

Code of Ethics



CODE OF ETHICS

**Appendix no 1 to Labour Agreement
of Wytwórnia Sprzętu Komunikacyjnego
„PZL-Świdnik” S.A.**

Świdnik 17th July, 2019 r.

CONTENTS

1.	Introduction	3
2.	General principles	5
3.	Human resources, employment policy and privacy protection	7
4.	Protection of health and safety of the workplaces and working conditions	10
5.	Environmental protection	10
6.	Conflict of interest	11
7.	Operating procedures and accounting records	13
8.	Protection of company assets - custody and management of the company assets	15
9.	Intragroup relationships	16
10.	Surveillance Body	17
11.	External relations	18
12.	Corporate information	22
13.	Media relations and information management	23
14.	Breaches of the Code of Ethics – penalty system	25

1. INTRODUCTION

1.1 The company

This Code of Ethics – approved by the Management Board of Wytwórnia Sprzętu Komunikacyjnego „PZL-Świdnik” S.A. on 17 July 2019, was developed based on the Code of Ethics of Leonardo S.p.a., (hereinafter referred to as “Leonardo”) and becomes the ethical practice policy in PZL-Świdnik S.A.

This Code of Ethics (hereinafter referred to as the “Code”) expresses the commitments and ethical responsibilities in the conduct of business and corporate affairs undertaken by anyone carrying out transactions of any nature whatsoever on behalf or with Wytwórnia Sprzętu Komunikacyjnego „PZL-Świdnik” S.A. – (hereinafter referred to as “PZL-Świdnik S.A.” or the “Company”).

The principles and provisions of this Code of Ethics are binding on all the following **Recipients**:

- members of the Supervisory Board in controlling the operation of the Company
- members of the Management Board, in pursuing the company’s affairs,
- statutory auditors when controlling and reviewing the legal compliance, in both form and substance, of the Company’s activities and the operation of the internal control and risk management system;
- the employees, temporary employees and all the external coworkers under any type of contract with the Company,
- all those who have relationships of any nature with the Company, whether for a consideration or without consideration.

Leonardo, member of the AeroSpace and Defence Industries Association of Europe (ASD), contributes to operate in a transparent and fair market, which is free from corruptive practices, as inspired by the principles established in the “Common Industry Standards” issued by the Business Ethics Committee of ASD.

As Leonardo directly holds shares in PZL-Świdnik S.A., the Company adopts - having regard to own management activities, the Company’s autonomy and applicable law – all policies, directives and other documents applicable to Leonardo, where values referring to the Leonardo Group activities have been defined. In the exercise of Leonardo Group procedures coordination activity, PZL-Świdnik S.A., as a parent company in the PZL-Świdnik S.A. Capital Group, shall provide this Code of Ethics for its

application to its subsidiaries: Regionalny Park Przemysłowy Świdnik Sp. z o.o., in which Leonardo holds shares indirectly.

PZL-Świdnik S.A. will use its best efforts to ensure that its businesses adopt, towards the market, policies of product quality and safety that meet environmental protection requirements. The achievement of the set objectives is pursued by all the Recipients through loyalty, integrity, honesty, competence and transparency, in strict compliance with all applicable laws and regulations.

1.2 Relationships with Stakeholders

The presence of the PZL-Świdnik S.A. in both national and international markets, the various contexts in which the Group operates and the multiplicity of third parties it deals with, accentuates the importance of managing the relationship between the Company and its stakeholders, stakeholders being all public and private parties, both Polish and foreign, individuals or entities which have any contact with PZL-Świdnik S.A. and/or have any kind of interest in the activities of the Company.

1.3 Key principles

Compliance with the applicable law, transparency and proper management, trust and cooperation with stakeholders and zero tolerance towards corruption are the ethical principles followed by PZL – Świdnik S.A. and which have inspired its models of conduct - in order to compete effectively and fairly in the market, to improve customer satisfaction, maximise value for the benefit of its shareholders, develop the skills and promote the professional growth of its human resources. In particular, the firm belief of acting to the Company's advantage does not justify behaviour in contrast with these principles. All the Recipients, without distinction or exception, are therefore committed to observe these principles and ensure that they are observed during the exercise of their own functions. Such commitment requires all parties having any business dealings whatsoever with the Company to act, in all their transactions with the Company, in accordance with rules and methods inspired by the same values.

1.4 Code of Ethics

PZL-Świdnik S.A. considers it appropriate and necessary to adopt and issue a Code of Ethics which expresses the values to which all the Recipients must conform, by accepting responsibilities, structures, roles and rules for whose breach they are liable towards the Company and outside, even where it does not entail any third party liability for the

Company. Knowledge and observance of the Code of Ethics by all those who work for and in the interest of PZL-Świdnik S.A. are therefore essential in maintaining transparency and upholding the Company's reputation. PZL-Świdnik S.A. shall also bring the Code to the attention of anyone with whom it has business dealings, who shall be required to know and abide by the rules contained therein.

Within the scope of the internal control and risk management system, the Code of Ethics is a management tool in ensuring an ethical conduct of the company's business and an effective element of the company's strategy and organization. The responsibility for implementing and updating the Code of Ethics rests with the Management Board members; the Recipients have a duty to report any defaults or failure of application to the Company's Ethics Committee.

2. GENERAL PRINCIPLES

2.1 Compliance with laws and regulations

PZL-Świdnik S.A. operates in strict compliance with the laws in force in the Countries where it carries out its business, in accordance with the principles set out in the Code of Ethics. Moral integrity is a continuous duty of all the Recipients.

The Recipients are therefore required to be familiar with and observe the laws and regulations in force in every country in which the Company operates, to the extent of their respective areas of competence. This duty also includes attention towards and observance of the regulations on competition, both in national and international markets to the extent of their areas of competence.

The Recipients' transactions with Public Institutions and Authorities must adhere to the highest standards of fairness, transparency and cooperation, in full observance of applicable laws and regulations and in line with the Recipients' institutional roles.

2.2 Models and rules of conduct

All the activities undertaken by the Recipients must be performed with due diligence, moral rigour and proper management, with a view to safeguarding the image of the Company.

The conduct and relationships of all the Recipients, both inside and outside the Company, must be based on transparency, fairness and mutual respect. In such context, the Management Board and executives must be

the first to set a good example to all the human resources of PZL-Świdnik S.A., by performing their duties in compliance with the principles that inspire the Code of Ethics and with the Company's procedures and rules. The Management Board and executives are obliged to provide employees with the opportunity to read it to invited them to ask for clarifications, or submit proposals for updating such rules and procedures, where necessary.

Particularly, PZL-Świdnik S.A. trusts its Management Board members to use their best efforts actively to propose and carry out any projects, investments and industrial, commercial and management actions that may be useful to preserve and increase the economic, technological and professional capacity of the Company.

PZL-Świdnik S.A. also ensures that any supporting information on the Company is made available, so as to allow the independent auditors and internal control bodies, as well as the surveillance authorities, to carry out the most comprehensive and effective controls.

The processing of personal data, the use of IT, information and electronic tools must be characterized by the compliance with the principles of fairness, confidentiality of correspondence and privacy, and such as to guarantee the integrity and authenticity of IT, electronic and computer systems and of processed data, for the protection of the Company's and of any third party's interests.

PZL-Świdnik S.A. has adopted suitable measures to ensure that electronic and computer data can only be accessed in accordance with applicable regulations and respecting the privacy of any involved persons and in such a manner as to guarantee that any information be kept confidential and be processed only by expressly authorized persons.

2.3 Dissemination and observance of the Code of Ethics

PZL-Świdnik S.A. promotes the knowledge and obedience of the Code of Ethics by all the Recipients, requiring their observance of it and providing for adequate disciplinary actions or contractual sanctions, in the event of default. The Recipients are therefore required to be familiar with the contents of the Code of Ethics - asking and receiving any necessary explanations on their interpretation from the relevant company's department - and to contribute to its implementation, by reporting any weaknesses or breaches (or even attempted breaches) that they may become aware of. To this purpose, the Company provides specific education/training programmes to its employees, tailored to the different needs and responsibilities of the attending staff.

2.4 Corporate Governance

Leonardo has adopted a Corporate Governance system based upon the highest standards of transparency and fairness in business management and the best international practices. Such corporate governance system complies with the provisions of the law and regulations. The corporate governance system aims at maximising value for the benefit of the shareholders, particularly minorities, controlling enterprise risks and ensuring market transparency.

PZL-Świdnik S.A. adopts the corporate governance system based upon the highest standards of transparency and fairness in managing the Company and requiring the observance of national, international law and basic standards of ethical practice.

3. HUMAN RESOURCES, EMPLOYMENT POLICY AND PRIVACY PROTECTION

3.1 Principal conditions

Human resources are essential to the very existence of the Company and crucial to compete successfully in the marketplace. Ethicality, respect, competence, merit, innovation, excellence, internationalism, multiculturalism and sustainability are some of the principal conditions for the attainment of the Company's objectives. These are essential pre-requisites that PZL-Świdnik S.A. demands of Supervisory Board members, Management Board members, statutory auditors, employees, temporary employees and other co-workers in their various capacities.

PZL-Świdnik S.A. works to prohibit any kind of discrimination, corruption, exploitation of child or forced labour and, more generally, to promote the dignity, health, freedom and equality of workers, in line with the reference national and international regulations (in particular the United Nation's Universal Declaration of Human Rights, the fundamental Conventions of the International Labour Organization and the OECD's Guidelines etc.)

3.2 Selection policies

In order to contribute to achieving the Company's objectives and ensure that such objectives are pursued by everyone in accordance with the ethical principles and values which inspire PZL-Świdnik S.A., it is Company policy to select each employee and co-worker in any capacity whatsoever, in accordance with the above values and characteristics. PZL-Świdnik S.A. therefore offers equal work opportunities, and grants fair treatment on the

basis of individual expertise and skills. Selection procedures will be conducted in application of equal employment opportunities and without any discrimination with regard to the applicants' private life and opinions. PZL-Świdnik S.A. shall seek to ensure that the human resources hired correspond to the Company's effective needs, eschewing favouritism and any kind of facilitation and selecting exclusively on grounds of professional expertise and competence.

The staff of PZL-Świdnik S.A. has been employed under a regular contract, in application of the law and of Company Collective Labour Agreement. In particular, the Company shall not tolerate or allow any employment relationships involving a breach of the applicable regulations.

3.3 Professional Development

In the course of each work relationship, PZL-Świdnik S.A. is committed to providing and maintaining the necessary conditions to develop each employee's skills and knowledge in accordance with the above mentioned values, by following a policy based upon recognition of merits and equal opportunities, and by envisioning specific programmes for professional training and acquisition of improved skills. Employees are therefore requested to cultivate their competence and foster the acquisition of new skills, capacities and knowledge, while their superiors must pay maximum attention to develop and increase their collaborators' professional skills, creating the conditions for the development of their capacities and achievement of their potential.

Personnel management and selection must be guided by principles of fairness and impartiality, avoiding favouritism or discrimination, and respecting the professional expertise and competence of the worker. In pursuing Company targets, the worker must be aware that ethics are a major interest of PZL-Świdnik S.A. and that there shall be no tolerance for any conducts in breach of the law, the Company normative acts and respective Leonardo directives, policies and guidelines, in particular the Code of Ethics, implemented as part of the corporate governance applicable in the Leonardo Group.

3.4 Human Resources and Code of Ethics

Through its dedicated resources, PZL-Świdnik S.A. promotes and encourages acquaintance with the Code of Ethics, relevant procedures and amendments and knowledge of the areas of activity of the various structures including assignments of responsibilities, reporting lines, description of duties and training of personnel. The information on and knowledge of the Code of Ethics is promoted, first of all, by distributing them to all employees and co-workers and requiring them to sign a

declaration that they have read the Code of Ethics. Secondly, the Company provides all its employees with special training and follow-up programmes organised by the competent Organisational Units.

3.5 Work environment and protection of privacy

PZL-Świdnik S.A. is committed to providing a work environment which guarantees to all the Recipients, and particularly employees and co-workers, the respect of health, safety and personal dignity, and where the characteristics of an individual cannot give rise to any form of discrimination or conditioning.

PZL-Świdnik S.A. fully complies with the Personal Data Protection Act safeguarding the Recipients and, in general, anybody having contacts with the Company in any capacity, and adopts adequate regulations providing for the prohibition of undue communication, processing and/or disclosure of personal data.

In particular, the dignity of each worker must also be safeguarded by ensuring the privacy of their correspondence and respecting the interpersonal relationships between employees, prohibiting interferences in meetings or dialogues, and intrusions into competence of other employees, except for those actions that are in conflict with the law or principles of social interaction, or any potentially harmful control or manipulation of personality.

The Company is committed to the safeguard of the moral integrity of all its employees and co-workers, guaranteeing their right to dignified working conditions and the full exercise of political and union rights. The Company protects its workers against acts of psychological violence or mobbing and opposes any discriminating attitude or behaviour which might cause prejudice to the person, its beliefs and inclinations. Harassment or molestation of any kind in any work relationship is absolutely forbidden and it is forbidden, in general, to behave in any way that might compromise the peaceful performance of the functions assigned and otherwise cause prejudice to the dignity of the worker.

PZL-Świdnik S.A. also adopts appropriate measures and initiatives to ensure the safety, integrity, correct use and working of electronic or computer systems, programs or data of the Company. The Company safeguards intellectual property rights regarding the use of electronic and computer programs and, more generally, intellectual property and integrity of the data made available to the public through the internet.

4. PROTECTION OF HEALTH AND SAFETY OF THE WORKPLACES AND WORKING CONDITIONS

PZL-Świdnik S.A. in compliance with the existing provisions, is committed to protect the health of workers, taking all necessary and appropriate measures, to the best technical and scientific know-how to guarantee the absolute compliance of the workplaces with the highest standards of safety and hygiene. The Company also fosters and establishes a culture of safety, to protect the health of workers at the workplace, thus developing risk awareness and promoting responsible behaviour by all employees and/or collaborators.

The Company integrates its activities in compliance with health and safety factors, from the stage of the process and product design, and takes actions targeted to:

- the continuous improvement of its performance related to health and safety at workplace;
- the identification of areas for improvement of the health and safety and, where possible, and the best available techniques;
- the control and reduction of the use of hazardous substances.

The issues of health and safety are the subject of specific training initiatives for all employees that, depending on their role, implement the principles set out in the Environmental and Health and Safety policy. The Company establishes health and safety goals and systems for monitoring, reporting and periodic review.

PZL-Świdnik S.A. is committed to verify, through its structures and organizations, the application of the Policy.

5. ENVIRONMENTAL PROTECTION

PZL-Świdnik S.A. recognizes the environment as a primary value to safeguard and, to this end, it schedules its activities by seeking a balance between economic initiatives and essential requirement of environmental protection. In this context, the Company contains the environmental impact of its activities, thus taking into account the development of scientific research in the field.

Therefore, PZL-Świdnik S.A. has considered vital to implement an Environmental Policy as part of which it is established the integration of

the environmental aspects with the objectives of maintaining long-term levels of sustainability, profitability and competitiveness.

PZL-Świdnik S.A., in compliance with the law, recognizes the high social validity of the environmental aspects and, therefore, promotes, also through its subsidiaries, the cooperation with the relevant authorities and communication with the public.

The Company integrates its activities in compliance with environmental factors, from the stage of the process and product design, and takes actions targeted to:

- the continuous improvement of its environmental performance;
- the identification of areas for improvement in the environment matter and, where possible, the best available techniques;
- the control and reduction of the use of hazardous substances;
- the energy saving;
- the water saving;
- the minimization of waste production and the waste recovery and recycling.

PZL-Świdnik S.A. also in line with the evolution of the scientific knowledge on climate change and in accordance with its activities, implements actions to reduce climate-altering gases released into the atmosphere. Environmental protection has been inserted between the specific training initiatives for all employees who, according to their role, implement the principles of the Environmental Policy, promoting actions aimed at controlling the environmental effects of their activities.

PZL-Świdnik S.A. is committed to verify, through its structures, the application of the Environmental Policy; it establishes environmental objectives and targets and systems for monitoring, reporting and periodic review.

6. CONFLICT OF INTEREST

6.1 Company and personal interests

The relationship between Company and its Management Board and employees at any level is based upon complete trust. It is the primary duty of each Management Board member and employee to use the Company's assets and their own working capacity to achieve the Company's interests, in compliance with the principles set forth in the Code of Ethics and representing the values adopted by the Company.

From this viewpoint, the Management Board, employees and co-workers in

any capacity of PZL-Świdnik S.A. must avoid any situation and abstain from any action that could cause a personal interest, either direct or indirect, to interfere with and hamper the capacity to take impartial and objective decisions in the interest of the Company. Any conflict of interest would not only be in contrast with the applicable law and the principles set forth in the Code of Ethics, but also prove detrimental to the Company's image and integrity.

Upon signing the declaration that no conflict of interest exists - see point 6.2 below - the Recipients exclude that any commercial activities of a personal and/or family nature they may have or their tasks and offices within the Company may overlap or anyway intersect with each other, thus giving rise to the risk of an instrumental use of their functional capacity. Any situation of conflict, even only potential, must be promptly communicated in detail to the Company by an employee to Surveillance Body through the HR department within 2 weeks from the occurrence. The individual in potential conflict shall refrain from being involved or participating in any act that might prejudice the Company or any third parties, or damage their image.

Similarly, consultants and commercial partners acting on behalf of the Company must avoid any situation of conflict of interests, refraining from using, in any way and any title whatsoever, the activity carried out on behalf of the Company with a view to achieving any illicit advantage for themselves or for others.

6.2 Prevention of conflicts of interest

In order to prevent conflicts of interest, even only potential, PZL-Świdnik S.A., when conferring an appointment or commencing an employment relationship, requires its Management Board members, employees, temporary employees, persons hired otherwise than on the basis of employment contract, self-employed persons, consultants and commercial partners acting on behalf of the Company to sign a statement that excludes the possibility of a conflict of interest between the individual and the Company. Such statement also includes a commitment to inform, promptly and in detail, the Surveillance Body through HR, of any situation of a real or potential conflict of interest the signatory is involved in.

PZL-Świdnik S.A. also requires that anyone who becomes aware of a conflict of interest must promptly report it to the Surveillance Body through dedicated channel, mentioned in sec. 10.2.

7. OPERATING PROCEDURES AND ACCOUNTING RECORDS

7.1 Compliance with procedures

The Recipients, within the limits of their individual duties and functions, are required to comply strictly with the procedures laid down in corporate protocols. The correct implementation of procedures ensures that the Company staff in charge of decision-making processes, authorisation and performance of operations be easily identified: for this purpose - according to the control principle consisting in the separation of tasks - it is necessary that individual operations are carried out, at the various stages, by different parties, whose duties are clearly defined and known within the organisation in order to prevent unlimited and/or exaggerated powers being assigned to any single party. The traceability of each process regarding corporate affairs must also be guaranteed, so as to ensure that the motivations of the choices operated, the persons in charge and any other relevant data for assessing whether the correct choices have been made, can always be traced.

Corporate procedures must discipline the correct performance of any operation and transaction, the legitimacy, authorisation, consistency, congruity, proper recording and verification, also with regard to the utilisation of financial resources, of which must be assessable, by means of, but not limited to, the following control means: squaring off account balances, joint signatures, supporting accounting documents, understanding the activities of sales agents, consultants, suppliers, etc. Each operation shall therefore be supported by adequate, clear and full documentation to be filed with the company records, in order to allow, at all times, a control on the motives, the characteristics of the operation and the exact identification of who, at the different stages, authorised, carried out, recorded and verified the same. The respect of the indications provided in the specific protocols regarding the procedural flows to be observed during formation, decision and recording and their consequences, among other things permits to engender and stimulate at all levels in the business a culture of control, which contributes to improve management efficiency and represents an instrument of support for managerial action.

Non-compliance with the procedures of the Code of Ethics - which must be promptly reported to the Surveillance Body - compromises the relationship of trust between PZL-Świdnik S.A. and those who interact with the Company at any title.

7.2 Accounting transparency

Truthful, precise, full and clear primary data are the prerequisites of transparent accounting and are a fundamental value for PZL -Świdnik S.A., also with a view to ensuring that shareholders and third parties have the possibility to have a clear image of the economic, equity and financial position of the Company.

To achieve these conditions, the documentation of the basic facts must first and foremost be complete, clear, truthful, accurate and valid, and must be entered in the accounting books as justification of the records, which must be updated to allow for any appropriate checks. The relevant book entry must reflect in a complete, clear, truthful, precise and valid manner that which has been described in the supporting documentation. In the case of economic and financial elements based on valuations, the relevant book entry shall be made in accordance with the criteria of reasonableness and prudence, explaining clearly in the underlying documentation the criteria which guided the valuation of the asset. If anyone becomes aware of any possible omission, falsification, irregularity in the books and records of the Company, or of any breach of the principles set forth in the Code of Ethics and in the specific protocols, he/she should immediately report this to the Surveillance Body. The aforesaid breaches undermine the relationship of trust between employees and the Company and shall lead to a disciplinary process and consequent adequate sanctions.

Within the limits established by applicable laws, PZL-Świdnik S.A. shall provide exhaustive and prompt information, clarifications, data and documents to the shareholders, customers, suppliers, surveillance authorities, institutions or bodies in the performance of the respective activities and functions.

Any relevant information must be promptly communicated both to the company's bodies in charge of controlling the management of the company, and to the surveillance authorities.

8. PROTECTION OF COMPANY ASSETS - CUSTODY AND MANAGEMENT OF THE COMPANY ASSETS

8.1 Protection of the Company assets

The Company implements all actions and provisions in order to:

- properly evaluate the company's assets, goods, receivables and actions, not by giving them values higher or lower than those due;
- strictly comply with the rules established by the law to protect the integrity and effectiveness of the share capital and always in compliance with the Company's internal procedures, that are based on those rules, in order not to jeopardize the rights of the creditors and third parties generally;
- behave in a correct, transparent and collaborative manner, in compliance with the legal standards and internal company procedures in all activities aimed at the preparation of financial statements and other corporate communications required by law and addressed to shareholders or the public in order to provide true and correct information on the economic, equity and financial position of the Company;
- protects the investors' assets in the event of drafting of information prospectuses or documents to be published, having regard to efficiency and transparency of the capital market.

The Company considers the truthfulness, fairness and transparency of the accounting, financial statements, reports and other corporate communications required by law and addressed to shareholders or the public, essential principles in the conduct of its business.

This requires that the validity, accuracy, completeness of the basic information for the records in the accounts are in-depth.

All transactions that are significant in economic, financial or equity terms must be adequately recorded and for each registration there must be adequate supporting documentation in order to be able, at any time, to make checks attesting the characteristics and motivations of the operation and sufficient to identify who authorized, performed, recorded and verified the operation itself.

8.2 Custody and management of the Company assets

The Company endeavours to work so as to use available resources, in

compliance with applicable law and corporate by-laws and in line with the values of the Code of Ethics, with a view to increasing and strengthening the Company's assets, for the protection of the Company, its shareholders, creditors and the market.

Recipients are directly and personally responsible for the protection and legitimate use of the (tangible and intangible) assets and the resources entrusted to carry out their functions. None of the Company's property assets may be used for purposes other than those specified by it or for illegal purposes and must comply with the law and regulations and the operating procedures.

9. INTRAGROUP RELATIONSHIPS

9.1 Independence and common ethical values

PZL-Świdnik S.A. recognises the independence of controlled companies, which is required to adhere to the values expressed in the Code of Ethics. PZL-Świdnik S.A. refrains from any behaviour which, in its sole interest, could prejudice the integrity, independence or image of other companies of the PZL-Świdnik S.A. Capital Group.

9.2 Cooperation, communication and transactions within the Group

Anybody appointed by Leonardo to an office in the Management Board in any company of the Group has an obligation to attend regularly the meetings convened and perform the duties assigned to him/her with honesty and fairness, stimulate communication amongst the companies of the Leonardo Group, encourage and use the intra-group synergies for cooperation in the pursuit of common objectives. Information must be circulated, within the Group, in accordance with the principles of truthfulness, honesty, fairness, completeness, clearness, transparency and prudence, and be respectful of the independence of each company and of the specific fields of activity.

Any transactions negotiated between PZL-Świdnik S.A. and the Group companies are duly and formally stipulated in compliance with the principles of fairness, actual occurrence and safeguard of the respective interests, with a particular attention to any aspects concerning the circulation of economic resources.

10. SURVEILLANCE BODY

10.1 Tasks and characteristics

The task of supervising the compliance of the Code of Ethics is entrusted by the Management Board to the Surveillance Body, which comprises of the Head of Compliance, Head of Legal Department and Head of Human Resources. The Surveillance Body has independent powers of initiative and control and appropriate tools to be able to verify and monitor the adequacy and effective implementation as well as the right to request the updating of the Code of Ethics.

In particular, the Surveillance Body is obliged to:

- monitor and assess the validity of the Code of Ethics, promoting, after consultation of the corporate departments involved, all necessary actions in order to ensure its effectiveness;
- verify the application of the Code of Ethics and detect behavioural deviations that may possibly emerge from the analysis of information flows and reports received;
- promote, in cooperation with the Human Resources Department an adequate training process of the personnel through appropriate initiatives for the diffusion of knowledge and understanding of the Code of Ethics;
- communicate any violations of the Code of Ethics to the Management Board, in for the adoption of possible penalties.

10.2 Reports to the Surveillance Body

In order to facilitate the flow of information and submissions, dedicated information channel has been established:

zgloszenie@leonardocompany.com

through which anybody becoming aware of any behaviour of any kind (even omissions) in violation of the Code of Ethics may freely, directly and on a confidential basis report it to the above-mentioned bodies. Report may also be sent to the address:

**Organ Nadzoru
Wytwórnia Sprzętu Komunikacyjnego
„PZL- Świdnik” S.A.
Ul. Lotników Polskich 1
21-045 Świdnik**

The Surveillance Body examines the reports received according to the provisions of the Whistleblowing Management Guidelines of Leonardo ("Guidelines").

The Company ensures maximum protection and confidentiality for the reporting being and protection from defamatory reports.

For more information on how to investigate and verify the reports received, please refer to the above-mentioned Guidelines.

11. EXTERNAL RELATIONS

11.1 Relations with Authorities, Public Institutions and other bodies representing the Public Interest

11.1.1 Relations with the Authorities and the Public Administration

Relations with public officers or persons in charge of a public service, who work on behalf of the central or local Public Administration, or on behalf of legislative bodies, European Union institutions, public international and foreign organisations and any foreign State - with the judiciary, public surveillance authorities and other independent authorities, as well as with private partners operating a public utility, as inherent to Company activities, shall be conducted with spirit of cooperation, in strict compliance with applicable laws and regulations and with the principles set forth in the Code of Ethics, in such a way as not to compromise the integrity and reputation of both parties.

Attention and care must be used in relation to the aforesaid parties, especially in any transactions regarding tenders, agreements, authorisations, licences, concessions, applications for management or utilisation of funding under any denomination whatsoever originating from a public authority (whether domestic or foreign), management of orders, relations with surveillance authorities and other independent authorities, representatives of the Government or other Public Administrations, social security bodies, bodies in charge of tax collection, bodies established to deal with bankruptcy, civil, criminal or administrative proceedings, access to and use of computer and electronic data or systems and electronic documents.

To avoid performing acts which might be in conflict with any provisions of the law or which could prejudice the image and integrity of the Company, the aforesaid transactions and the related management of financial resources shall be carried out by specifically authorized Company structures, in compliance with the applicable laws and the principles of this Code of Ethics and in accordance with internal procedures.

In its relations with Polish and foreign institutions, PZL-Świdnik S.A. is committed to act on its behalf and put forward its requirements in a correct and transparent manner, in compliance with the principles of independence and impartiality in the choices of the Public Administration and in such a way as not to induce it in error or misdirect its decisions. In order to guarantee clear and straightforward relations, all contacts with international counterparts shall be exclusively kept by authorized persons and in such a manner as to guarantee that the contact is correctly identified and traceable.

Concerning possible requests whatsoever from the Judicial Authority any contact with the said Authority, PZL-Świdnik S.A. is committed to offer its full cooperation and to refrain from any behaviour that may cause prejudice or hindrance to the operation of the said Authority, in compliance with laws and regulations and in accordance with the principles of loyalty, fairness and transparency.

11.1.2 Relations with political and trade-union organisations

PZL-Świdnik S.A. does not encourage or discriminate against any political organisation or trade union, whether directly or indirectly.

The Company does not make any direct or indirect contributions whatsoever to political parties, movements, committees and political or trade union organisations, to their representatives or candidates, except as set forth in specific laws.

The above does not apply, however, to any charitable purpose initiatives, which Company regards as an essential value as it carries out actively and with sensibility with persons and entities who engage in social activities.

11.1.3 Gifts, Benefits and Promises of Favours

PZL-Świdnik S.A. prohibits all the Recipients to accept, offer or promise, whether directly or indirectly, money, gifts, goods, services or undue favours in the course of their relations with public officers, persons in charge of a public service or private parties, in order to influence their decisions, in view of obtaining preferential treatment, undue services or any other ends.

In its relations with the Polish or foreign Public Administration, PZL-Świdnik S.A. shall not unduly influence the activity, choices or decisions of the other party, for example by offering undue advantages consisting in sums of money or other benefits, employment or assignment of consultancy arrangements, to the public person or his/her family or to natural or legal persons connected to him/her.

Any requests or offers of money or favours of any kind whatsoever

(including for instance gifts or presents unless of a reasonable value) unduly made to or by anybody acting on behalf of PZL-Świdnik S.A. in any transactions with the Public Administration (whether Polish or of a foreign country) or private persons (either Polish or foreign) must be immediately reported to the Surveillance Body.

11.2 Relations with consultants, suppliers and other parties in transactions

11.2.1 Conduct in the course of business

PZL-Świdnik S.A. conducts its business in compliance with the principles of loyalty, fairness, transparency, efficiency, obedience to the law and the values expressed in the Code of Ethics and requires a similar behaviour from anybody with whom it holds business and/or financial relationships of any nature whatsoever, particularly when they involve the choice of other parties in transactions, suppliers, business partners, consultants etc. PZL-Świdnik S.A. refrains from any relationship whatsoever, even if indirect or through intermediaries, with anyone (whether an individual or a legal entity) known or reasonably alleged to be part or act in support of any criminal organization of any nature whatsoever, in Poland or abroad, including mafia-like organizations, or organizations trafficking in human beings and exploiting child labour, or trafficking in weapons and persons or groups acting for the purposes of terrorism, regarding as such any conduct that may cause serious damage to a Country or an international organization, carried out in order to intimidate the population or force public authorities or an international organization to act or abstain to act in any way whatsoever or destabilize or destroy basic political, constitutional, economic and social structures of a Country or an international organization.

Particular attention must likewise be given to relationships involving receipt or transfer of sums of money or other benefits. In order to prevent the risk of performing, even unintentionally or unawares, operations of any nature concerning money, assets or other benefits that are the proceeds of crimes, PZL-Świdnik S.A. abstains from accepting any cash payments whatsoever, bearer shares or payments made through unauthorised intermediaries or through any third parties in such a manner as to make it impossible to identify the payer, or from any relations with persons having their main offices or operating in Countries where the transparency of corporate business is not guaranteed or, in general, from performing operations that might preclude the reconstruction of cash flows.

In its dealings with external persons, PZL-Świdnik S.A. refrains from any conduct which might in any way compromise the integrity, reliability and safety of electronic or computer systems and data.

The selection of other parties in transactions, business and financial partners, consultants, suppliers of goods and providers of services shall be made in writing, and based on objective, transparent and documented evaluation criteria, in accordance with the principles of this Code of Ethics. In all cases, the choice shall be made exclusively in accordance with objective parameters such as quality, cost efficiency, price, professional expertise, competence, efficiency and after having previously obtained suitable guarantees as to the correctness of the consultant or supplier of goods or services. Specifically, PZL-Świdnik S.A. shall not establish any relationship whatsoever with persons known or reasonably suspected to exploit child labour or to employ irregularly staff, or otherwise operating in breach of the law or of any regulations concerning the protection of workers' rights. A particular attention must be paid when dealing with persons operating in Countries where the law does not afford sufficient protection to the workers, with regard to child, women and immigrant labour, ascertaining whether sufficient hygienic, health and safety conditions are in place.

In the conduct of all commercial transactions, also in compliance with specific protocols, particular attention is required in the receipt and payment of any sums of money, assets or other rewards and in assessing whether the services provided and received are effective, consistent with market prices and complete. Cash payments are however not allowed.

Consultants and/or intermediaries are required to liaise with the Company and report the activities carried out. The Company reserves the right to request documentation proving the compliance with the applicable law.

11.2.2 Gifts, donations and benefits

In conducting business dealings with consultants, suppliers, other parties in transactions, business and/or financial partners, all donations or benefits (both direct and indirect), gifts, acts of courtesy or hospitality of any kind are forbidden, unless of modest value and such that they may not jeopardize the image of the Company, and not be interpreted as aimed at obtaining a preferential treatment.

In particular, any gift should:

- be given or received in good faith and in relation to legitimate business purposes;
- not be a cash payment;
- not be motivated by the purpose of exercising improper influence or the expectation of reciprocity;
- be reasonable and in any case such that it cannot be interpreted as aimed at obtaining favourable treatment;
- be addressed to beneficiaries who perform roles related to the

business activities and which meet the requirements of reputation and generally recognized good reputation;

- take into account the profile of the beneficiary with respect to the practices in institutional or professional relationships;
- be expected by specific business requirements (i.e. catalogue of gifts, accommodation facilities);
- comply with generally accepted standards of professional courtesy;
- comply with the applicable laws and regulations.

Any Supervisory Board Member, Management Board members, employee who receives gifts which exceed ordinary business practice for granting preferential treatment in any corporate activities, shall promptly report it: In case of a Supervisory Board Member to the Supervisory Board, in case of a Management Board Member to the Management Board, or, if an employee to his/her superior, who shall immediately inform the specific bodies and/or competent Organisational Unit of the Company, for all the appropriate controls and any consequent measures.

12. CORPORATE INFORMATION

12.1 Availability of and access to information

Within the limits established by applicable laws, PZL-Świdnik S.A. provides exhaustive and prompt information, clarifications, data and documents required by the shareholders, suppliers, public supervisory authorities, institutions, bodies or entities and other stakeholders in the performance of the respective functions.

Any relevant corporate information must be promptly communicated both to the company's bodies in charge of controlling the management of the company, and to the Leonardo surveillance authorities.

Clear and complete Company information ensures, among other things, the fairness of relationships with the shareholders, who must have easy access to data they are entitled, in compliance with all the applicable laws; with third parties who come into contact with the Company, who must be able to have a clear view of the economic and financial position of the Company and its assets; with the surveillance authorities, the external auditors and the bodies overseeing internal controls, which must perform their control activities effectively, with the other Group companies, also for preparing the consolidated financial statements, and other reports of the Company.

12.2 Relevant communication and market requests

PZL-Świdnik S.A. pursues its strategy ensuring the full transparency of its choices and offering to the market any necessary information so that investors' decisions may be based on full and correct data. Therefore, the Group communication typically and strictly complies with the provisions of current laws and regulations, and is also drawn up in a comprehensible language, conveying full information, and issued promptly and consistently to all the investors. External communications concerning the Company may only be made by the relevant structures and in compliance with the applicable company procedures, which are specifically aimed at ensuring the truthfulness and correct dissemination of the information.

Special care and fairness is used when disclosing important information on extraordinary transactions carried out by the Company and Leonardo Companies, offers of investment, admission to listing, Public Offers of Acquisition and Public Exchange Offers, or any particularly significant business initiatives, negotiations and agreements. For this purpose, specific protocols must set out the procedures of verification and control so that the Company information required by law, information for shareholders and the public about the position of the Company and the expected economic and financial trend are always truthful, free from omissions and stating facts which, even if still subject to evaluation, are reliable, so that the Recipients of the information are not misled.

13. MEDIA RELATIONS AND INFORMATION MANAGEMENT

13.1 Conduct guidelines

Relationships with the press and the media are founded upon the respect of the right of information and protection of the market and the interests of stakeholders.

Any information concerning the Company and the Group may only be divulged by those who have been specifically authorised to do so, in compliance with the procedures and regulations adopted by the Company. Any request for information from the press or the media received by the Company personnel must be reported to the officers in charge of external relations, before undertaking any commitments to answer the request.

External communications must be made in accordance with the principles of truthfulness, fairness, transparency, prudence and aim at disseminating the policies, programmes and plans of the Company, thus safeguarding,

among other things, the privileged information and trade secrets. Media relations must be conducted in observance of the law, of this Code of Ethics, the relevant protocols and the principles already mentioned above with regard to relations with public institutions and with a view to protect the image of the Company.

13.2 Privileged information

Any form of direct or indirect investment grounded on confidential information (i.e. information which is not publicly available and which may, if disclosed, affect the price of financial instruments) whose knowledge has been acquired in the course of the activity carried out within the Group is strictly prohibited. The communication or dissemination of such information, carried out in any form whatsoever and outside the ordinary performance of the functions assigned is also forbidden. Therefore, the Recipients must comply with the regulations applicable to this matter.

13.3 Confidentiality

Due to the particular nature and importance of the Company's business sectors (for instance defence, strategic communications, scientific research, protected technologies, etc.), all the Recipients are required to maintain the utmost confidentiality - and therefore refrain from disclosing or unduly requesting information - about documents, know-how, research projects, company business activities, and in general about any information and data acquired in the performance of their duties, in particular, all information subject to specific laws or regulations as they pertain, for instance, to national security, military sectors, inventions, scientific discoveries, protected technologies or new industrial applications. Protected against unauthorised disclosure is also all information acquired in or through the performance of working activities or during them, whose circulation and use could jeopardise or harm the Company and/or allow any employees to gain undue earnings.

Any breaches of the obligation not to disclose confidential information by the Recipients would seriously harm the relationship of trust and may lead to disciplinary action or the application of contractual sanctions. The above also applies to any breach of the Code of Ethics.

14. BREACHES OF THE CODE OF ETHICS – PENALTY SYSTEM

14.1 Reporting breaches

When a committed, attempted or requested breach of the rules of the Code of Ethics is reported, the Company ensures that no-one, in the workplace, is subject to any retaliation, illegal conditioning, hardship and discriminating treatment of any kind, for reporting to the Surveillance Body the breach of the Code of Ethics in compliance with Art. 10.2 above.

As a consequence of the said report, the Company shall promptly arrange the necessary checks and take adequate disciplinary measures.

14.2 Penalty system

14.2.1 General principles

Breaches of the principles set forth in the Code of Ethics damage the trusting relation between PZL-Świdnik S.A. and the Recipients. Such breaches will be incisively, promptly and seriously followed up by the Company, through adequate and proportionate disciplinary measures, regardless of the criminal implications of the relevant behaviours and of the criminal proceedings which might arise when such behaviours represent an offence.

The consequences of the breaches of the principles set forth in the aforementioned Code must be taken into serious consideration by all the Recipients: for such purpose PZL-Świdnik S.A. will circulate the Code of Ethics to anybody involved and keep everyone informed of the penalties provided in the event of a breach and the rules for applying such penalties. To safeguard its image and its resources, the Company does not have any dealings whatsoever with parties who do not intend to operate in strict observance of all applicable laws and regulations, and/or refuse to act in accordance to the values and principles set forth in the Code of Ethics.

14.2.2 Supervisory Board and Management Board

In the event of violation of the Code of Ethics by one or more Supervisory Board and/or Management Board Members, the Surveillance Body informs the superior bodies of the Company, who based on their respective responsibilities, shall proceed to take one of the following measures depending on the seriousness of the violation and the powers provided by the law and/or the Articles of Association:

- statements in minutes of meetings;
- formal injunction;
- request of calling of a Meeting the agenda of which must comprise the adoption of adequate measures against the individuals responsible for the violation, including legal proceedings for the assessment of the Supervisory Board / Management Board Member's responsibility towards the Company and the redress of the damages suffered by the Company.

Considering that the Supervisory Board Members of PZL-Świdnik S.A. are appointed during the Company Shareholders' Meeting, in the event of breaches of the Code of Ethics that may jeopardise the relationship of trust with the Supervisory Board member involved, or anyway in the event of serious reasons connected to the protection of the interest and/or image of the Company, a Shareholders' Meeting shall be called to pass resolutions on the revocation of the appointment.

As members of the Management Board of PZL-Świdnik S.A. are appointed by the Supervisory Board, in the event of breaches of the Code of Ethics that may jeopardise the relationship of trust with the Management Board member involved, or anyway in the event of serious reasons connected to the protection of the interest and/or image of the Company, the Supervisory Board meeting shall be called to pass resolutions on the suspension of the appointment held or the possible revocation of the appointment.

14.2.3 Penalties for employees

- Executives and Pilots

If any executive or pilot, in carrying out activities, is in breach of any provisions of the Code of Ethics or adopts a conduct which violates the provisions of such Code, suitable measures shall be taken against the said executives or pilots, in compliance with the provisions of applicable laws In particular:

- where the violation of one or more provisions of the Code of Ethics is as serious as to compromise the trusting relationship with the Company and prevent the possibility of any continuation, even temporary, of the employment, the executive/pilot shall be dismissed without notice.
- where the violation is a minor one but is anyway serious enough to compromise irreparably the trusting relationship with the Company, the executive/pilot shall be dismissed, with notice.

- Middle Management and other workers

- the worker who infringes the internal procedures as provided in the Code of Ethics or who, in carrying out activities, adopts a conduct which is not in compliance with the provisions of such Code, shall be subject to verbal warning, written admonition or reprimand, depending on how serious the infringement is, as such conduct must be construed as a violation of employee's duties, which the law identifies as detrimental to the company's discipline.
- the worker who commits a significant breach of the provisions of the Code of Ethics, shall be subject to dismissal with notice, as such conduct shall be construed as a violation of a more serious nature than those identified under point above;
- the worker who commits an offence relating to the violation of the provisions of the Code of Ethics or adopts a conduct which is unequivocally aimed at the perpetration of an offence shall be subject to dismissal without notice, as such conduct shall be construed as a very serious violation of basic duties which causes serious ethical and/or material damage for the Company.

14.2.4 Measures towards statutory auditors, co-workers, auditors, consultants, partners, other parties in transactions and other external persons

Any conduct adopted in the context of a contractual relationship by statutory auditors, co-workers, auditors, consultants, partners, other parties in transactions and other parties external to the Company and which is in contrast with the lines of conduct indicated by the Code of Ethics shall cause a unilateral termination of the contractual relationship, in application of the clauses included in any agreement.

In cases where the violations are committed by temporary workers or within contracts for specific work or contract of mandate, the Company may demand, in accordance with the contractual agreements in place with the contractors and leasing agencies, the replacement of workers who have committed the above-mentioned violations. In the above cases, the proceedings could also give rise to actions against the leasing agency or the contractor.