

Leonardo: Board of Directors' decisions

Rome, 31 January 2017 – The Board of Directors of Leonardo convened today under the chairmanship of Gianni De Gennaro, announces the following.

With reference to the judicial decision issued today by the Court of Lucca in relation to the train accident occurred in Viareggio on 29 June 2009 which has held in first instance – and therefore by a non-final judgment – that Mr. Mauro Moretti, Leonardo – Società per azioni's Chief Executive Officer and General Manager, is liable for non-intentional criminal offences – in relation to his role of RFI S.p.A.'s Chief Executive Officer performed during the period 2001/2006 and therefore prior to the event, the Company's Board of Directors intended to evaluate - pursuant to applicable laws, any potential effect of such ruling on the exercise of Mr. Moretti's office.

In this context the Board, in the presence of the members of the Board of Statutory Auditors who shared the evaluations underlying the Board of Directors' determinations, has verified the persistence in the Chief Executive Officer of all the requirements set forth by the applicable rules and the full capacity to exercise all the prerogatives related to the role and has unanimously confirmed its full trust on Mr. Moretti.

The assessment was supported by a specific *pro veritate* opinion, requested by the Board of Directors and rendered by leading highly qualified professionals in the fields of civil, criminal and international law, whose summary ("Executive Summary") is enclosed with this press release.

Executive Summary

The considerations outlined below represent the summary of a legal opinion rendered by three highly qualified professionals in the field of civil, criminal and international law.

In relation to the train accident which occurred in Viareggio on 29 June 2009 the Court of Lucca has held in first instance – and therefore by a non-final judgment – that Mr. Moretti, Leonardo S.p.a.'s ("Leonardo" or the "Company") incumbent CEO, is liable for the criminal offences of non-intentional causing of fire, non-intentional train collision, non-intentional multiple murder and non-intentional multiple injuries.

In this respect, it has been assessed, under the applicable rules of law and regulations, whether a non-final conviction for non-intentional offences would result in Mr. Moretti being disqualified from his position as Leonardo's CEO or alternatively would affect his capability of performing such a role. Taking into account the sector in which Leonardo operates, in addition to Italian law, the analysis has also been extended to some foreign jurisdictions. In particular, besides Italian law, it was verified whether a possible conviction for specific non-intentional offences, even if non final, would entail limitations on the Company's capacity to join tenders issued by public entities or Government agencies in the countries in which the Leonardo Group obtains most of its revenues and orders (according to 2015 data).

With respect to Italian law, neither Articles 2382 and 2387 of the civil code nor Article 147-*quinquies* of Legislative Decree No. 58 of 24 February 1998 ("Organic Law on Financial Intermediation" "*Testo unico delle disposizioni in materia di intermediazione finanziaria*", "TUF") and of its enactment provisions nor Article 80 of the Public Procurement Code nor, finally, the provisions dealing with the security clearances (so-called "NOS") would result in Leonardo's CEO being disqualified from his position or alternatively would affect his capability of performing such a role.

It is also confirmed that Mr. Moretti preserves the honorability requirements under Article 147-*quinquies* TUF, also considering that the charges against Mr. Moretti are not included in the relevant list under Ministerial Decree No. 162 of 2000. Similar conclusions may be reached with respect to the additional reputational statements released by Mr. Moretti when accepting his nomination to the position of Leonardo's CEO, since those statements refer to completely different criminal offences rather than those for which Mr. Moretti has been convicted in the above-mentioned criminal proceedings.

Still in relation to Italian law, it is confirmed that a conviction issued at the end of first instance proceedings does not affect the Company's business under the law on public tenders or public concessions or NOS. Indeed, none of the offences Mr. Moretti has been charged with are listed in Article 80 of the Public Procurement Code. Similarly, no such charges refer to any offences which are relevant for the purposes of security clearances.

With respect to other jurisdictions where Leonardo runs most of its business, neither at EU level (EU Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014 on public tenders and the special provisions concerning the defence and security sectors under Directive 2009/81/EC of 13 July 2009), nor at OECD level (OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions of 21 November 1997) provisions exist pursuant to which a possible non-final conviction of Leonardo's CEO for the above-mentioned non intentional offences would affect the Company's capacity to participate in public procurement bids.

Similarly, the laws of the most relevant jurisdictions confirm that a non-final conviction issued against Mr. Moretti for the above-mentioned non-intentional offences does not affect the capability of the Company to participating in public procurement tenders of such countries.