the procedures and terms indicated in the notice of call, the following individual resolution proposals in relation to the items on the agenda:

- 1) eventual resolution proposal on item no. 2 on the agenda ("*Appointment of the Board of Statutory Auditors for the three-year period 2021- 2023*"), to be submitted to the Shareholders' Meeting in the event that the List no. 2, filed by a group of asset management companies and institutional investors, obtains a higher number of votes than the List no. 1, filed by MEF: appoint as Regular Statutory Auditor of Leonardo the candidate Anna Rita de Mauro, indicated with progressive number 3 of List no. 1, in order to integrate the Board of Statutory Auditors in the manner provided for in Article 28.3bis of the Articles of Association.

With reference to item no. 3 on the agenda ("*Appointment of the Chairman of the Board of Statutory Auditors*"), the MEF also represented that, on the occurrence of the above eventuality and in the event that Anna Rita de Mauro is appointed as Regular Statutory Auditor by the Shareholders' Meeting, since the Board of Statutory

Auditors is composed of a majority of Regular Auditors proposed by MEF, the Chairman of the Board of Statutory Auditors must still be chosen from among the two Regular Auditors drawn from List no. 2.

The Company considers it correct that in the case envisaged - in which the list prepared for the appointment of the majority of the Board of Statutory Auditors, i.e. the List no. 1, does not obtain the majority of votes and therefore the elected Regular Statutory Auditors are drawn in equal numbers from the two lists submitted and, consequently, the Shareholders' Meeting is called to appoint the fifth Regular Statutory Auditor and actually appoints the MEF's candidate not elected by the list voting mechanism - the Chairman of the Board of Statutory Auditors must be appointed by vote from among the elected Regular Statutory Auditors drawn from the list prepared for the appointment of the minority, i.e. the List no. 2; this in order to ensure substantial compliance with the provision of Art. 148, paragraph 2-bis of the TUF, which provides for the Chairman of the Board of Statutory Auditors to be appointed from among the Statutory Auditors elected by the minority.

- 2) Resolution proposal on item no. 4 on the agenda (*"Determination of the remuneration of the members of the Board of Statutory Auditors"*): approve the following fees, unchanged from those of the previous term: 80,000 gross euros per year for the Chairman of the Board of Statutory Auditors and 70,000 gross euros per year for each Regular Statutory Auditor.

The communication of the Ministry of Economy and Finance is attached at the end of this document.

Bluebell Partners Ltd

The shareholder Bluebell Partners Ltd (holder of no. 25 shares of Leonardo S.p.a.) has submitted, in accordance with the procedures and terms indicated in the notice of call, the following individual resolution proposal:

"The Shareholders' Meeting of Leonardo Spa, met in ordinary session (AGM), having acknowledged the explanatory report prepared by shareholder Bluebell Partners Ltd as well as the observations of the Board of Directors"

Resolves:

- 1. "to promote liability action pursuant to art. 2393 of the Italian Civil Code against Mr. Alessandro Profumo, in order to obtain compensation for the damage caused to Leonardo Spa ";*
- 2. "to give the Chairman of the Board of Directors every broader and more appropriate power to execute the resolution by promoting and leasing the aforementioned liability action, in the times and manners that he deems appropriate".*

The Company, recalling preliminarily the position expressed in the press releases of October 15 and 20, 2020*, verified only the existence of the formal requirements for the presentation of the proposal, leaving aside any assessment of the substantive admissibility issues, admits to the vote of the Shareholders' Meeting the individual resolution proposal, as formulated, with a view to maximum transparency and in order to continue to guarantee the widest exercise of Shareholders' rights within the framework of the emergency regulations in force.

*15 OCTOBER 2020

ITA <https://www.leonardocompany.com/it/press-release-detail/-/detail/15-10-2020-leonardo-s-statement>

ENG <https://www.leonardocompany.com/en/press-release-detail/-/detail/15-10-2020-leonardo-s-statement>

20 OCTOBER 2020

ITA <https://www.leonardocompany.com/it/press-release-detail/-/detail/20-10-2020-leonardo-riunito-cda-continuita-della-operativita-aziendale-a-fronte-della-sentenza-primo-grado-bmps>

ENG <https://www.leonardocompany.com/en/press-release-detail/-/detail/20-10-2020-leonardo-riunito-cda-continuita-della-operativita-aziendale-a-fronte-della-sentenza-primo-grado-bmps>

The communication of the shareholder Bluebell Partners Ltd is attached at the end of this document.



*Ministero
dell'Economia e delle Finanze*

DIPARTIMENTO DEL TESORO

DIREZIONE VII – FINANZA E PRIVATIZZAZIONI

Spett.le
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OGGETTO: Assemblea degli Azionisti di Leonardo S.p.A. del 10 e 19 maggio 2021. Anticipazione proposte di deliberazione ex art. 126 bis TUF.

In conformità con quanto previsto nell'avviso di convocazione all'Assemblea degli Azionisti di Leonardo S.p.A. (di seguito "Leonardo") del 10 e 19 Maggio, che dispone che gli azionisti interessati a presentare in Assemblea proposte di deliberazione ai sensi dell'art. 126 bis TUF devono informare la Società, trasmettendo tali proposte entro il 3 maggio 2021, il Ministero dell'Economia e delle Finanze (di seguito, "MEF") – in possesso del 30,2% circa del capitale di Leonardo – intende presentare le seguenti proposte di deliberazione:

1. con riferimento al **punto n. 2 dell'odg** ("*Nomina del Collegio Sindacale per il triennio 2021-2023*"), il MEF – ribadendo l'intenzione di votare la propria Lista presentata ai sensi di legge in data 15 aprile 2021 – presenta la seguente proposta eventuale di deliberazione, da sottoporre all'approvazione dell'Assemblea nell'eventualità che la lista depositata dal MEF non ottenga la maggioranza dei voti.
Nell'ipotesi in cui la Lista presentata da altri investitori, di cui si è a conoscenza in relazione al comunicato stampa di Leonardo del 19 aprile 2021, ottenesse la maggioranza dei voti espressi in Assemblea e la Lista del MEF risultasse seconda per numero di voti, in applicazione del meccanismo del voto di lista come declinato dall'art. 28 dello Statuto sociale, verrebbero eletti quattro Sindaci effettivi e due Sindaci supplenti e, quindi, non risulterebbe integrato il numero (cinque) di Sindaci effettivi da eleggere.
In tale eventualità occorrerebbe integrare il Collegio Sindacale secondo le modalità previste dall'articolo 28.3bis dello Statuto.
Pertanto, in tale ipotesi il MEF propone all'Assemblea di nominare Sindaco effettivo di Leonardo la candidata Anna Rita de Mauro, indicata al numero progressivo 3 della propria Lista.
2. con riferimento al punto n. 3 dell'odg ("*Nomina del Presidente del Collegio Sindacale*"), qualora si verificasse l'eventualità descritta al punto precedente e Anna Rita de Mauro fosse

nominata sindaco effettivo dall'Assemblea, risultando il Collegio Sindacale di Leonardo composto da una maggioranza di Sindaci effettivi proposti dal MEF, quest'ultimo rappresenta che il Presidente del Collegio Sindacale dovrà comunque essere scelto tra i due Sindaci effettivi tratti dalla Lista degli altri investitori; ciò al fine di garantire il rispetto sostanziale del principio stabilito dalla legge per cui il Presidente del Collegio Sindacale spetta alla lista degli azionisti meno rappresentati nel Consiglio di Amministrazione, in quanto elemento di bilanciamento nella *governance* societaria. Pertanto al verificarsi della citata eventualità, per garantire ai terzi la Presidenza del Collegio Sindacale come sopra detto, il MEF propone di votare il nominativo indicato dalla Lista degli altri investitori alla carica di Presidente.

3. con riferimento al punto **n. 4 dell'odg** ("*Determinazione del compenso dei membri del Collegio Sindacale*"), il MEF propone di deliberare i seguenti compensi, invariati rispetto a quelli del mandato precedente:
- Presidente del Collegio Sindacale: euro 80.000 annui lordi;
 - Sindaco effettivo: euro 70.000 annui lordi

IL DIRIGENTE GENERALE
Firmatario1

ORDINARY SHAREHOLDERS' MEETING

OF

LEONARDO S.P.A.

10/19 May 2021

Proposal of shareholder Bluebell Partners Ltd:

***"Liability action against Chief Executive Officer Alessandro Profumo
Related and/or consequent resolutions"***

April 28, 2021

April 28, 2021

Dear Shareholders,

Shareholder Bluebell Partners Ltd ("**Bluebell**"), owner of twenty-five ordinary shares of Leonardo Spa ("**Leonardo**" or the "**Company**") proposes:

"To deliberate liability action against CEO ALESSANDRO PROFUMO pursuant to Article 2393 of the Civil Code. Disclosure to Shareholders. Related and/or consequent resolutions "

Relevant events that occurred in 2020 pursuant to Article 2393 of the Italian Civil Code are illustrated below.

During the financial year ending 31st of December 2020, shareholder Bluebell learned that the criminal proceedings (RGNR 955/2016) started on 12 May 2017 with the request for indictment of Mr. Alessandro Profumo as former Chairman of Banca Monte dei Paschi di Siena ("**MPS**" or the "**Bank** ") in the context of a criminal proceeding in which he was incriminated for serious financial crimes such as false accounting (art. 2622 of the Civil Code) and market manipulation (art. 185 of the TUF) for having concealed "*the massive operations in unsaleable - and therefore even more risky - credit derivatives for over five billion euros*".

In the hearing of October 15, 2020, due to the "*seriousness of the charges (stubbornly repeated with the insidious methods described) and the strong ability to commit a crime that they revealed*", the Court of Milan condemned Mr. Profumo the "*final sentence of six years of imprisonment and a fine of € 2,500,000.00*". The Court established that Mr. Profumo was also "*applied the ancillary penalty of disqualification from public offices for a period of five years*" and declared him "*banned from the management offices of legal persons and companies*" as well as "*unable to contract with the public administration for two years (maximum edictal which is justified in consideration of the singular offensiveness of the charges and the social dangerousness*".

From all the reasons given in the sentence issued by the Court of Milan, shareholder Bluebell learned that Mr. Profumo, as a director of another listed company (MPS), was found responsible for a "*criminal project*" by exhibiting "*full and conscious adherence to the delinquent plan*" with a behaviour characterized by "*inclination to lie*" and by the "*affirmation of false*" while at the same time trying to "*offer an immaculate, providential and salvific image of himself*" also with the aim of "*seeing one's personal prestige increased (illegitimately)*" when instead it was "*predictable the intention to deceive the shareholders or the public... inferable from the insidiousness of the forgery (knowingly perpetrated) as well as from the methods of disclosure themselves*".

The Court, on the strength of evidence "*based on solid probative evidence*", ascertained "*beyond any reasonable doubt*" the "*full awareness (although marked by the aim of unjust profit) underlying the fraudulent compilation of financial statements, of which the inevitable dissemination to the public was known, such as a legal requirement ... such was the purpose that animated*" the illegal conducts i.e. "*to reassure the market in view of the raising of money that would soon be perpetrated with the capital increases*". The Court of Milan ascertained the "*seriousness of the conduct (of singular insidiousness and also repeatedly perpetrated*", not failing to underline the "*seriousness of the charges (obstinately repeated with the insidious methods described) and marked capacity to commit a crime*". The **first degree sentence** issued by the Tribunal is available at the link https://www.dropbox.com/sh/j2ksby27ielq4az/AABGkbnj0afRB_imdcQKstuLa?dl=0

From the reading of the sentence there are no doubts that the conduct of Mr. Profumo, although referable to his prior role as chairman of another publicly listed company, constitute conduct that is not compatible with Leonardo's ethical and behavioural values as also reported in the company's Code of Ethics, Mr. Profumo is not '*fit and proper*' to hold the position of CEO of a listed company and his permanence at the helm of Leonardo creates a serious damage to reputation, commercial development and more generally the implementation of programs and strategies of the Company, since these are behaviours ascertained by the Court that undermine the essence of the trust relationship between shareholders and director.

It is recalled that Leonardo's Code of Ethics (the "*Code of Ethics*") "*lists the commitments and ethical responsibilities in the conduct of business and corporate activities undertaken by all those who have relations of any nature with Leonardo*" and that the principles and provisions it contains are also binding for "*the members of the Board of Directors, in pursuit of corporate action in all the resolutions adopted*".

The Code of Ethics includes among its principles "*compliance with laws*" and expressly specifies that "*moral integrity is a constant duty*" of all recipients, including directors.

The Code of Ethics further specifies that "*all the activities carried out by the recipients must be carried out with professional commitment, moral rigor and management correctness, also in order to protect the image of the company. The behaviours and relationships of all recipients, **INSIDE AND OUTSIDE THE COMPANY**, must be inspired by transparency, fairness and mutual respect. In this context, the Directors and executives must first represent an example for all of Leonardo's human resources through their work*".

Therefore, it cannot be doubted that the illicit conduct of Mr. Profumo, as ascertained by the Court of Milan after the examination by a judge for preliminary investigations (GIP) and the filter of the judge of the preliminary hearing (GUP) are not consistent with the principles of compliance with the law, moral integrity, management correctness and - since this is the top position of Chief Executive Officer - the role of example for Leonardo's employees.

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Nor can one doubt the reputational damage caused to Leonardo by the conviction of Mr. Alessandro Profumo, as recently demonstrated by the DRS IPO announced during the 2020 financial year and then suspended. In this regard, it is recalled that in the press release dated February 26, 2021, Leonardo announced that the successful completion of the offer would in any case be "*subject, among other things, to the completion of the SEC verification process and favorable market conditions*" (Leonardo Press Release, February 26, 2021)¹.

Please note the following chronology of events:

¹https://www.leonardocompany.com/documents/20142/13355500/ComLDO_IPO+Leonardo+DRS_ITA_26_01_2021.pdf?t=1614357671299

1. on March 15, 2021, Leonardo informed the market that "*the registration document on Form S-1 has been filed with the SEC but is not yet effective and therefore neither shares can be sold nor their purchase offers accepted before the registration document becomes effective*" (Leonardo Press Release, March 15, 2021)². The registration document contained the following representation:

“Our reputation and ability to do business may be impacted by the improper conduct of our employees, agents, affiliates, subcontractors, suppliers, business partners or joint ventures in which we participate:

..... In October 2020 an Italian court convicted Alessandro Profumo, the chief executive officer of Leonardo S.p.A., on charges of false statements and market manipulation related to his previous role as chairman of the Italian banking entity, Banca Monte dei Paschi di Siena. While we have been advised by Leonardo S.p.A. that this conviction is going to be appealed, we remain subject to reputational risk as a result of this ongoing proceeding”

(DRS Form-1 Registration Statement Dated 15th of March 2021, p. 35)

2. On March 16, 2021, the SEC received a first report (reference number 16159-428-853) aimed at draw light on the information on the risks associated with the criminal conviction and the multiple judicial proceedings in civil and criminal matters of Mr. Profumo, linked to his previous positions as CEO or Chairman of listed companies;
3. on March 22, 2021, the information on risks referred to in Point 1 was updated by introducing a paragraph that personally concerned Mr. Profumo:

“We remain subject to reputational and other risks as a result of the conviction of the chief executive officer of Leonardo S.p.A. on charges of false statements and market manipulation related to his previous role as chairman of the Italian banking entity, Banca Monte dei Paschi di Siena.

In October 2020, an Italian court convicted Alessandro Profumo, the chief executive officer of our ultimate parent company, Leonardo S.p.A., on charges of false statements and market manipulation related to his previous role as chairman of the Italian banking entity, Banca Monte dei Paschi di Siena. The conviction, if ultimately upheld

² <https://www.leonardocompany.com/it/press-release-detail/-/detail/15-03-2021-leonardo-announces-the-launch-of-leonardo-drs-ipo-for-a-minority-stake>

by the Italian Supreme Court, would prevent Mr. Profumo from continuing his current role at Leonardo S.p.A. While we have been advised by Leonardo S.p.A. that this conviction will be appealed by Mr. Profumo, we remain subject to reputational risk as a result of this ongoing proceeding. Additionally, the loss of continuity of leadership at our parent company, if the conviction is ultimately upheld, could disrupt our business in the short term. Any such disruption or reputational harm related to the proceeding could affect our ability to win new customer contracts and harm our existing relationships with customers, employees, suppliers, subcontractors and others with whom we do business, which could have an adverse impact on our business, financial condition and results of operations. For further discussion of risks relating to misconduct of our employees, business partners and other associated persons, including proceedings against the former chief executive officer of Leonardo S.p.A. and another Leonardo S.p.A. executive, see “—Our reputation and ability to do business may be impacted by the improper conduct of our employees, agents, affiliates, subcontractors, suppliers, business partners or joint ventures in which we participate.”

(DRS Form-1 Registration Statement Dated 22nd of March 2021, p. 35)

4. on the same day (March 22, 2022), a second report was forwarded to the SEC (reference number 16164-863-287) in which the integration referred to in Point 3 was also objected as it was deemed deficient with regard to the representation of the actual nature of the risks as a result of the conviction / legal proceedings of Mr. Profumo;
5. just two days later (March 24, 2014) the offer - the success of which was subject to "*the completion of the SEC verification process*" (Leonardo Press Release, February 26, 2021)³ - was withdrawn.

As regards events that occurred in 2021, these are facts that undermined the successful conclusion of the operation announced in 2020 and in any case subsequent to the conviction of 15 October 2020.

Even apart from the etiological link between Points 1-5, the fact remains that the offer was withdrawn after (i) the first revision of the registration document which took place on 22 March 2021 and (ii) after the second disclosure to the SEC, again on March 22nd 2021 contesting the representation of the risks on the legal proceedings of Mr. Profumo, even after the first integration.

³https://www.leonardocompany.com/documents/20142/13355500/ComLDO_IPO+Leonardo+DRS_ITA_26_01_2021.pdf?t=1614357671299

After all, not only the information on the risks associated with the conviction of Mr. Alessandro Profumo (and more generally by the judicial events in civil and criminal matters) had not been adequately represented in the registration document (proof of this is that it was amended) but no mention of the sentence was made of it even in the 2020 Annual Report of the parent company Leonardo Spa.

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Ultimately, in light of the foregoing considerations, shareholder Bluebell Partners Ltd propose the following resolution, without prejudice to any additions deemed necessary by the Board of Directors:

"The Shareholders' Meeting of Leonardo Spa, met in ordinary session (AGM), having acknowledged the explanatory report prepared by shareholder Bluebell Partners Ltd as well as the observations of the Board of Directors"

Resolves:

1. *"to promote liability action pursuant to art. 2393 of the Italian Civil Code against Mr. Alessandro Profumo, in order to obtain compensation for the damage caused to Leonardo Spa ";*
2. *"to give the Chairman of the Board of Directors every broader and more appropriate power to execute the resolution by promoting and leasing the aforementioned liability action, in the times and manners that he deems appropriate"*

Where the aforementioned resolution is adopted, the Shareholders' Meeting must also resolve in relation to the appropriate additional provisions pursuant to the law.

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