

Representation expenses, hospitality and gifts

Abstract on the process



1. FRAMEWORK AND SCOPE

Leonardo has defined the rules aimed at regulating the process of representation expenses, hospitality and gifts and has formalized the appropriate internal standard for the definition of roles, responsibilities, operational and financial limits and data management.

2. GENERAL PRINCIPLES

The management of representation expenses, hospitality and gifts is compliant with the applicable national and international regulation and with the principles indicated in the Organizational, Management and Control Model pursuant to Legislative Decree no. 231/2001, in the Code of Ethics and in the Anti-Corruption Code of Leonardo Group.

The following general principles must be complied with:

- separation of responsibilities;
- signing power system;
- clarity and simplicity;
- impartiality and absence of conflicts of interest;
- traceability and filing.

3. GENERAL RULES OF CONDUCT

In line with company regulations, representation expenses and gifts must:

- be placed in good faith and in relation to a legal business principle;
- be consistent with industry practices;
- take into account the profile of the beneficiary with regard to habits in institutional or professional relationships and in respect of local cultures;
- not be motivated by the aim of exercising unlawful influence or by the expectation of reciprocal exchange;;
- be reasonable and in any case such as not to be interpreted as aimed at obtaining favorable treatment by the beneficiary;
- be aimed at beneficiaries who perform roles relating to corporate activities and which imply reputation and good repute requirements;
- comply with accepted professional courtesy standards;
- be initiated exclusively by the subjects, depending on their role and the role held within the Company.

4. SUMMARY

The Company annually identifies events in occasion of which to give gifts or in relation to which it is expected to incur expenses of representation and hospitality.

The planning and the related cost flows into the annual budget for approval by the Top Management.

The Company has also identified precise value thresholds to be respected both with reference to representation expenses (with the limit of €300 for hospitality expenses) and to the giving/receiving of gifts (with the limit of €350 and €150 for giving or receiving gifts respectively, according to Legislative Decree no. 231/2001).

The Company has implemented operational methods of process management, authorization controls and monitoring activities to guarantee compliance with corporate principles and rules of conduct.



With this in mind:

- It is expressly forbidden to accept, promise, offer or pay, directly or indirectly, sums of money, gifts, goods, services, favours or other benefits to third parties, including public officials or public service employees, to influence the decisions, in view of more favourable treatment or undue performance or for any other purpose.
- The gift can not be substantiated in a cash payment.
- In business relationships with consultants, suppliers, negotiating counterparts, commercial and/or financial partners, press, political institutions or associations, benefits (both direct and indirect), gifts, courtesy and hospitality are prohibited, except they are of modest value and do not compromise the image of the Company and can not be interpreted as aimed at obtaining favourable treatment.

The Company conducts an annual monitoring of the gifts given in order to avoid any concentration on the beneficiaries themselves. All the gifts offered, above the threshold of €50, are noted in a special register (c.d. Register of Offered Bids) containing, furthermore, the relevant information on the gift itself and on the beneficiary.

Any violations or derogations from the internal and external regulations must be promptly communicated to the Surveillance Body ex Legislative Decree No. 231/2001.

5. ANNEXES

- Ann - Reference Regulations;
- Ann - Request form for representation expenses and hospitality;
- Ann - Reporting form for representation expenses and hospitality;
- Ann - Gifts request form;
- Ann - Promotional request form for exhibitions;
- Ann - Fac-simile delivery declaration.

