

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

Current report filing

Filing Date: **2021-06-11** | Period of Report: **2021-06-07**
SEC Accession No. [0001628280-21-012073](#)

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FILER

Leonardo DRS, Inc.

CIK: **1833756** | IRS No.: **132632319** | State of Incorporation: **DE** | Fiscal Year End: **1231**
Type: **8-K** | Act: **34** | File No.: **333-253583** | Film No.: **211010576**
SIC: **3812** Search, detection, navigation, guidance, aeronautical sys

Mailing Address
2345 CRYSTAL DRIVE
SUITE 1000
ARLINGTON VA 22202

Business Address
2345 CRYSTAL DRIVE
SUITE 1000
ARLINGTON VA 22202
(703) 416-8000

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 OR 15(d) of the
Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): June 7, 2021

LEONARDO DRS, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State of Incorporation)

333-253583
(Commission File Number)

13-2632319
(IRS Employer Identification Number)

2345 Crystal Drive
Suite 1000
Arlington, Virginia 22202
(Address of principal executive offices)

(703) 416-8000
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

None.

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On March 23, 2021, the Registration Statement on Form S-1 (the “Registration Statement”) of Leonardo DRS, Inc. (the “Company”) was declared effective by the Securities and Exchange Commission in anticipation of the Company’s initial public offering, which was subsequently postponed. The Board of Directors of the Company (the “Board”) had approved certain compensation-related actions in anticipation of the initial public offering. In light of the postponement of the initial public offering, the Board determined to take certain actions described below.

Leonardo DRS, Inc. 2021 Long Term Incentive Plan

On June 7, 2021, the Board adopted an amendment to the Leonardo DRS, Inc. 2021 Long Term Incentive Plan (the “LTIP”), which is substantially consistent with the form of Leonardo DRS, Inc. 2021 Long Term Incentive Plan described in, and filed as Exhibit 10.9 with, the Registration Statement, except that (i) it provides that new awards may be granted under the LTIP until the completion of an initial public offering (or similar public offering) by the Company and (ii) awards may be settled in cash or fully vested shares of common stock of the Company with an equivalent fair market value issued under any omnibus equity compensation plan adopted by the Company, as determined in the discretion of the Compensation Committee of the Board (the “Committee”).

The CEO Employment Agreement

On June 7, 2021, the Company entered into an employment agreement with William J. Lynn III, the Company’s Chief Executive Officer (the “Employment Agreement”), which is effective as of June 7, 2021. The Employment Agreement is substantially consistent with the form described in, and filed as Exhibit 10.7 with, the Registration Statement, except that Mr. Lynn will receive founders awards substantially on the same terms as described in the Registration Statement only if an initial public offering of the Company (or similar offering) is completed on or prior to July 1, 2022, subject to approval by the Committee.

Leonardo DRS, Inc. Executive Severance Plan

On June 7, 2021, the Board adopted the Company’s Executive Severance Plan, substantially in the form previously approved and described in, and filed as Exhibit 10.10 with, the Registration Statement, updated to reflect that an initial public offering has not yet occurred.

The foregoing descriptions of the LTIP, the Employment Agreement and the Executive Severance Plan are summaries and are not complete and are qualified in their entirety by reference to the LTIP, the Employment Agreement and the Executive Severance Plan, copies of which are filed as Exhibit 10.1, Exhibit 10.2 and Exhibit 10.3 to this Current Report and incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(d) *Exhibits.*

Exhibit No.	Description
10.1	2021 Leonardo DRS, Inc. Long Term Incentive Plan
10.2	Employment Agreement between Leonardo DRS, Inc. and William J. Lynn III, dated as of June 7, 2021
10.3	2021 Leonardo DRS, Inc. Executive Severance Plan



SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

LEONARDO DRS, INC.

Date: June 11, 2021

By: /s/ Mark A. Dorfman

Mark A. Dorfman

Executive Vice President, General Counsel and Secretary

**LEONARDO DRS
LONG-TERM INCENTIVE PLAN,
AS AMENDED**



THE LEONARDO DRS LONG-TERM INCENTIVE PLAN, AS AMENDED

1. BACKGROUND.

- 1.1 Name and Purpose. The name of this plan is the Leonardo DRS Long-Term Incentive Plan, as amended (the “Plan”). The purpose of the Plan is to: (a) motivate and reward Participants; (b) enable the Company to attract and retain employees who will contribute to the Company’s long-term success; and (c) promote effective use of the Company’s resources to achieve expected and superior performance.
- 1.2 Effective Date. The Plan is effective as of January 1, 2021, and shall remain in effect until amended or terminated pursuant to Section 9.7.

2. DEFINITIONS.

The following terms shall have the following meanings:

- 2.1 “**Administrator**” shall mean the Committee or its designee.
- 2.2 “**Affiliate(s)**” means any corporation, subsidiary or other entity controlled by the Company and designated by the Administrator as a participating entity in the Plan.
- 2.3 “**Grant Award Letter**” means written or electronic notification to a Participant informing the Participant of his or her Target Award of the Plan Year.
- 2.4 “**Award Payment**” means the amount of an award payment made, or to be made, to a Participant under the Plan, as set forth in Section 6.2.
- 2.5 “**Board**” means the Board of Directors of the Company, as constituted from time to time.
- 2.6 “**Cause**” means (a) with respect to a Participant employed pursuant to a written employment agreement which agreement includes a definition of “Cause,” “Cause” as defined in that agreement or (b) with respect to any other Participant, the occurrence of any of the following: (i) the Participant’s repeated or continued failure to perform his or her duties to the Company’s satisfaction (other than any such failure resulting from incapacity due to physical or mental illness), as determined in the Company’s sole discretion; (ii) the Participant’s engagement in dishonesty, illegal conduct or misconduct; (iii) the Participant’s embezzlement, misappropriation or fraud, whether or not related to the Participant’s employment with the Company; (iv) the Participant’s conviction of, or plea of guilty or nolo contendere to, a crime that constitutes a felony (or state law equivalent) or crime that constitutes a misdemeanor involving moral turpitude; or (v) the Participant’s violations of the Company’s code of ethics and business conduct, as amended from time to time, as determined in the Company’s sole discretion.

- 2.7 **“CEO”** means Chief Executive Officer.
- 2.8 **“Code”** means the United States Internal Revenue Code of 1986, as amended from time to time, including any regulations or authoritative guidance promulgated thereunder and successor provisions thereto.
- 2.9 **“Committee”** means the Compensation Committee, as constituted from time to time, appointed by the Board to administer the Plan pursuant to Section 3.1.
- 2.10 **“Company”** means Leonardo DRS, Inc.
- 2.11 **“Company Performance Component”** means the part of a Target Award tied to achievement of Company Performance Metrics, as set forth in a Grant Award Letter.
- 2.12 **“Company Performance Metrics”** means the specific Company performance metrics or objectives identified by the Committee as comprising the Company Performance Component for a given Plan Year or Performance Cycle.
- 2.13 **“Company Performance Metric Threshold(s)”** means (i) a minimum level of performance below which no Award Payment amount will be paid for a Company Performance Metric, (ii) a target level of performance at which one hundred percent (100%) of the Target Award will be paid for a Company Performance Metric, and (iii) a maximum level of performance above which no additional Award Payment amount will be paid for a Company Performance Metric.
- 2.14 **“Covered Employee”** has the meaning given to such term in Section 9.16.
- 2.15 **“Cycle”** or **“Performance Cycle”** means three (3) consecutive Plan Years, commencing on the first day of the Plan Year in which a Target Award is issued and ending on the last day of the third Plan Year thereafter (e.g., January 1, 2020 – December 31, 2022).
- 2.16 **“Disability”** or **“Disabled”** means, unless otherwise defined in an employment agreement between the Participant and the Company, a Participant’s inability to perform the duties of his or her employment on a full-time basis for six (6) consecutive months, as determined by the Committee.
- 2.17 **“Excess Compensation”** has the meaning given to such term in Section 9.18.
- 2.18 **“Negative Discretion”** means the discretion of the Committee to reduce or eliminate the size of an Award Payment in accordance with Section 6.1(d) of the Plan.
- 2.19 **“Participant”** means employees of the Company or an Affiliate designated by the Committee or its authorized delegate(s) to participate in the Plan and who receive an Grant Award Letter pursuant to the Plan.

- 2.20 “**Participant Retention Component**” means the part of a Target Award that is tied to a Participant’s continuous active employment and retention through the end of a Performance Cycle, as set forth in an Grant Award Letter.
- 2.21 “**Payment Date**” means the date on which Award Payments are made to Participants.
- 2.22 “**Plan**” means the Leonardo DRS Long-Term Incentive Plan, as hereafter amended from time to time.
- 2.23 “**Plan Year**” means the Company’s fiscal year, which commences on January 1 and ends on December 31.
- 2.24 “**Pro-rated Award Payment**” means an amount equal to the Award Payment otherwise payable to the Participant for a Plan Year or Performance Cycle in which the Participant was actively employed by the Company or an Affiliate for only a portion thereof, multiplied by a fraction, the numerator of which is the number of days the Participant worked during the Plan Year or Cycle and the denominator of which is the number of days in the Plan Year or Cycle. Pro-rated Award Payments will be made at the same time and in the same manner as Award Payments to other Participants.
- 2.25 “**Public Offering**” means completion of (i) an offering of the Company’s equity securities registered under the Securities Act of 1933, as amended, (ii) a direct listing of such securities on a national securities exchange and/or (iii) an exchange of 50% or more of the shares of common stock of the Company then outstanding for publicly traded equity securities of an entity or person not affiliated with the Company.
- 2.26 “**Restrictive Covenants**” The restrictions set forth in [Section 9.16](#) and, if Participant is a party to, or participant in, an employment agreement, severance agreement or other agreement or plan with the Company, which agreement sets forth provisions regarding confidential information, non-solicitation or non-competition, the provisions set forth in such employment agreement, severance agreement or other agreement or plan.
- 2.27 “**Section 409A**” means Section 409A of the Code, including any amendments or successor provisions to that section, and any regulations and other administrative guidance thereunder, in each case as they may be from time to time amended or interpreted through further administrative guidance.
- 2.28 “**Solicit**” means any direct or indirect communication of any kind, regardless of who initiates it, that in any way invites, advises, encourages or requests any person to take or refrain from taking any action.

- 2.29 “**Target Award**” means the target award, expressed as a fixed cash value, potentially payable under the Plan to a Participant over the course of one (1) Performance Cycle. The amount designated as the target award assumes 100% achievement of all Company Performance Metrics for each Plan Year of the applicable Performance Cycle as well as complete satisfaction of the Participant Retention Component for the applicable Performance Cycle.
- 2.30 “**Target Threshold**” means the Company Performance Metric Threshold established for a Company Performance Metric, the achievement of which would result in payment to Participants in an amount equal to one hundred percent (100%) of the Target Award designated for that particular Company Performance Metric. Because a Plan Year can be part of multiple Performance Cycles, multiple and different Target Thresholds may be established for the same Company Performance Metric for the same Plan Year.
- 2.31 “**Top Executives**” means the Chief Executive Officer (“CEO”), the Chief Operating Officer, the Chief Financial Officer, the General Counsel, and Executive Vice Presidents who report directly to the CEO. The actual number of executives covered by this definition may vary from time to time.
- 2.32 “**Treasury Regulations**” means the regulations promulgated under the Code by the United States Treasury Department, as amended.

3. ADMINISTRATION.

- 3.1 Administration. The Plan shall be administered by the Committee.
- 3.2 Delegation by the Administrator. The Administrator, in its sole discretion, may delegate all or part of its authority and powers under the Plan to the CEO; provided however, the Committee may not delegate its responsibility to issue Target Awards or determine Award Payments to the Top Executives.
- 3.3 Authority of the Administrator. Subject to the provisions of the Plan and applicable law, the Administrator shall have the power, in addition to other express powers and authorizations conferred on the Administrator by the Plan, to: (i) designate Participants; (ii) determine the terms and conditions of any Target Award or Award Payment; (iii) determine whether, to what extent, and under what circumstances Target Awards or Award Payments may be issued, modified, amended, withdrawn, rescinded, forfeited, suspended, reduced, eliminated, or clawed back; (iv) interpret and administer the Plan; (v) reconcile any inconsistency, correct any defect, and/or supply any omission, in the Plan or any instrument or agreement relating to, or Target Award issued under, the Plan; (vi) establish, amend, suspend, or waive any Plan rules or provisions for the administration, interpretation and/or application of the Plan; (vii) adopt such procedures and sub-plans as are necessary or appropriate to permit participation in the Plan by employees who are foreign nationals or employed outside of the

United States; (viii) amend, alter, cancel, suspend, modify or terminate the Plan; and (iv) make any other determination and take any other action that the Administrator deems necessary or desirable for the administration of the Plan.

- 3.4 Decisions Binding. All determinations and decisions made by the Administrator and any authorized designee of the Administrator, pursuant to the provisions of the Plan, shall be final, conclusive and binding on all persons, and shall be given the maximum deference permitted by law.
- 3.5 Agents; Limitation of Liability. The Administrator may appoint agents to assist in administering the Plan. The Administrator and each member thereof shall be entitled to, in good faith, rely or act upon any report or other information furnished to it or him by any officer or employee of the Company, the Company's certified public accountants, consultants or any other agent assisting in the administration of the Plan. The Administrator and any Committee, director, officer or employee of the Company acting at the direction or on behalf of the Administrator shall not be personally liable for any action or determination taken or made in good faith with respect to the Plan, and shall, to the extent permitted by law, be fully indemnified and protected by the Company with respect to any such action or determination.

4. ELIGIBILITY AND PARTICIPATION.

- 4.1 Eligibility. Only those individuals designated by the Administrator or its designee, and issued a Grant Award Letter, are eligible to participate in the Plan. Participation in the Plan is limited to those individuals regularly scheduled to work thirty (30) or more hours per week and selected to participate by the Administrator or its authorized designee. If the Company has a Public Offering, no new Target Awards shall be granted under the Plan after such Public Offering.
- 4.2 Participation. The Administrator, or its authorized designee, shall select the individuals who shall be Participants for each Plan Year or Performance Cycle. Only those individuals designated by the Administrator or its designee to participate in the Plan with respect to a particular Plan Year or Performance Cycle, and who are issued a Grant Award Letter under the Plan, may participate in the Plan for the designated Plan Year or Performance Cycle.
- 4.3 New Hires. Subject to Section 4.2, an individual hired into an eligible position prior to September 1 of a Plan Year is eligible to receive a Target Award.
- 4.4 Future Plan Years; Other Plans. An individual who is designated as a Participant for a given Plan Year or Performance Cycle is not guaranteed or assured of being selected for participation in any subsequent Plan Year or Performance Cycle. Participation in the Plan does not guarantee participation in other or future incentive plans. Plan design and participation will be evaluated and determined on a year-to-year basis.

- 4.5 Leaves of Absence. Except as provided herein, to be eligible to receive payments under the Plan, Participants must be actively and continuously employed by the Company through the Payment Date following the end of each Plan Year and/or Performance Cycle. If a Participant takes a leave of absence from the Company for a portion of a Plan Year or Performance Cycle, the Participant will be eligible to receive Pro-rated Award Payments, as to both the Company Performance Components and Participant Retention Components, reflecting participation for the period during which the Participant was actively employed and depending upon the type of leave and time away from the Company, as determined in the sole discretion of the Administrator.
- 4.6 Re-employment. If a Participant's employment terminates and the Company or an Affiliate re-employs the Participant at any time thereafter, whether in the same or different Plan Year or Performance Cycle, the Participant shall not automatically resume participation in the Plan. Any subsequent participation in the Plan will be subject to designation by the Administrator and the issuance of a new Target Award.

5. TERMS OF TARGET AWARDS.

- 5.1 Determination of Target Awards. Prior to, or reasonably promptly following the commencement of each Plan Year, the Administrator shall establish or approve the Target Award for each Participant. The Company shall provide each Participant with a Grant Award Letter after January 1 of each Plan Year. In the event a Participant's Target Award is changed during the Plan Year, unless otherwise determined by the Company, all future Award Payments shall be calculated based on the new Target Award.
- 5.2 Target Award Components. Target Awards shall be comprised of two (2) components: a Company Performance Component and a Participant Retention Component.
- 5.3 Company Performance Component.
- (a) Determination of Company Performance Component. Prior to, or reasonably promptly following commencement of, each Plan Year, the Administrator, for each Performance Cycle, shall establish:
- (i) Company Performance Metrics;
 - (ii) the relative weighting of each Company Performance Metrics;
 - (iii) Company Performance Metric Thresholds (minimum, target and maximum) for each Company Performance Metric;
 - (iv) the payout range for each Company Performance Metric; and

- (v) a formula or interpolation (sliding) scale for determining the percentage of the Target Award payable as determined by the percentage level achieved of the designated Target Threshold for each Company Performance Metric.
- (b) Award Payments Related to Company Performance Component. The Company Performance Component of each Target Award is earned and payable subject to the Company's achievement of the designated Company Performance Metric Thresholds for each of the weighted Company Performance Metrics, for each Plan Year of the applicable Performance Cycle. Unless stated otherwise in the Grant Award Letter, the Company Performance Component of a Target Award is payable in a lump sum at the end of the three (3) Plan Years of the applicable Performance Cycle, subject to the terms and conditions set forth in Section 6.
- (c) Notice to Participants of Company Performance Component. The Company shall notify Participants of the Company Performance Component details for each Performance Cycle, on or after January 1 of the first Plan Year in a Performance Cycle, through issuance of a Grant Award Letter.

5.4 Participant Retention Component.

- (a) Determination of Participant Retention Component. Prior to, or reasonably promptly following commencement of, each Performance Cycle, the Administrator shall establish the Participant Retention Component for each Plan Year of the next Performance Cycle.
- (b) Award Payments Related to Participant Retention Component. The Participant Retention Component of each Target Award is payable if, and only if, the Participant is actively employed in good standing as of the Payment Date following the last day of each Plan Year of the applicable Performance Cycle.

6. **PAYMENT OF TARGET AWARDS.**

6.1 Determination of Award Payments; Certification.

- (a) Following the completion of the Performance Cycle, the Administrator shall determine the extent to which the Target Thresholds for each Company Performance Metric were achieved or exceeded.
- (b) If the minimum Company Performance Metric Thresholds are not achieved for a designated Company Performance Metric, no Award Payment amount will be paid for that Company Performance Metric. If the



maximum Company Performance Metric Thresholds established for a Company Performance Metrics are exceeded, no additional Award Payment amount will be paid for that Company Performance Metric.

- (c) To the extent the minimum Company Performance Metric Threshold is achieved for a Company Performance Metric, the Administrator shall certify in writing the extent to which the Company Performance Metric has been achieved and shall then determine, in accordance with the prescribed formula or interpolation, the amount of each Participant's Award Payment related to that Company Performance Metric.
- (d) In determining the amount of each Award Payment related to the Company Performance Component, the Administrator may reduce or eliminate the amount of an Award Payment by applying Negative Discretion if, in its sole discretion, such reduction or elimination is appropriate.

6.2 Form and Timing of Award Payment. Except as otherwise provided herein or in a Grant Award Letter, as soon as practicable following the Committee's certification pursuant to Section 6.1(c) for the applicable Plan Year, each Participant shall receive either a cash lump sum payment of the Participant's applicable Award Payment or, at the sole election of the Committee, an amount of fully vested shares of common stock of the Company with an equivalent fair market value (as determined by the Committee in its sole discretion) issued under any omnibus equity compensation plan adopted by the Company ("Shares"), in each case less required and applicable withholdings and deductions no later than the fifteenth (15th) day of the seventh (7th) month following the end of a Plan Year or the first pay period thereafter. Any Shares will be subject to the terms of the applicable omnibus equity compensation plan and any applicable award agreement.

6.3 Treatment of Target Award Components for Award Payments. For Target Awards issued in 2019 and 2020, subject to Section 5.1 above, the Company Performance Metrics for the 2021 and 2022 Plan Years shall be deemed satisfied at 100% of the Target Award and payable as follows:

- (a) For Award Payments payable in 2022, each Participant shall be eligible to receive:
 - (i) 100% of the third installment of the Company Performance Component, attributable to the 2019 Target Award,
 - (ii) 100% of the second installment of the Company Performance Component attributable to the 2020 Target Award, and
 - (iii) 100% of the Participant Retention Component attributable to the 2019 Target Award.

- (b) For Award Payments payable in 2023, each Participant shall be eligible to receive:
 - (i) 100% of the third installment of the Company Performance Component, attributable to 2020 Target Award, and
 - (ii) 100% of the Participant Retention Component attributable to the 2020 Target Award.

7. PARTICIPANT EMPLOYMENT REQUIREMENT.

- 7.1. Award Payments are not earned until the Payment Date.
- 7.2. Subject to Section 8.1, no Award Payments shall be paid to any Participant who is not actively employed, in good standing, by the Company or an Affiliate on the Payment Date.
- 7.3. Whether a Participant is employed in good standing as of the Payment Date shall be determined in the sole discretion of the Company.

8. TERMINATION OF EMPLOYMENT.

- 8.1 Termination of Employment for Reasons Other than Cause. Except as otherwise provided in Section 8.3, if a Participant's employment terminates for any reason, the Participant shall cease to be eligible for any Award Payments not paid as of the date on which employment terminates, provided, however, (a) in the event a Participant's employment is terminated involuntarily for reasons other than Cause after December 31 of the Plan Year, and subject to the Administrator's certification pursuant to Section 6.1, the Committee or its designee, in its sole discretion, may authorize a Pro-rated Award Payment reflecting the Participant's participation for a portion of the Plan Year or Performance Cycle of which the Plan Year is part and (b) in the event a Participant's employment is terminated involuntarily as part of a reduction in force after December 31 of the Plan Year, and subject to the Administrator's certification pursuant to Section 6.1, the Committee, in its sole discretion, may authorize an Award Payment reflecting the Participant's participation for the full Plan Year or Performance Cycle of which the Plan Year is part.
- 8.2 Termination of Employment for Cause. If a Participant's employment is terminated for Cause, the Participant shall cease to be eligible for any Award Payments not paid as of the date on which employment terminates. The Company may require repayment of any Award Payments previously paid to a Participant if it discovers facts that, if known earlier, would have constituted grounds for termination of employment for Cause prior to payment.
- 8.3 Termination of Employment Due to Death or Disability.

- (a) Unless otherwise expressly set forth in an employment agreement signed by the Company and a Participant, if a Participant's employment is terminated by reason of the Participant's death or Disability, and subject to the Administrator's certification pursuant to Section 6.1, the Administrator, in its sole discretion, may authorize a Pro-rated Award Payment to the Participant or the Participant's beneficiary reflecting the Participant's participation for a portion of the Plan Year or Cycle(s) in which employment terminated.
 - (b) In the case of a Participant's Disability, employment shall be deemed to have terminated on the date the Committee determines the Participant is Disabled.
- 8.4 Pro-rated Award Payments. Any Pro-rated Award Payments paid pursuant to this Section 8 and subject to the Administrator's certification pursuant to Section 6.1 will be made at the same time and in the same manner as Award Payments paid to other Participants.
- 8.5 Re-employment. If a Participant's employment terminates and the Company re-employs the Participant at any time thereafter, whether in the same or different Plan Year or Performance Cycle, the Participant shall not automatically resume participation in the Plan. Any subsequent participation in the Plan will be subject to designation by the Administrator and the issuance of a new Target Award.

9. GENERAL PROVISIONS.

- 9.1 Compliance with Legal Requirements. The Plan and the issuance of Target Awards shall be subject to all applicable federal and state laws, rules and regulations, and to such approvals by any regulatory or governmental agency as may be required.
- 9.2 Non-transferability. A Participant's rights and interests under the Plan, including any Target Award previously made to such person or any amounts payable under the Plan, may not be assigned, pledged, or transferred, except in the event of the Participant's death, to a designated beneficiary in accordance with the Plan, or in the absence of such designation, by will or the laws of descent or distribution.
- 9.3 No Right to Employment. Nothing in the Plan or in any notice of Target Award shall confer upon any person the right to continue in the employment of the Company or any Affiliate or affect the right of the Company or any Affiliate to terminate the employment of any Participant.
- 9.4 No Right to Target Award. Unless otherwise expressly set forth in an employment agreement signed by the Company and a Participant, a Participant shall not have any right to a Target Award under the Plan until such Target Award has been issued to such Participant. Participation in the Plan in one (1) Plan Year or

Performance Cycle does not connote or confer any right to participate in the Plan in any future Plan Year or Performance Cycle.

- 9.5 Target Award Confidentiality. Target Awards and Award Payments under the Plan are confidential. Failure by a Participant to keep Target Awards and Award Payments confidential may render the Participant ineligible for any future Target Awards or Award Payments under the Plan.
- 9.6 Withholding. The Company shall have the right to withhold from an Award Payment any federal, state or local income and/or payroll taxes required by law to be withheld, any other applicable withholdings or deductions, and to take such other action as the Company may deem advisable to enable the Company and Participants to satisfy obligations for the payment of withholding taxes and other obligations relating to an Award Payment.

The Company shall also be entitled to withhold from an Award Payment any amounts owed by a Participant to the Company. Participants will only receive the net amount remaining after all applicable taxes, withholdings and deductions have been collected.

- 9.7 Amendment or Termination of the Plan. The Board or the Committee, may amend, alter, cancel, suspend, modify or terminate the Plan, in whole or in part, at any time and for any reason.
- 9.8 Unfunded Status. Nothing contained in the Plan, and no action taken pursuant to its provisions, shall create or be construed to create a trust of any kind or a fiduciary relationship between the Company and any Participant, beneficiary or legal representative or any other person. To the extent that a person acquires a right to receive payments under the Plan, such right shall be no greater than the right of an unsecured general creditor of the Company. All payments to be made hereunder shall be paid from the general funds of the Company and no special or separate fund shall be established and no segregation of assets shall be made to assure payment of such amounts except as expressly set forth in the Plan. The Plan is not intended to be subject to the Employee Retirement Income Security Act of 1974, as amended (ERISA).
- 9.9 Governing Law, Jurisdiction, Venue. The laws of the Commonwealth of Virginia shall govern the interpretation, validity, administration, enforcement and performance of the terms of the Plan regardless of the law that might be applied under principles of conflicts of laws. The parties agree that any suit, action, or proceeding arising out of or relating to the Plan shall be brought to the exclusive jurisdiction of the Circuit Court of Arlington County (Virginia) or the United States District Court for the Eastern District of Virginia (Alexandria Division). The parties irrevocably waive, to the fullest extent permitted by law, any objection a party may have to the laying of venue for any such suit, action or proceeding brought in such court. THE PARTIES ALSO EXPRESSLY WAIVE

ANY RIGHT THEY HAVE OR MAY HAVE TO A JURY TRIAL OF ANY SUCH SUIT, ACTION OR PROCEEDING. If any one or more provisions of the Plan shall for any reason be held invalid or unenforceable, it is the specific intent of the parties that such provisions shall be modified to the minimum extent necessary to make it or its application valid and enforceable.

- 9.10 Section 409A of the Code. It is intended that payments under the Plan qualify as short-term deferrals exempt from the requirements of Section 409A of the Code. In the event that any Award Payment does not qualify for treatment as an exempt short-term deferral, it is intended that such amount will be paid in a manner that satisfies the requirements of Section 409A of the Code. The Board and the Committee will have full authority to give effect to the intent of the foregoing. To the extent necessary to give effect to this intent, in the case of any conflict or potential inconsistency between the Plan and a provision of any Target Award, the Plan will govern.

Without limiting the generality of this Section 9.10, with respect to any Target Award made under the Plan that is “deferred compensation” subject to Section 409A:

- (a) any payment due upon a Participant’s termination of employment will be paid only upon such Participant’s separation from service from the Company within the meaning of Section 409A;
- (b) any payment to be made with respect to such Target Award in connection with the Participant’s separation from service from the Company within the meaning of Section 409A (and any other payment that would be subject to the limitations in Section 409A(a)(2)(B) of the Code) will be delayed until six (6) months after the Participant’s separation from service (or earlier death) in accordance with the requirements of Section 409A;
- (c) if the Target Award includes a “series of installment payments” (within the meaning of Section 1.409A-2(b)(2)(iii) of the Treasury Regulations), the Participant’s right to the series of installment payments will be treated as a right to a series of separate payments and not as a right to a single payment; and
- (d) for purposes of determining whether the Participant has experienced a separation from service from the Company within the meaning of Section 409A, “subsidiary” will mean a corporation or other entity in a chain of corporations or other entities in which each corporation or other entity, starting with the Company, has a controlling interest in another corporation or other entity in the chain, ending with such corporation or other entity. For purposes of the preceding sentence, the term “controlling interest” has the same meaning as provided in Section 1.414(c)-2(b)(2)(i) of the Treasury Regulations, provided that the language “at least 20

percent” is used instead of “at least 80 percent” each place it appears in Section 1.414(c)-2(b)(2)(i) of the Treasury Regulations.

- 9.11 Section Headings. The headings of the Plan have been inserted for convenience of reference only and in the event of any conflict, the text of the Plan, rather than such headings, shall control.
- 9.12 Severability. In the event that any provision of the Plan shall be considered illegal or invalid for any reason, such illegality or invalidity shall not affect the remaining provisions of the Plan, but shall be fully severable, and the Plan shall be construed and enforced as if such illegal or invalid provision had never been contained therein.
- 9.13 Non-exclusive. Nothing in the Plan shall limit the authority of the Company, the Board or the Committee to adopt other compensation arrangements for any Participant.
- 9.14 Successors. Subject to Section 9.7, all obligations of the Company under the Plan with respect to Target Awards granted hereunder shall be binding upon any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation or otherwise, of all or substantially all of the assets of the Company.
- 9.15 Effect on Other Benefits. Amounts paid or payable under the Plan may be taken into account in determining payments or benefits under any other compensation or benefit plan, but only to the extent provided for, or not explicitly prohibited by, any governing plan documents.
- 9.16 Non-Solicitation. During the term of Participant’s employment with the Company and for a period of twelve (12) months following termination of the Participant’s employment, the Participant will not, directly or indirectly, either on Participant’s own behalf or on behalf of any other individual or commercial enterprise: (i) Solicit, induce or assist any third party in Soliciting or inducing any individual or entity who is then (or was at any time within the preceding twelve (12) months) an employee, consultant, independent contractor or agent of Company (collectively, “Covered Employee”) to leave the employment of the Company or cease performing services for the Company; (ii) hire or engage or assist any third party in hiring or engaging, any Covered Employee; or (iii) Solicit, induce or assist any third party in Soliciting or inducing any other person or entity (including, without limitation, any third-party service provider or distributor) to terminate its relationship with the Company or otherwise interfere with such relationship.

This non-solicitation provision explicitly covers all forms of oral, written, or electronic communication, including, but not limited to, communications by email, regular mail, express mail, telephone, fax, instant message, and social

media, including, but not limited to, Facebook, LinkedIn, Instagram, Twitter, and any other social media platform, whether or not in existence at the time of entering into the Plan. However, it will not be deemed a violation of this Section if the Participant merely updates the Participant's LinkedIn profile or connects with a Covered Employee on Facebook, LinkedIn, or other social media platform without engaging in any other substantive communication, by social media or otherwise, that is prohibited by this [Section 9.16](#).

- 9.17 [Forfeiture for Violation of Restrictive Covenants](#). The issuance of an Award Payment and Participant's agreement to the Restrictive Covenants are intended to be mutually dependent promises and in the event Participant breaches or threatens to breach the Restrictive Covenants, then to the greatest extent permitted by applicable law: (i) any Award Payment that has not yet been paid shall cease to be payable and (ii) any Award Payment that has been paid to Participant during the twelve (12) months prior to Participant's breach or threatened breach of the Restrictive Covenants that have not yet been paid to Participant shall be forfeited for no consideration.
- 9.18 [Clawback](#). In the event of a restatement of the Company's financial results (other than a restatement caused by a change in applicable accounting rules or interpretations), the result of which is that an Award Payment paid pursuant to the Plan would have been a lower amount had it been calculated based on such restated results, the Committee shall review such Award Payment. If the Committee determines: (i) the amount of any such Award Payment actually paid to a Participant would have been a lower amount had it been calculated based on such restated financial statements, and (ii) such restatement is the result of negligence, misconduct, deception, non-disclosure, policy violation or fraud by a Participant, the Committee, in its sole discretion, may, to the extent permitted by applicable law, require repayment of a portion or all of any Award Payment from any Participants knowledgeable of, responsible for, or contributing to, the negligence, misconduct, deception, non-disclosure, policy violation or fraud resulting in the restatement (such difference, the "Excess Compensation"). If the Committee determines to seek repayment for the Excess Compensation, it shall issue a written demand for repayment from the Participant and, if the Participant does not within a reasonable period thereafter tender repayment in response to such demand, and the Committee determines the Participant is unlikely to do so, the Committee may authorize the Company to seek a court order against the Participant for such repayment.

The Company shall not be required to pay Participants any additional amounts in the event restated financial results would have otherwise resulted in a higher Award Payment.

The actions permitted to be taken under this [Section 9.18](#) are in addition to, and not in lieu of, any and all other rights of the Board, the Committee and/or the

Company under applicable law and shall apply notwithstanding anything to the contrary in the Plan.

- 9.19 Shortened Statute of Limitations. Each Participant agrees to shorten the applicable statute of limitations and agrees that no claims or causes of actions may be brought against the Company or any its subsidiaries or Affiliates or any of their directors, officers, employees, controlling persons, agents or representatives based upon, directly or indirectly, any claim that arises under the Plan more than twelve (12) months after the date of the action that is the subject of the claim or lawsuit. Each Participant agrees to waive any statute of limitations to the contrary.



June 7, 2021

Mr. William J. Lynn III
4505 Hoban Road
Washington, D.C. 20007
Re: New Employment Agreement

Dear Bill:

This letter sets forth the terms of your continued employment as Chairman and Chief Executive Officer of Leonardo DRS, Inc. (the "Company"). Should you accept this offer, this signed letter shall constitute your employment agreement with the Company (the "Agreement") and will be effective as of June 7, 2021 (the "Effective Date").

1. Duties.

1.1 The Company shall employ you, and you shall serve, as Chairman and Chief Executive Officer of the Company and in such capacity, have such authority, functions, duties, powers, and responsibilities typically associated with such position.

1.2 You shall report to the Company's Board of Directors. You shall devote substantially all of your working time and efforts relating to the performance of your duties hereunder. While employed, you shall not engage in any other occupation for gain, profit or pecuniary advantage without the consent of the Board; provided, however, that: (a) this limitation shall not be construed as preventing you from managing your passive investments or being involved in charitable, religious, and civic interests so long as they do not materially interfere with the performance of your duties hereunder; (b) you may serve on the Proxy Board of Accenture, Inc. so long as such service does not create an actual conflict of interest or materially interfere with the performance of your duties hereunder; and (c) you may request to serve on another for-profit board of advisors or board of directors, provided that such for-profit organization is not a competing business and subject to the approval of the Board of Directors. In performing your duties hereunder, you shall comply with all written policies and procedures of the Company.

1.3 You will provide services to the Company from the Company's offices in Arlington, Virginia (Crystal City); subject to any business travel as is necessary to perform your duties as Chairman and Chief Executive Officer.

1.4 Subject to the terms set forth in Section 4 below, please understand that this letter does not constitute a contract of employment for any specific period of time, but will create an employment at-will relationship that may be terminated at any time by you or the Company, with or without cause, and with or without advance notice. The at-will nature of the employment relationship may not be modified or amended except by written agreement signed by the Chair of the Company's Compensation Committee (the "Committee") and you.



2. Compensation and Other Remuneration.

2.1 Base Salary. Your annual base salary (“Base Salary”) for 2021 will be \$1,157,249. The amount of your Base Salary shall be reviewed annually by the Board in consultation with the Parent; provided the Company may increase, but not decrease, the Base Salary. Base Salary shall be paid in accordance with the customary payroll practices of the Company and shall be subject to payroll deductions and required withholdings.

2.2 In the event of a completion of (i) an offering of the Company’s equity securities registered under the Securities Act of 1933, as amended, (ii) a direct listing of such securities on a national securities exchange and/or (iii) an exchange of 50% or more of the shares of common stock of the Company then outstanding for publicly traded equity securities of an entity or person not affiliated with the Company., (a “**Public Offering**”) on or prior to July 1, 2022, you shall be eligible to receive, subject to confirmation from the Committee, the compensation set forth in **Exhibit A**. If the Committee does not approve the form of compensation set forth in **Exhibit A**, then the Company will negotiate with you in good faith to provide you an economically equivalent cash-based award subject to similar terms and conditions as referenced in **Exhibit A**.

2.3 Annual and Long Term Incentives.

(a) You shall be eligible to participate in the Company’s annual Incentive Compensation Plan or any successor annual incentive program in effect from time to time (the “ICP”) in accordance with, and subject to, the terms of such plan. Your target award under the ICP shall be 110% of your Base Salary (as determined in accordance with the ICP) (“Target Award”) and your maximum Earned Award (as defined in the ICP) shall be 200% of your Target Award (notwithstanding anything to the contrary in the ICP). The actual amount, if any, of your ICP award will be determined in accordance with the ICP and related terms and conditions approved by the Committee or the Board, as applicable.

(b) You shall be eligible to participate in the Company’s Long-Term Incentive Plan (the “LTIP”), or any other long-term incentive plans in effect from time to time, including but not limited to any omnibus equity compensation plan (the “Omnibus Plan”) adopted by the company from time to time (collectively, the “LTI Plans”) in accordance with the terms of the LTI Plans. Your target award for 2021 under the LTIP shall be \$3,580,000. The amount of your target award shall be reviewed annually by the Board; provided the Company may increase, but not decrease, the target award. Unless otherwise provided herein, all LTI Plan awards will be subject to the terms and conditions set forth in the applicable LTI Plan and award agreement.

(c) Any awards granted to you under the LTIP shall be subject to the terms of the LTIP.

3. Benefits. While employed by the Company, you shall be entitled to the compensation, benefits, and reimbursements set forth in this Section 3, subject to the terms hereof.

3.1 Health, Welfare and Retirement Benefits. The Company shall provide group health, dental, hospitalization, life and disability insurance benefits to you and your eligible

dependents that are in effect as of the Effective Date in accordance with the terms of such plans as may be modified from time to time. You shall also be eligible to participate in such other welfare and retirement benefit plans or programs that are offered to senior executives of the Company generally to the extent you are eligible under the general provisions thereof as in effect from time to time.

3.2 Life Insurance. The Company shall provide you with term life insurance benefits under a company-sponsored individual policy that provides your beneficiary with (i) a death benefit in the amount of \$4,000,000 and (ii) a death benefit of \$325,000 that is subject to certain age-related reductions after you reach the age of 65. Such benefits are to be provided by group life insurance applicable to you and are subject to your eligibility for commercially available coverage and cooperation in obtaining same.

3.3 Vacation. You shall be entitled to four (4) weeks of paid vacation per year, with such vacation being accrued in accordance with the Company's vacation policies.

3.4 Directors' and Officers' Insurance. The Company shall provide you with coverage under the directors' and officers' insurance policy currently maintained by the Company, or provide you with coverage under any successor or replacement policy that provides at least the same level and duration of coverage as the policy currently maintained by the Company. The Company shall maintain such coverage in full force and effect for a period of time after the termination of your employment which is reasonable and customary in the industry.

3.5 Executive Allowances. You shall participate in the Company's executive allowances program, and for each calendar year of your employment you shall be entitled to an executive allowance of \$40,000.

3.6 Business Travel. The Company shall reimburse you for all reasonable expenses incurred for all business travel you engage in for the benefit of the Company. You shall be entitled to not less than business class travel, when available, when travelling for Company business.

3.7 Business Expenses. The Company shall pay or reimburse you for the ordinary and customary business expenses incurred in the performance of your duties hereunder.

3.8 Legal Expenses. The Company shall reimburse you for your reasonable legal expenses, in an amount not to exceed \$10,000, incurred in the negotiation and documentation of this Agreement.

3.9 Annual Exam. Each calendar year during which you are employed hereunder, the Company shall pay for a comprehensive annual physical examination by a physician of your choice, to the extent not otherwise covered under the Company's medical plan.

4. Termination of Employment.

4.1 Termination for Cause.

(a) The Company may terminate your employment and all of the Company's obligations hereunder, other than its obligations set forth below in this Section 4.1, at any time for "Cause." "Cause" shall mean (i) willful failure or refusal without proper cause to perform your duties with the Company, including your obligations under this Agreement (other than any such failure resulting from your incapacity due to physical or mental impairment) and, after having been given written notice thereof by the Company, failure to correct such willful failure or refusal to perform within 30 days after receipt of such notice; (ii) your engagement in dishonesty, illegal conduct or misconduct; (iii) your embezzlement, misappropriation or fraud, whether or not related to the your employment with the Company; (iv) your conviction of, or plea of guilty or nolo contendere to, a crime that constitutes a felony (or state law equivalent) or crime that constitutes a misdemeanor involving moral turpitude; or (v) your violations of the Company's code of ethics and business conduct, as amended from time to time, as determined in the Company's sole discretion.

(b) In the event your employment is terminated by the Company for Cause, the Company shall have no further obligations to you under this agreement other than to: (i) pay Base Salary and unused vacation accrued through the effective date of termination, (ii) pay any unpaid Earned Award under the ICP for any completed prior fiscal year and (iii) comply with obligations owed under the Company's benefit plans in accordance with their terms as in effect as of the effective date of termination ((i) through (iii) collectively, the "Termination Entitlement").

(c) In the event your employment is terminated by the Company for Cause, you shall cease to be eligible for any Award Payments (as defined in the ICP) not paid as of the date on which your employment terminates.

(d) In the event your employment is terminated by the Company for Cause, you shall cease to be eligible for any Award Payments (as defined in the LTIP) not paid as of the date on which employment terminates.

4.2 Termination Due to Death or Disability.

(a) This Agreement shall terminate (i) upon your death or (ii) upon written notice to you by the Company if you become physically or mentally disabled, whether totally or partially, so that you are unable to perform the regular duties of your employment with the Company on a full time continuous basis for six (6) months, or which can be expected to prevent you from performing such duties in the opinion of a qualified physician, with such notice given at any time thereafter during which you are still disabled. In the event your employment is terminated under this Section 4.2(a), the Company shall not have any further obligations hereunder, except that you or your estate shall be entitled to receive, in addition to any regular life insurance benefits paid by the Company or any disability benefits paid by insurance plans, the Termination Entitlement.

(b) In the event this Agreement is terminated due to your death or Disability (as defined in the LTIP), notwithstanding anything to the contrary herein or in the LTIP, any unvested Target Awards (as defined in the LTIP), shall fully vest on the date this Agreement terminates due to your death or Disability and shall be payable in accordance with the terms of the LTIP to you or your beneficiary.

(c) In the event your employment is terminated by reason of your death or Disability (as defined in the ICP), the Administrator (as defined in the ICP), in its sole discretion, may authorize a Pro-rated Award Payment (as defined in the ICP) to you or your beneficiary reflecting your participation for a portion of the Plan Year (as defined in the ICP) in which your employment terminated payable in accordance with the terms of the ICP.

4.3 Termination in Connection with a Change in Control. In the event of a Change in Control (as defined in the Company's Executive Severance Plan), the provisions of the Company's Executive Severance Plan shall apply in addition to the terms and conditions set forth herein.

4.4 Other Termination by the Company.

(a) The Company may terminate your employment, other than a termination under Section 4.1, 4.2 or 4.3, upon 30 days' written notice to you. In the event this Agreement is so terminated, you shall be entitled to a lump sum payment equal to (i) two and one-half times (2.5x) the sum of: (A) your Base Salary, and (B) your Target Award under the ICP for the fiscal year in which your termination of employment occurs, and (ii) any unpaid cash incentive compensation bonus earned by you for the last full fiscal year prior to the termination of your employment.

(b) If the Company terminates your employment pursuant to this Section 4.4, then notwithstanding anything to the contrary in the LTIP, (i) you shall be eligible to receive unvested Award Payments (as defined in the LTIP) for your 2019 and 2020 awards granted under the LTIP, payable at target and in accordance with the terms of the LTIP at the same time and in the same manner as Award Payments paid to other participants (provided, however, that in any event such payment must be made within sixty (60) days of the applicable vesting date), provided however: (A) you shall automatically be eligible for such Award Payment without regard to the date of your termination of employment during the calendar year, and (B) payment of such Award Payment shall not be subject to any requirement that you be employed by the Company on the date of payment, and (ii)(A) any unvested Retention Component of an LTIP award for 2021 and beyond shall continue to vest in accordance with its vesting schedule and (B) any performance component of an LTIP award for 2021 and beyond shall vest pro rata in accordance with its vesting schedule, based on the date your employment terminates, subject to satisfaction of the performance goals set forth in the applicable award agreement, as determined by the Committee; provided, that in the event of a subsequent Change of Control (as defined under the Executive Severance Plan) prior to the vesting of all of the awards granted to you under the LTIP, such awards will be treated no less favorably than those of continuing employees, subject to any applicable proration.

4.5 Termination Due to Material Breach by Company. Notwithstanding anything in this Agreement to the contrary, you shall have the right, exercisable by notice to the Company, to terminate your employment, effective thirty (30) days after the giving of notice, if at the time of such notice: (a) the Company shall be in material breach of its obligations hereunder, (b) the Company seeks to relocate your place of employment from the Washington, D.C. area, or (c) the Company has materially diminished your duties, authority or reporting lines (each, a “material breach”); provided, however, this Agreement and your employment will not so terminate if within such 30-day period the Company has cured all such material breaches; and provided further, that such notice is provided to the Company within 120 days after the occurrence of such material breach. If such material breach has not been so cured, you may elect to terminate your employment and to treat such termination as a termination of your employment by the Company pursuant to Section 4.4 above, and you shall be entitled to the rights and benefits provided for therein.

4.6 Resignation. Notwithstanding anything in this Agreement to the contrary, you may voluntarily terminate your employment ninety (90) days prior written notice to the Company. In such event, the Company’s only obligations to you shall be for the Termination Entitlement.

4.7 Retirement. Notwithstanding anything in this Agreement to the contrary, you may Retire by voluntarily terminating your employment on one hundred eighty (180) days’ prior written notice to the Company and the Board of Directors. In such event, you shall be eligible to receive:

(a) the Termination Entitlement;

(b) your Target Award under the ICP for the full fiscal year in which you retire payable at the same time as ICP awards are paid to other participants;

(c) Notwithstanding anything to the contrary in the LTIP, (i) unvested Award Payments (as defined in the LTIP) under the LTIP for 2019 and 2020, payable in accordance with the terms of the LTIP at the same time and in the same manner as Award Payments are made to other participants (provided, however, that in any event such payment must be made within sixty (60) days of the applicable vesting date), (ii) any unvested retention component of an LTIP award for 2021 and beyond and beyond shall continue to vest according to its vesting schedule, provided that your employment continued for a minimum of six (6) months after the date of grant of such awards and (iii) any unvested performance component of an LTIP award for 2021 and beyond shall vest pro rata, in accordance with its vesting schedule, based on the date your employment terminates, subject to satisfaction of the performance goals set forth in the applicable award agreement, as determined by the Committee; provided, that in the event of a subsequent Change of Control (as defined under the Executive Severance Plan) prior to the vesting of all of the awards granted to you under the LTIP, such awards will be treated no less favorably than those of continuing employees, subject to any applicable proration; and

(d) Coverage pursuant to Consolidated Omnibus Budget Reconciliation Act of 1985, as amended (“COBRA”) for eighteen (18) months, subject to the terms set forth in Section 2.2 of the Company’s Executive Severance Plan.

For the purposes of this agreement, “**Retire**” means, once you have reached the age of 65 years, the voluntary termination of employment by you; provided, that you provide notice to the Company at least one hundred eighty (180) days prior to your last day of employment. Any Founders Awards that are unvested at the time you retire shall terminate automatically without any further action by the Company and be forfeited without further notice and at no cost to the Company.

4.8 Delivery of Release; Timing of Payments.

(a) Notwithstanding anything herein to the contrary, you shall be entitled to the payments and benefits provided for in Sections 4.4, 4.5, and 4.8(b) (subject to the terms of such sections) only if you first execute and deliver to the Company, and do not revoke, a Separation and General Release Agreement (the “**Release Agreement**”) in favor of the Company, its affiliates and their respective officers and directors, in a form to be provided by the Company on or about the date on which your termination of employment occurs.

(b) Subject to Section 4.8(a), the payment provided for in Section 4.4(a) (subject to the specific terms therein) shall be made no later than 60 days following the date on which your termination of employment occurs, provided, that if the release consideration and revocation period spans two calendar years, then such payment shall be made in the second calendar year. The Termination Entitlement will be paid on the payroll date next following the date on which your termination of employment occurs.

4.9 Benefits and Other Payments upon Termination.

(a) Except as otherwise provided herein, upon termination employment, your rights to benefits and payments under the Company’s incentive compensation and other benefit plans (including the ICP, the LTI Plan and any related award agreements) shall be determined in accordance with the then current terms and provisions of such plans and any agreements under which such benefits or payments were granted, except as specifically set forth herein.

(b) If your employment is terminated under Section 4.4 or Section 4.5, you shall be entitled to the payments and benefits described in the following clauses (i) and (ii):

(i) Payment or reimbursement by the Company for COBRA premiums payable by you for health, dental and hospitalization insurance for you and any dependents who are enrolled in such plans on the date of termination for the one-year period following such date (or until the date you cease to have a valid COBRA election in effect, if sooner). Such coverage shall in all events qualify as an “accident or health plan” under Sections 105 or 106 of the Code and shall be secondary to: (y) benefits of the same type received by or made available to you by a subsequent employer (if any), and (z) Medicare coverage upon you becoming eligible for Medicare. Notwithstanding the foregoing, in the event the Company determines, in its reasonable

judgment, that payment or reimbursement of your COBRA premiums may result in a violation of applicable law, the imposition of any penalties under applicable law, or other adverse consequences to the Company, the Company may instead pay to you a lump sum amount, in cash, that on an after-tax basis is equal to the premiums (or remaining premiums) that would otherwise have been paid or reimbursed by the Company.

(ii) Continued participation in, and payment of premiums by the Company for, life insurance and other welfare benefits (other than health, dental, and hospitalization benefits) that you would otherwise be entitled to receive had you remained employed by the Company during the one-year period following the date of termination; provided, however, that if such participation by you after termination of employment is not permitted under any such plan, the Company may provide you with substantially equivalent alternative coverage through one or more individual insurance policies or otherwise. You shall cooperate with the Company with respect to the Company's obtaining and providing such substantially equivalent alternative coverage.

5. Restrictions.

5.1 Confidential Information

(a) You shall not disclose or use at any time, either during or subsequent to your service with the Company, any trade secrets or other proprietary or confidential information, whether patentable or not, of the Company or any of its Affiliates (defined below), including, but not limited to, technical or non-technical data, software programs and enhancement equipment, hardware and enhancements, business strategies, marketing data and plans, current and potential customer data and contract arrangements, plans for growth and acquisition, financial information, facilities, personnel information and operating methods and procedures or suppliers, of which you are or become informed or aware during your service with the Company, whether or not developed by you. "**Affiliate**" means, with respect to any Person, any other Person that directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such Person.

(b) This covenant shall survive the termination of your service with the Company and shall remain in effect and be enforceable against you for so long as any such Company and/or Affiliate secret, proprietary or confidential information retains economic value, whether actual or potential (to be determined at the discretion of the Company and/or the Affiliate, as applicable), from not being generally known to other persons who can obtain economic value from its disclosure or use. You shall execute such reasonable further agreements and confirmations of your obligations to the Company and its Affiliates concerning non-disclosure of trade secrets and proprietary and confidential information of the Company and its Affiliates as the Company and its Affiliates may require from time to time.

(c) Upon termination of your service with the Company, you shall promptly deliver to the Company all of the Company's property, wherever it is located, including, but not limited to, keys, equipment, all customer lists, specifications, drawings, listings, documentation, manuals, letters, notes, note books, reports, computer discs, and all copies thereof, and all other

materials of a secret, proprietary, or confidential nature relating to the Company's business, which are in your possession or under your control.

(d) Notwithstanding anything to the contrary in this Agreement or otherwise, nothing shall limit your rights under applicable law to provide truthful information to any governmental entity or to file a charge with or participate in an investigation conducted by any governmental entity.

(e) Notwithstanding the foregoing, you agree to waive your right to recover monetary damages in connection with any charge, complaint or lawsuit filed by you or anyone else on your behalf (whether involving a governmental entity or not); provided, that you are not agreeing to waive, and this Agreement shall not be read as requiring you to waive, any right you may have to receive an award for information provided to any governmental entity. You are hereby notified that the immunity provisions in Section 1833 of title 18 of the United States Code provide that an individual cannot be held criminally or civilly liable under any federal or state trade secret law for any disclosure of a trade secret that is made (1) in confidence to federal, state or local government officials, either directly or indirectly, or to an attorney, and is solely for the purpose of reporting or investigating a suspected violation of the law, (2) under seal in a complaint or other document filed in a lawsuit or other proceeding, or (3) to your attorney in connection with a lawsuit for retaliation for reporting a suspected violation of law (and the trade secret may be used in the court proceedings for such lawsuit) as long as any document containing the trade secret is filed under seal and the trade secret is not disclosed except pursuant to court order.

5.2 Intellectual Property. You hereby irrevocably assign and agree to assign to the Company all rights, title, and interest worldwide you may have or acquire in and to any and all Company Intellectual Property, together with the right to prosecute or sue for infringements or violations of the same. The term "**Intellectual Property**" means inventions, discoveries; developments; trade secrets; processes; formulas; data; lists; plans, software programs; graphics; artwork; logos, and all other works of authorship, ideas, concepts, know-how, designs, and techniques, whether or not any of the foregoing is or are patentable, copyrightable, or registerable under any intellectual property laws or industrial property laws in the United States or any foreign country. The term "**Company Intellectual Property**" means all Intellectual Property that: (a) relate to the actual or proposed business, work, research or investigation of the Company, any of its Affiliates or any predecessors thereto or that are discovered, developed, created, conceived, reduced to practice, made, completed, learned or written by you, either alone or jointly with others, in the course of your employment; (b) utilize, incorporate or otherwise relate to Company or Affiliate secret, proprietary or confidential information; or (c) are discovered, developed, created, conceived, reduced to practice, made, completed, learned or written by you using property or equipment of the Company or any of its predecessors. You agree to promptly and fully communicate in writing to the Company (to such department or officer of the Company and in accordance with such procedures as the Company may direct from time to time) any and all Company Intellectual Property. You acknowledge and agree that any work of authorship by you or others comprising Company Intellectual Property shall be deemed to be a "work made for hire," as that term is defined in the United States Copyright Act (17

U.S.C. § 101 (2000)). To the extent that any such work of authorship may not be deemed to be a work made for hire, you hereby irrevocably assigns and agrees to assign any ownership rights you may have or acquire in and to such work to the Company. You agree to perform, whether during or after your employment with the Company, all acts deemed necessary or desirable by the Company to permit and assist the Company in protecting, registering, recording, obtaining, maintaining, defending, enforcing and perfecting the Company's rights in and to the Company Intellectual Property, including executing applications for registration therefore. This Agreement does not apply to any Intellectual Property you made before your employment by the Company.

5.3 Non-Disparagement. You agree, other than with regard to employees in the good faith performance of your duties with the Company while employed by the Company, both during and after your employment with the Company terminates, not to knowingly disparage the Company or its officers, directors, employees or agents in any manner likely to be materially harmful to it or them or its or their business, business reputation or personal reputation. This paragraph shall not be violated by statements from you which are truthful, complete and made in good faith in required response to legal process or governmental inquiry. You also agree that any breach of this non-disparagement provision by you shall be deemed a material breach of this Agreement. Likewise, the Company agrees not to disparage you or your business or personal reputation, provided, however, that this paragraph shall not be violated by statements from the company which are truthful, complete, and made in good faith in required governmental disclosures in response to legal or governmental inquiry. The Company agrees that its breach of this non-disparagement provision shall be deemed a material breach of this Agreement.

5.4 Non-Competition. You agree that so long as you are employed by the Company and for a period of one (1) year after such employment is terminated, whether voluntarily or involuntarily, you will not be employed by, manage, operate, control or participate in the ownership, management, operation or control of any company, business, or organization doing business in the United States that provides products or services competitive with those of the Company if that company is providing services under a program for which the Company provided services during the last two (2) years of your employment and if your job duties or function for that company, business or organization is substantially similar to the job duties or function that you performed in connection with that program while employed by the Company during that period.

5.5 Program Non-Solicitation. You agree that you will not, while employed with the Company and for an additional two (2) years after your employment with the Company is terminated for any reason, whether voluntarily or involuntarily, participate in or assist with the submission of any proposal or bid for a program or prospective program that is competitive with a proposal of the Company by: (i) disclosing, providing or using information about the Company's work on a program or prospective program, (ii) disclosing, providing or using information about a proposal or bid for a program and prospective program prepared or made by the Company, (iii) reviewing, advising or assisting with the preparation of a proposal or bid for a program or prospective program, or (iv) reviewing, advising, assisting with or making a presentation to a program customer or prospective program customer.

5.6 Employee Non-Solicitation. You agree that you will not, while employed with the Company and for an additional two (2) years after your employment with the Company is terminated for any reason, whether voluntarily or involuntarily, directly or indirectly, (i) solicit, hire, or recruit, (ii) attempt to solicit, hire or recruit, or (iii) induce or cause the termination of employment or engagement of, any employee, consultant, independent contractor or agent of the Company.

5.7 Remedies for Breach. The parties hereby declare that the rights of the Company contained in Sections 5.1 through 5.6 are of a unique nature, the loss of which may cause irreparable harm, and that it may be impossible to measure in money the damages which will accrue to the Company by reason of the loss of such rights or a failure by you to perform or adhere to any of the obligations under Sections 5.1 through 5.6 herein. You expressly acknowledge that remedies at law alone will be inadequate to compensate the Company and its Affiliates for any breach or violation of any of the provisions of Sections 5.1 through 5.6 herein, and that the Company, in addition to all other remedies hereunder or thereunder, shall be entitled, as a matter of right, to seek injunctive relief, including specific performance, with respect to any such breach or violation, in any court of competent jurisdiction and you waive the requirement of the posting of any bond in connection with such injunctive relief. You further acknowledge and agree that the promises and covenants contained in Sections 5.1 through 5.6 are ancillary to the otherwise enforceable promises contained herein and are reasonable and valid.

6. Indemnification. The Company hereby agrees to indemnify and hold you harmless for any damages, costs, charges, fees or other expenses, including without limitation, reasonable attorneys' fees, that you incur or may incur as a result of any claims, disputes, suits or other proceedings or investigations arising out of or relating to the performance of your duties under this Agreement, to the maximum extent permitted by law. You shall be entitled to advancement of expenses in the event an indemnifiable event occurs or is threatened upon written notice to the Company of such event. You may be represented in any such matter by counsel of your choice if you shall reasonably determine that there exists a conflict of interest between the Company and you. The Company's obligations under this Section 6 shall be subject to you executing and delivering to the Company an undertaking agreement containing customary provisions for the repayment of any amounts paid, advanced, or reimbursed by the Company to the extent that it is ultimately determined that you are not entitled to indemnification pursuant to this Section 6.

7. General.

7.1 Notices. All notices, requests, consents and other communications required or permitted to be given hereunder shall be in writing and shall be deemed to have been duly given, if delivered personally or mailed first-class, postage prepaid, by registered or certified mail, as follows (or to such other or additional address as either party shall designate by notice in writing to the other in accordance herewith): If to the Company, to the Company's principal HR official in the United States and, if to you, to the address set forth on the records of the Company.

7.2 Governing Law. Except for the indemnification provision contained in Section 6, which shall be governed by the laws of the State of Delaware, this Agreement shall be governed by and construed and enforced in accordance with the laws of the Commonwealth of Virginia

applicable to agreements made and performed within Virginia, without regard to the principles of conflicts laws.

7.3 Resolution of Conflict. Except as provided in Section 5.3, any and all disputes, claims and controversies between the parties hereto concerning the validity, interpretation, performance, termination or breach of this Agreement, which cannot be resolved by the parties within ninety (90) days after such dispute, claim or controversy arises shall, at the option of either party, be referred to and finally settled by arbitration. Such arbitration shall be initiated by the initiating party giving notice (the “**Arbitration Notice**”) to the other party (the “**Respondent**”) that it intends to submit such dispute, claim or controversy to arbitration. Each party shall, within thirty (30) days of the date the Arbitration Notice is received by the Respondent, designate a person to act as an arbitrator; if either party fails to designate a person to Act as an arbitrator within the time specified herein the arbitration shall be conducted by the sole designated arbitrator. The two arbitrators appointed by the parties shall, within thirty (30) days after their designation appoint a third arbitrator who shall act as presiding arbitrator (the “**Presiding Arbitrator**”). If the two arbitrators designated by the parties are unable to appoint a Presiding Arbitrator, the Presiding Arbitrator shall be appointed according to the rules of the American Arbitration Association as in effect on the date the notice of submission to arbitration is given (the “**Rules**”). Such arbitration shall be held in Virginia in accordance with the Rules except as otherwise expressly provided herein. The arbitrators shall, by majority vote, render a written decision stating reasons therefore in reasonable detail within three (3) months after the appointment of all the arbitrators. The award of the arbitrators shall be made in United States currency and shall be final and binding, and judgment thereon may be rendered by any court having jurisdiction thereof, or application may be made to such court for the judicial acceptance of the award and an order of enforcement as the case may be.

7.4 Assignability. This Agreement may not be assigned by either party without the other party’s express written consent.

7.5 Amendments; Waivers. This Agreement may be amended, modified, superseded, canceled, renewed or extended and the terms or covenants hereof may be waived only by written instrument executed by both of the parties hereto, or in the case of a waiver, by the party waiving compliance. The failure of either party at any time or times to require performance of any provisions hereof shall in no manner affect such party’s right at a later time to enforce the same. No waiver by either party of the breach of any term or covenant contained in this Agreement, whether by conduct or otherwise, in any one or more instances, shall be deemed to be, or construed as, a further or continuing waiver of any such breach, or a waiver of the breach of any other term or covenant contained in this Agreement.

7.6 Severability. If any provision of this Agreement is held to be unenforceable by a court, the remaining provisions shall be enforced to the maximum extent possible. If a court should determine that any provision of this Agreement is overbroad or unreasonable, such provision shall be given effect to the maximum extent possible by narrowing or enforcing in part that aspect of the provision found overbroad or unreasonable.

7.7 Withholding Taxes. Payments made to pursuant to this Agreement shall be subject to withholding and social security taxes and other ordinary and customary payroll deductions.

7.8 Compliance with IRC Section 409A. This Agreement is intended to comply with Section 409A of the Internal Revenue Code of 1986, as amended (the “**Code**”) to the extent applicable, and will be interpreted in a manner intended to comply with Section 409A of the Code. Notwithstanding anything herein to the contrary, if at the time of your termination of employment with the Company you are a “specified employee” as defined in Section 409A of the Code (and any related regulations or other pronouncements thereunder) and the deferral of the commencement of any payments or benefits otherwise payable hereunder or under the LTI Plans as a result of such termination of employment is necessary in order to prevent any accelerated or additional tax under Section 409A of the Code, then the Company will defer the commencement of the payment of any such payments or benefits hereunder (without any reduction in such payments or benefits ultimately paid or provided to you) until the expiration of the six-month period measured from the date of your separation from service with the Company (or the earliest date as is permitted under Section 409A of the Code). On the first day of the seventh month following the date of your separation from service, or if earlier, the date of your death, all payments delayed pursuant to this paragraph (whether they would have otherwise been paid or reimbursed to you in a single sum or in installments) shall be paid or reimbursed to you in a single sum and any remaining payments and benefits due under this Agreement shall be paid or provided in accordance with the normal dates specified for them in this Agreement. In addition, if any other payments of money or other benefits due to you hereunder could cause the application of an accelerated or additional tax under Section 409A of the Code, such payments or other benefits shall be deferred if deferral will make such payment or other benefits compliant under Section 409A of the Code, or otherwise such payment or other benefits shall be restructured, to the extent possible, in a manner, determined by the Company, that does not cause such an accelerated or additional tax. To the extent any reimbursements or in-kind benefits due to you under this Agreement constitute “deferred compensation” under Section 409A of the Code, any such reimbursements or in-kind benefits shall be paid to you in a manner consistent with Treas. Reg. Section 1.409A-3(i)(1)(iv) or (v), as applicable. Each payment made under this Agreement shall be designated as a “separate payment” within the meaning of Section 409A of the Code. The Company shall consult with you in good faith regarding the implementation of the provisions of this Section 7.8.

7.9 Section 280G.

(a) If any of the payments or benefits received or to be received by you (including, without limitation, any payment or benefits received in connection with your Separation of Service, whether pursuant to the terms of this Agreement or any other plan, arrangement, or agreement, or otherwise) (all such payments collectively referred to herein as the “**280G Payments**”) constitute “parachute payments” within the meaning of Section 280G of the Code and will be subject to the excise tax imposed under Section 4999 of the Code (the “**Excise Tax**”, then such 280G Payments will be reduced in a manner determined by the Company (by the minimum possible amounts) that is consistent with the requirements of Section 409A until no

amount payable to you will be subject to the Excise Tax. If two economically equivalent amounts are subject to reduction but are payable at different times, the amounts will be reduced (but not below zero) on a pro rata basis.

(b) All calculations and determinations under this Section will be made by an independent accounting firm, independent consultant or independent tax counsel appointed by the Company (the “**Tax Counsel**”) whose determinations will be conclusive and binding on the Company and you for all purposes. For purposes of making the calculations and determinations required by this Section, the Tax Counsel may rely on reasonable, good faith assumptions and approximations concerning the application of Section 280G and Section 4999 of the Code. The Company and you will furnish the Tax Counsel with such information and documents as the Tax Counsel may reasonably request in order to make its determinations under this Section. The Company will bear all costs the Tax Counsel may reasonably incur in connection with its services.

7.10 No Offset. Neither you nor the Company shall have any right to offset any amounts owed by one party hereunder against amounts owed or claimed to be owed to such party, whether pursuant to this Agreement or otherwise, and you and the Company shall make all the payments provided for in this Agreement in a timely manner.

7.11 Beneficiaries. Whenever this Agreement provides for any payment to your estate, such payment may be made instead to such beneficiary or beneficiaries as you may designate by written notice to the Company. You shall have the right to revoke any such designation and to re-designate a beneficiary or beneficiaries by written notice to the Company (and to any applicable insurance company) to such effect.

7.12 Compliance with SSA and Proxy Agreement. The parties agree that the terms of this Agreement and the performance of the parties’ obligations contemplated herein are intended to be subject to any Special Security Agreement (“**SSA**”) or Proxy Agreement entered into between the Company and the Department of Defense. To the extent that any provision of this Agreement is prohibited or invalid under the terms of any SSA or Proxy Agreement, (a) such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement, and (b) the Company and you agree to negotiate in good faith such changes as may be necessary to comply with the terms of any SSA or Proxy Agreement and to preserve to the maximum extent possible, the rights and obligations of the parties hereto.

7.13 Successor. The Company shall require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of the Company to assume and agree to perform this Agreement in the same manner and to the same extent as the Company would be required to perform if no such succession had occurred. As used in this Agreement, “**Company**” shall mean the Company as defined above and any successor to all or substantially all of its business or assets which becomes bound by all of the terms and conditions of this Agreement.

7.14 Counterparts. This Agreement may be executed in any number of counterparts and by facsimile or .pdf, all of which shall constitute one original instrument.

7.15 Headings. The section headings contained herein are for reference purposes only and shall not in any way affect the meaning or interpretation of this Agreement.

7.16 Entire Agreement. This letter and the documents and agreements referenced herein constitute the entire agreement between you and the Company with respect to the subject matter hereof and as of the Effective Date will supersede any and all prior or contemporaneous oral or written representations, understandings, agreements or communications between you and the Company concerning those subject matters, including but not limited to the employment agreement between you and the Company dated as of May 1, 2014 and the employment agreement between you and the Company dated as of May 3, 2017. The terms set forth in this letter shall not be changed, altered, modified or amended, except by a written agreement that (i) explicitly states the intent of both parties hereto to supplement this offer letter and (ii) is signed by both parties hereto. No provision of this Agreement is intended to confer on any person not a party hereto any rights or remedies.

7.17 No Mitigation. The Company agrees that, if your employment with the Company terminates, you shall not be required to seek other employment or to attempt in any way to reduce any amounts payable to you by the Company pursuant to Section 4. Further, no payment or benefit provided for in this Agreement shall be reduced by any compensation earned by you as the result of retirement benefits or as a result of you providing services to another Person.

7.18 Survival. Provisions of this Agreement which by their terms must survive the termination of this Agreement in order to effectuate the intent of the parties will survive any such termination, whether by termination of your employment or otherwise, for such period as may be appropriate under the circumstances. Such provisions include, without limitation, Sections 4, 5, 6 and 7.

To accept this offer, please sign this letter in the space provided below and return to Tami Gesiskie, Senior Vice President, Human Resources. We are pleased to reach agreement regarding your continued service to the Company and look forward to receiving your acceptance of this offer by 11:59 pm (ET) on June 9, 2021.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement with legal and binding effect as of the day and year first above written.

LEONARDO DRS, INC.

By: /s/ Frances F. Townsend

Name: Frances F. Townsend

Title: Compensation Committee Chair

WILLIAM J. LYNN III

/s/ William J. Lynn III

Exhibit A Post-Public Offering Terms

In the event of the Company's Public Offering on or prior to July 1, 2022, you shall be eligible to receive, subject to confirmation from the Committee, the following compensation and benefits in addition to any compensation or benefits available under the terms of the Agreement.

1. Compensation and Other Remuneration.

1.1 Annual and Long Term Incentives.

(a) You shall be eligible to receive a Founders Award ("**Founders Award**") in connection with the Company's Public Offering in the form of restricted stock units, subject to approval by the Committee and in accordance with the terms of the Founders Award. Your target Founders Award shall be equal to an amount that is two times your 2020 LTIP target award, subject to the terms and conditions of the Founders Award.

(b) You shall be eligible to participate in any LTI Plan in effect from time to time, in accordance with the terms of such LTI Plans.

2. Termination of Employment.

2.1 Termination for Cause.

(a) In the event your employment is terminated by the Company for Cause prior to the vesting of all of the awards granted to you under any Omnibus Plan, any unvested awards shall terminate automatically without any further action by the Company and be forfeited without further notice and at no cost to the Company, unless otherwise provided in the applicable award agreements. For the avoidance of doubt, this Section 2.1(a) of this Exhibit A shall also apply to your Founders Awards.

2.2 Termination Due to Death or Disability.

(a) In the event your employment is terminated by reason of your death or Disability (as defined in the Omnibus Plan), any awards granted under the Omnibus Plan shall fully vest on the date of your death or Disability, as applicable, unless otherwise provided in the applicable award agreements. For the avoidance of doubt, this Section 2.2(a) of this Exhibit A shall also apply to your Founders Awards.

2.3 Other Termination by the Company.

(a) If the Company terminates your employment pursuant to Section 4.4 of the Agreement prior to the vesting of all of any awards granted to you under the Omnibus Plan, excluding any Founders Awards, then subject to Committee approval and not withstanding anything to the contrary in the Omnibus Plan or applicable award agreement, (i) any unvested restricted stock unit granted to you under the Omnibus Plan shall continue to vest in accordance with its vesting schedule set forth in the applicable award agreement and (ii) any performance-

based restricted stock unit granted to you under the Omnibus Plan shall vest pro rata, in accordance with its vesting schedule, based on the effective date your employment terminates, subject to satisfaction of the performance goals set forth in the applicable award agreement, as determined by the Committee, provided that in the event of a subsequent Change of Control (as defined under the Omnibus Plan) prior to the vesting of all of the awards granted to you under the Omnibus Plan, such awards will be treated no less favorable than those of continuing employees, subject to any applicable proration.

(b) If the Company terminates your employment (as defined in the Omnibus Plan) pursuant to Section 4.4 of the Agreement prior to the vesting of all of your Founders Awards, any unvested awards shall continue to vest in accordance with vesting schedule set forth in the applicable award agreement.

2.4 Retirement. In the event you Retire pursuant to Section 4.7 of the Agreement, in addition to the compensation and benefits set forth in Section 4.7 of the Agreement you shall be eligible to receive:

(a) any restricted stock unit granted to you under the Omnibus Plan (excluding any Founders Awards) shall continue to vest according to the vesting schedule in the applicable award agreement, provided that your employment continued for a minimum of six (6) months after the date of grant of such awards; and

(b) any performance-based restricted stock unit granted to you under the Omnibus Plan shall vest pro rata, in accordance with its vesting schedule, based on the date your employment terminates, subject to satisfaction of the performance goals set forth in the applicable award agreement, as determined by the Committee;

provided, that in the event of a subsequent Change of Control (as defined under the Omnibus Plan) prior to the vesting of all of the awards granted to you under the Omnibus Plan, such awards will be treated no less favorably than those of continuing employees, subject to any applicable proration.

LEONARDO DRS, INC.
EXECUTIVE SEVERANCE PLAN

The Company hereby adopts, as of the Effective Date, the Leonardo DRS, Inc. Executive Severance Plan (the “Plan”) for the benefit of certain employees of the Company and its subsidiaries, on the terms and conditions stated herein. The Plan replaces the Company’s existing amended and restated change in control plan, dated as of September 12, 2016. All capitalized terms used herein are defined in Section 1 hereof. The Plan, as set forth herein, is intended to help retain qualified employees, maintain a stable work environment and provide economic security to certain key employees of the Company in the event of a Qualifying Non-CIC Termination or a Qualifying CIC Termination (each, as defined below). The Plan, as a “severance pay arrangement” within the meaning of section 3(2)(B)(i) of ERISA, is intended to be excepted from the definitions of “employee pension benefit plan” and “pension plan” set forth under section 3(2) of ERISA, and is intended to meet the descriptive requirements of a plan constituting a “severance pay plan” within the meaning of regulations published by the Secretary of Labor at Title 29, Code of Federal Regulations §2510.3-2(b).

1. DEFINITIONS. As used herein:

1.1 “Auditor” means the Company’s independent registered public accounting firm or other valuation expert as determined by the Company.

1.2 “Board” means the Board of Directors of the Company, as constituted from time to time.

1.3 “Cause” means (a) with respect to an Eligible Employee employed pursuant to a written employment agreement which agreement includes a definition of “Cause,” “Cause” as defined in that agreement or (b) with respect to any other Eligible Employee, the occurrence of any of the following: (i) the Eligible Employee’s repeated or continued failure to perform his or her duties to the Company’s satisfaction (other than any such failure resulting from incapacity due to physical or mental illness), as determined in the Company’s sole discretion; (ii) the Eligible Employee’s engagement in dishonesty, illegal conduct or misconduct; (iii) the Eligible Employee’s embezzlement, misappropriation or fraud, whether or not related to the Eligible Employee’s employment with the Company; (iv) the Eligible Employee’s conviction of, or plea of guilty or nolo contendere to, a crime that constitutes a felony (or state law equivalent) or crime that constitutes a misdemeanor involving moral turpitude; or (v) the Eligible Employee’s violation of the Company’s code of ethics and business conduct or any other policies referenced therein, as amended from time to time, as determined in the Company’s sole discretion.

1.4 “Change in Control” means, the occurrence of any of the following events:

(a) during any period of 12 months, individuals who constitute the Board as of the date hereof (the “Incumbent Directors”) cease for any reason to constitute at least a majority of the Board, provided that any person becoming a director subsequent to the beginning of such period, whose election or nomination for election was approved by a vote of at least two-



thirds of the Incumbent Directors then on the Board (either by a specific vote or by approval of the proxy statement of the Company in which such person is named as a nominee for director, without written objection to such nomination) will be an Incumbent Director; provided, however, that no individual initially elected or nominated as a director of the Company as a result of an actual or publicly threatened election contest with respect to directors or as a result of any other actual or publicly threatened solicitation of proxies by or on behalf of any person other than the Board will be deemed to be an Incumbent Director; provided, further, that this Section 1.4(a) shall not be in effect until there are no Leonardo S.p.A “Proxy Holders” (as defined in the Proxy Agreement (as such agreement may be as amended, restated, modified or supplemented from time to time, the “Proxy Agreement”) by and between the Company, the Proxy Holders, the Stockholder, Leonardo – Societa per azioni and the United States Department of Defense) on the Board;

(b) any “person” (as such term is defined in Section 3(a)(9) of the Exchange Act and as used in Sections 13(d)(3) and 14(d)(2) of the Exchange Act), becomes a “beneficial owner” (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 30% or more of the combined voting power of the Company’s then-outstanding securities eligible to vote for the election of the Board (“Company Voting Securities”); provided, however, that the event described in this paragraph (b) will not be deemed to be a Change in Control by virtue of the ownership, or acquisition, of Company Voting Securities: (A) by the Company, (B) by any employee benefit plan (or related trust) sponsored or maintained by the Company, (C) by any underwriter temporarily holding securities pursuant to an offering of such securities or (D) pursuant to a Non-Qualifying Transaction (as defined in paragraph (c) of this definition); or (E) by Leonardo S.p.A or any of its direct or indirect Subsidiaries;

(c) the consummation of a merger, consolidation, statutory share exchange or similar form of corporate transaction involving the Company that requires the approval of the Company’s stockholders, whether for such transaction or the issuance of securities in the transaction (a “Business Combination”), excluding such a Business Combination with Leonardo S.p.A or any of its direct or indirect subsidiaries, unless immediately following such Business Combination: (A) more than 60% of the total voting power of (x) the entity resulting from such Business Combination (the “Surviving Entity”), or (y) if applicable, the ultimate parent corporation that directly or indirectly has beneficial ownership of at least 95% of the voting power, is represented by Company Voting Securities that were outstanding immediately prior to such Business Combination (or, if applicable, is represented by shares into which such Company Voting Securities were converted pursuant to such Business Combination), and such voting power among the holders thereof is in substantially the same proportion as the voting power of such Company Voting Securities among the holders thereof immediately prior to the Business Combination, (B) no person (other than any employee benefit plan (or related trust) sponsored or maintained by the Surviving Entity or the parent), becomes the beneficial owner, directly or indirectly, of 30% or more of the total voting power of the outstanding voting securities eligible to elect directors of the parent (or, if there is no parent, the Surviving Entity) and (C) at least a majority of the members of the board of directors of the parent (or, if there is no parent, the Surviving Entity) following the consummation of the Business Combination were Incumbent

Directors at the time of the Board's approval of the execution of the initial agreement providing for such Business Combination (any Business Combination which satisfies all of the criteria specified in (A), (B) and (C) of this paragraph (c) will be deemed to be a "Non-Qualifying Transaction"); or

(d) the consummation of a sale of all or substantially all of the Company's assets (other than to Leonardo S.p.A or any of its direct or indirect Subsidiaries or an affiliate of the Company); or

(e) the Company's stockholders approve a plan of complete liquidation or dissolution of the Company.

Notwithstanding the foregoing, a Change in Control will not be deemed to occur solely because any person acquires beneficial ownership of more than 30% of the Company Voting Securities as a result of the acquisition of Company Voting Securities by the Company which reduces the number of Company Voting Securities outstanding; provided that if after such acquisition by the Company such person (other than Leonardo S.p.A or any of its direct or indirect Subsidiaries) becomes the beneficial owner of additional Company Voting Securities that increases the percentage of outstanding Company Voting Securities beneficially owned by such person, a Change in Control will then occur. For the avoidance of doubt, a completion of (i) an offering of the Company's equity securities registered under the Securities Act of 1933, as amended, (ii) a direct listing of such securities on a national securities exchange and/or (iii) an exchange of 50% or more of the shares of common stock of the Company then outstanding for publicly traded equity securities of an entity or person not affiliated with the Company, will not constitute a Change in Control.

1.5 "CIC Severed Employee" is an Eligible Employee who incurs a Qualifying CIC Termination.

1.6 "Client" means, in the past twenty-four (24) months, any client or prospective client of the Company to whom Eligible Employee provided services, or for whom Eligible Employee transacted business, or whose identity became known to Eligible Employee in connection with Eligible Employee's relationship with or employment by the Company with which the Company wanted or intended to do business with.

1.7 "Code" means the Internal Revenue Code of 1986, as it may be amended from time to time.

1.8 "Committee" means the Compensation Committee of the Board, as constituted from time to time.

1.9 "Company" means Leonardo DRS, Inc. (collectively with its subsidiaries) or any successors thereto.

1.10 "Company Property" means any and all documents, computer and computer-related hardware and software items, disks, telephones, customer and prospect lists, marketing,

planning, financial and business strategy materials and all other materials or other things in your possession, custody or control that were produced by, received by or otherwise submitted to you by anyone during your employment by the Company relating to the Company's business or a customer of the Company or that otherwise are the property of the Company.

1.11 “Competitive Enterprise” means any business enterprise that engages in any activity that competes anywhere with any activity in which the Company is engaged.

1.12 “Confidential Information” means all non-public information of the Company's business and its customers and affiliates of such customers, including but not limited to, the pendency or contemplation of certain transactions, the identity of the Company's customers, the kinds of services provided by the Company to customers and offered to be performed for potential customers, computer software applications and other programs, personnel information and other trade secrets. “Confidential Information” does not include information which (i) is or becomes available to the public generally (other than as a result of the Eligible Employee's disclosure) or (ii) becomes available to the Eligible Employee on a non-confidential basis from a source other than the Company.

1.13 “Disability” means, unless otherwise defined in an employment agreement between the Eligible Employee and the Company, a Eligible Employee's inability to perform the duties of his or her employment on a full-time basis for six (6) consecutive months, as determined by the Committee.

1.14 “Effective Date” means [], 2021.

1.15 “Eligible Employee” means any Level 1 Employee or Level 2 Employee, as designated by the Plan Administrator from time to time; provided such Level 1 Employee or Level 2 Employee has signed an acknowledgement of the terms and conditions of the Plan including, without limitation, the Restrictive Covenants contained in Section 5 hereof.

1.16 “ERISA” means the Employee Retirement Income Security Act of 1974, as it may be amended from time to time.

1.17 “Excise Tax” means any excise tax imposed under section 4999 of the Code.

1.18 “Good Reason” means, following a Change in Control, (a) with respect to an Eligible Employee employed pursuant to a written employment agreement which agreement includes a definition of “Good Reason,” “Good Reason” as defined in that agreement or (b) with respect to any other Eligible Employee, the occurrence of any of the following in the absence of the Eligible Employee's written consent: (i) a material diminution in the Eligible Employee's authority, duties, or responsibilities (other than temporarily while the Eligible Employee is physical or mentally incapacitated or as required by law), (ii) a material diminution in the Eligible Employee's base salary (iii) the relocation of the Eligible Employee's principal place of employment to a location more than fifty (50) miles from the Eligible Employee's existing principal place of employment, which constitutes a material adverse change in the geographic location with respect to such Eligible Employee or (iv) the Company's material breach of any

employment agreement to which the Company and the Eligible Employee are party at the time of such breach; provided that in any case such event is not cured by the Company (if susceptible to cure by the Company) within thirty (30) days after the Company has received written notice from the affected Eligible Employee within ninety (90) days of the initial existence of the event or condition constituting Good Reason specifying the particular events or conditions which constitute Good Reason.

1.19 “Level 1 Employee” shall mean each individual designated by the Plan Administrator from time to time as a Level 1 Employee. The Plan Administrator has designated the individuals set forth in Attachment 1 hereto as Level 1 Employees.

1.20 “Level 2 Employee” shall mean each individual designated by the Plan Administrator from time to time as a Level 2 Employee. The Plan Administrator has designated the individuals set forth in Attachment 2 hereto as Level 2 Employees.

1.21 “Non-CIC Severed Employee” is an Eligible Employee who incurs a Qualifying Non-CIC Termination.

1.22 “Plan” means this Leonardo DRS, Inc. Executive Severance Plan, as set forth herein, as it may be amended from time to time.

1.23 “Plan Administrator” means the Committee or its designee.

1.24 “Pro Rata Bonus” shall mean an amount equal to the Eligible Employee’s target annual cash bonus for the fiscal year in which the Severance Date occurs, pro-rated for the period of the Eligible Employee’s employment with the Company during the fiscal year in which the Severance Date occurs.

1.25 “Qualifying Termination” means a Qualifying Non-CIC Termination or a Qualifying CIC Termination.

1.26 “Qualifying CIC Termination” means the termination of an Eligible Employee’s employment with the Company on or within two (2) years following the date of a Change in Control (i) by the Company or its successor other than for Cause or (ii) by the Eligible Employee for Good Reason; provided that a Qualifying CIC Termination shall occur only if such termination of employment constitutes a “separation from service” within the meaning of section 409A of the Code and the applicable regulations issued thereunder (“Section 409A”). Notwithstanding the foregoing, an Eligible Employee will not be considered to have incurred a Qualifying CIC Termination (a) if his or her employment is discontinued by reason of the Eligible Employee’s death or Disability (other than in each case with respect to payments pursuant to Section 2.3 hereof as set forth herein) or (b) by reason of the divestiture of a facility or other assets of the Company, sale of a business or business unit, or the outsourcing of a business activity with which the Eligible Employee is affiliated if the Eligible Employee is offered comparable employment by the successor company and the successor company assumes the Company’s responsibilities under the Plan with respect to such Eligible Employee.

1.27 “Qualifying Non-CIC Termination” means the termination of an Eligible Employee’s employment with the Company, that is not a Qualifying CIC Termination, by the Company or its successor other than for Cause; provided that a Qualifying Non-CIC Termination shall occur only if such termination of employment constitutes a “separation from service” within the meaning of Section 409A. Notwithstanding the foregoing, an Eligible Employee will not be considered to have incurred a Qualifying Non-CIC Termination (a) if his or her employment is discontinued by reason of the Eligible Employee’s death or Disability (other than in each case with respect to payments pursuant to Section 2.3 hereof as set forth herein) or (b) by reason of the divestiture of a facility or other assets of the Company, sale of a business or business unit, or the outsourcing of a business activity with which the Eligible Employee is affiliated if the Eligible Employee is offered comparable employment by the successor company and the successor company assumes the Company’s responsibilities under the Plan with respect to such Eligible Employee.

1.28 “Restrictive Covenants” means the restrictions set forth in Section 5 and, if Eligible Employee is a party to, or participant in, an employment agreement, severance agreement or other agreement or plan with the Company, which agreement sets forth provisions regarding Confidential Information, non-solicitation or non-competition, the provisions set forth in such employment agreement, severance agreement or other agreement or plan.

1.29 “Restricted Period” means twelve (12) months immediately following the Severance Date.

1.30 “Severance Date” means a date on which an Eligible Employee incurs a Qualifying Termination.

1.31 “Severance Multiplier” means (i) in the event of a Qualifying CIC Termination (a) with respect to each Level 1 Employee, 2.5 and (b) with respect to each Level 2 Employee, 2.

1.32 “Severance Pay” means the payments determined pursuant to Section 2.1 hereof.

1.33 “Severance Period” means (i) in the event of a Qualifying CIC Termination, (a) with respect to each Level 1 Employee, the shorter of (x) thirty (30) months immediately following the Severance Date and (y) the period ending on the last day of the second calendar year following the calendar year in which the Severance Date occurs; and (b) with respect to each Level 2 Employee, twenty-four (24) months immediately following the Severance Date and (ii) in the event of a Qualifying Non-CIC Termination (a) with respect to each Level 1 Employee, eighteen (18) months immediately following the Severance Date; and (b) with respect to each Level 2 Employee, twelve (12) months immediately following the Severance Date.

1.34 “Severed Employee” is a CIC Severed Employee or a Non-CIC Severed Employee.

1.35 “Solicit” means any direct or indirect communication of any kind, regardless of who initiates it, that in any way invites, advises, encourages or requests any person to take or refrain from taking any action.

1.36 “Specified Employee” means any Eligible Employee described in section 409A(a)(2)(B)(i) of the Code.

1.37 “Tax Counsel” means tax counsel selected by the Company (which Tax Counsel may be the Company’s general counsel or tax advisors).

1.38 “Total Payments” means all payments or benefits received in connection with a Change in Control or the termination of the Severed Employee’s employment, whether pursuant to the terms of the Plan or any other plan, arrangement or agreement.

1.39 “Unpaid Prior Year Bonus” shall be any unpaid cash incentive compensation bonus earned by the Eligible Employee for the last full fiscal year prior to the Severance Date (disregarding for purposes of this definition any active employment eligibility requirement).

BENEFITS.

2.1 Severance Entitlement.

(a) Each CIC Severed Employee shall be entitled, subject to Section 2.7 hereof, to receive Severance Pay in an amount equal to the sum of (i) his or her annual base salary and ICP target award under the Company’s Incentive Compensation Plan (“ICP”) for the fiscal year in which the Severance Date occurs, multiplied by the applicable Severance Multiplier; (ii) his or her Unpaid Prior Year Bonus, if any; and (iii) the Pro Rata Bonus.

(b) Each Non-CIC Severed Employee shall be entitled, subject to Section 2.7 hereof, to receive Severance Pay in an amount equal to the sum of (i)(A) for any Level 1 Employee, 18 months of his or her annual base salary and (B) for any Level 2 Employee, 12 months of his or her annual base salary; (ii) his or her Unpaid Prior Year Bonus, if any; and (iii) the Pro Rata Bonus.

(c) For purposes of this Section 2.1, “annual base salary” shall be the Severed Employee’s annual base salary (excluding bonuses, commissions, premium pay, and similar compensation) as of immediately prior to the Qualifying Termination (without regard to any reduction therein which constitutes Good Reason).

(d) Subject to Section 7.2, Severance Pay under Section 2.1(a) shall be paid to an eligible Severed Employee in a cash lump sum, within three (3) days following the Release Effective Date, described in Section 2.7 hereof provided, that, if the period between the Severance Date and the latest possible Release Effective Date spans two calendar years, the Severance Pay shall be paid in the second calendar year. In the case of any Severed Employee that is a Specified Employee, such Severance Pay shall be paid as soon as practicable following the date that is six months after the Severance Date; provided, that the foregoing shall only apply to the extent the Company determines such delay is required to avoid accelerated taxation or penalties under Section 409A.

(e) Subject to Section 7.2, Severance Pay under Section 2.1(b) shall be paid to an eligible Severed Employee over the Severance Period in equal installment in accordance with the Company's normal pay practices.

2.2 Subject to Section 2.7 and Section 7.2 hereof, provided the Severed Employee elects to receive continued medical and/or dental coverage under one or more of the Company's group healthcare plans pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA"), (x) the Company shall reimburse the Severed Employee monthly for an amount, at no greater after tax cost to the Severed Employee than the after tax cost to the Severed Employee as of immediately prior to the Severance Date (or, if more favorable to the Severed Employee, as of immediately prior to the first occurrence of an event or circumstance constituting Good Reason), equal to the monthly COBRA premiums for the Severed Employee and the Severed Employee's covered dependents under such plans (the "Benefit Reimbursement Payments"), and (y) the Company shall pay the Severed Employee an additional monthly amount equal to the Company's cost as of immediately prior to the Severance Date (or, if more favorable to the Severed Employee, as of immediately prior to the first occurrence of an event or circumstance constituting Good Reason) of the Severed Employee's coverage under the Company's disability, accident and life insurance for the Severed Employee and the Severed Employee's covered dependents (the "Insurance Benefit Payments," and together with the Benefit Reimbursement Payments, the "Benefit Payments"), in each case of clause (x) and (y) during the period commencing on the Severance Date and ending upon the earlier of (A) the last day of the Severed Employee's Severance Period, and (B) the date the Severed Employee becomes eligible to receive healthcare coverage or other insurance coverage, as applicable, from a subsequent employer (the "Benefit Continuation Period"). The Severed Employee will promptly notify the Company in writing of such subsequent employment. The Benefit Payments shall be paid to the Severed Employee in equal installments on a monthly basis during the applicable Benefit Continuation Period no later than the date of each month that the COBRA premiums are due to the insurance carrier or COBRA administrator (as applicable). Notwithstanding the foregoing, if the Company's provision of benefits under this Section 2.2 would violate the nondiscrimination rules under applicable law, or result in the imposition of penalties under applicable law, the Company shall reform this Section 2.2 in a manner as is necessary to comply with applicable law, without reduction in the value of benefits.

2.3 LTIP Award Payments.

(a) In the event of a Qualifying CIC Termination, subject to Section 2.7 and Section 7.2, any awards granted to a CIC Severed Employee under the Company's Long Term Incentive Plan ("LTIP") shall be deemed to be immediately vested and payable to the CIC Severed Employee, notwithstanding any provision of the LTIP to the contrary (such vested and payable LTIP Award amount, the "CIC LTIP Amount"). Any payments under this Section 2.3(a) shall be paid at the same time as the Severance Pay, subject to Section 7.2 and the final sentence of this Section 2.3(a). Notwithstanding any provisions of this Section 2.3(a) to the contrary, if prior to a Change in Control, a CIC Severed Employee has a legally binding right within the meaning of Section 409A to a Pro-rated Award Payment under the LTIP, the portion of the CIC LTIP Amount equal to the Pro-rated Award Payment shall, to the extent necessary to comply

with Section 409A, be paid at such time or times as set forth in the LTIP; provided, that, in no event shall the aggregate amount paid to such CIC Severed Employee under the LTIP and this Section 2.3(a) be less than the amount payable in respect of the LTIP awards under this Section 2.3(a).

(b) In the event of a Qualifying Non-CIC Termination, subject to Section 2.7 and Section 7.2, any awards granted to a Non-CIC Severed Employee under the LTIP shall be deemed to be treated in accordance with Section 8 of the LTIP (such amounts payable, the “LTIP Amount”).

2.4 Any outstanding awards granted to a Severed Employee under any omnibus equity compensation plan (“Omnibus Plan”) adopted by the Company from time to time shall be treated in accordance with the terms of such Omnibus Plan (or any successor plan) and the award agreements thereunder.

2.5 In the event of a claim by a Severed Employee as to the amount or timing of any payment or benefit, such Severed Employee shall present the reason for his or her claim in writing to the Plan Administrator. The Plan Administrator shall, within sixty (60) days after receipt of such written claim, send a written notification to the Severed Employee as to its disposition. In the event the claim is wholly or partially denied, such written notification shall (i) state the specific reason or reasons for the denial, (ii) make specific reference to pertinent Plan provisions on which the denial is based, (iii) provide a description of any additional material or information necessary for the Severed Employee to perfect the claim and an explanation of why such material or information is necessary, and (iv) set forth the procedure by which the Severed Employee may appeal the denial of the claim. In the event a Severed Employee wishes to appeal the denial of his or her claim, the Eligible Employee may request a review of such denial by making application in writing to the Plan Administrator within sixty (60) days after receipt of the initial denial. Such Severed Employee (or his or her duly authorized legal representative) may, upon written request to the Plan Administrator, (a) review any documents pertinent to his claim, (b) review any Plan documents relevant to his claim and (c) submit in writing issues and comments in support of his position. Within sixty (60) days after receipt of a written appeal (unless special circumstances, such as the need to hold a hearing, require an extension of time, but in no event more than one hundred twenty (120) days after such receipt and provided that the Plan Administrator notifies the claimant of the delay), the Plan Administrator shall provide a written ruling to the Severed Employee of the final decision. The final decision shall be in writing and shall include specific reasons for the decision, written in a manner calculated to be understood by the claimant, and specific references to the pertinent Plan provisions on which the decision is based. If the Plan Administrator does not provide the Severed Employee with written notice within sixty (60) days after receipt of the request for review, the Severed Employee’s claim will be deemed denied.

2.6 Regardless of whether employment terminates due to a Qualifying CIC Termination or a Qualifying Non-CIC Termination, no Severed Employee shall be eligible to receive Severance Pay or other benefits under the Plan unless he or she (i) first executes a written release (a “Release”) following such Severed Employee’s Severance Date and such Release

becomes effective and has not been revoked by the Severed Employee by the seventy-second (72nd) day following the Severance Date (the “Release Effective Date”) and (ii) complies with the Restrictive Covenants set forth in Section 5 hereof.

2.7 The Company shall be entitled to withhold from amounts to be paid to the Severed Employee hereunder any federal, state or local withholding or other taxes which it is from time to time required by law to withhold.

2.8 The Plan is intended to comply with the requirements of Section 409A. For purposes of Section 409A, each payment made under the Plan will be treated as a separate payment. In no event may the Severed Employee, directly or indirectly, designate the calendar year of payment. Notwithstanding any provision of the Plan to the contrary, if necessary to comply with the restriction in Section 409A(a)(2)(B) of the Code concerning payments to Specified Employees, any payment on account of such Severed Employee’s separation from service that would otherwise be due hereunder within six months after such separation will nonetheless be delayed until the first business day of the seventh month following Severed Employee’s Severance Date and the first such payment will include the cumulative amount of any payments that would have been paid prior to such date if not for such restriction, together with interest on such cumulative amount during the period of such restriction at a rate, per annum, equal to the applicable federal short-term rate (compounded monthly) in effect under Section 1274(d) of the Code on the Severance Date. Notwithstanding anything contained herein to the contrary, the Severed Employee will not be considered to have terminated employment with the Company for purposes of Section 2.1 hereof unless he would be considered to have incurred a “separation from service” from the Company within the meaning of Section 409A. Any tax liability incurred by a Severed Employee under Section 409A of the Code will be solely the responsibility of the Severed Employee.

EXCISE TAXES.

3.1 Notwithstanding any other provision of the Plan, in the event that any portion or all of the Total Payments received or to be received by a Severed Employee would be subject (in whole or part), to the Excise Tax, then, after taking into account any reduction in the Total Payments provided in such other plan, arrangement or agreement due to the applicability of section 280G of the Code, the Severance Pay shall first be reduced, and the other benefits under the Plan shall thereafter be reduced, to the extent necessary so that no portion of the Total Payments is subject to the Excise Tax, but only if (A) the net amount of such Total Payments, as so reduced (and after subtracting the net amount of federal, state and local income taxes on such reduced Total Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such reduced Total Payments) is greater than or equal to (B) the net amount of such Total Payments without such reduction (but after subtracting the net amount of federal, state and local income taxes on such Total Payments and the amount of Excise Tax to which the Severed Employee would be subject in respect of such unreduced Total Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such unreduced Total Payments).

3.2 For purposes of determining whether and the extent to which the Total Payments will be subject to the Excise Tax, (i) no portion of the Total Payments shall be taken into account which, in the opinion of Tax Counsel, does not constitute a “parachute payment” within the meaning of section 280G(b)(2) of the Code (including by reason of section 280G(b)(4)(A) of the Code) and, in calculating the Excise Tax, no portion of such Total Payments shall be taken into account which, in the opinion of Tax Counsel, constitutes reasonable compensation for services actually rendered, within the meaning of section 280G(b)(4)(B) of the Code, in excess of the Base Amount (as defined in section 280G(b)(3) of the Code) allocable to such reasonable compensation, and (ii) the value of any non-cash benefit or any deferred payment or benefit included in the Total Payments shall be determined by the Auditor in accordance with the principles of sections 280G(d)(3) and (4) of the Code.

PLAN ADMINISTRATION.

4.1 The Plan shall be interpreted, administered and operated by the Plan Administrator, who shall have complete authority, in its sole discretion subject to the express provisions of the Plan, to interpret the Plan, to prescribe, amend and rescind rules and regulations relating to it, to designate Eligible Employees and to make all other determinations necessary or advisable for the administration of the Plan.

4.2 All questions of any character whatsoever arising in connection with the interpretation of the Plan or its administration or operation shall be submitted to and settled and determined by the Plan Administrator in an equitable and fair manner in accordance with the procedure for claims and appeals described in Section 2.5 hereof. Any such settlement and determination shall be final and conclusive, and shall bind and may be relied upon by the Company, each of the Severed Employees and all other parties in interest.

4.3 The Plan Administrator may delegate any of its duties hereunder to such person or persons from time to time as it may designate.

4.4 The Plan Administrator is empowered, on behalf of the Plan, to engage accountants, legal counsel (which may be the Company’s General Counsel) and such other personnel as it deems necessary or advisable to assist it in the performance of its duties under the Plan. The functions of any such persons engaged by the Plan Administrator shall be limited to the specified services and duties for which they are engaged, and such persons shall have no other duties, obligations or responsibilities under the Plan. Such persons shall exercise no discretionary authority or discretionary control respecting the management of the Plan. All reasonable expenses thereof shall be borne by the Company.

RESTRICTIVE COVENANTS.

5.1 Eligible Employee acknowledges that, to assist Eligible Employee in the performance of Eligible Employee’s duties, the Company agrees to provide and shall provide and has provided Eligible Employee with Confidential Information and materials. Due to the sensitive nature of this Confidential Information, Eligible Employee acknowledges that the Company has legitimate business and competitive interests and legal rights to require non-

disclosure of the Confidential Information to other companies and/or individuals and to require that the Confidential Information be used only for the benefit of the Company. Therefore, in order to protect the Company's Confidential Information and the Company's business goodwill and competitive position, and in exchange for the Company providing Eligible Employee the consideration set forth herein, and in order to protect the value of the equity-based compensation provided to Eligible Employee in the Plan, Eligible Employee agrees:

(a) At any time during the term of Eligible Employee's service to the Company and thereafter for so long as such Confidential Information remains confidential, other than by reason of its wrongful disclosure (whether directly or indirectly) by Eligible Employee, Eligible Employee will not use, disclose or allow to be disclosed to any person, firm, or corporation, the Company's Confidential Information, unless previously authorized by the Company for use in the pursuit of Company business.

(b) During the term of Eligible Employee's service to the Company and for a period of twelve (12) months following the Eligible Employee's termination of employment, the Eligible Employee will not, directly or indirectly, either on Eligible Employee's own behalf or on behalf of any other individual or commercial enterprise: (i) Solicit, induce or assist any third party in Soliciting or inducing any individual or entity who is then (or was at any time within the preceding twelve (12) months) an employee, consultant, independent contractor or agent of Company (collectively, "Covered Employee") to leave the employment of the Company or cease performing services for the Company; (ii) hire or engage or assist any Covered Employee; or (iii) Solicit, induce or assist any third party in Soliciting or inducing any other person or entity (including, without limitation, any third-party service provider or distributor) to terminate its relationship with the Company or otherwise interfere with such relationship. This non-solicitation provision explicitly covers all forms of oral, written, or electronic communication, including, but not limited to, communications by email, regular mail, express mail, telephone, fax, instant message, and social media, including, but not limited to, Facebook, LinkedIn, Instagram, Twitter, and any other social media platform, whether or not in existence at the time of entering into the Plan. However, it will not be deemed a violation of this section if the Eligible Employee merely updates the Eligible Employee's LinkedIn profile or connects with a Covered Employee on Facebook, LinkedIn, or other social media platform without engaging in any other substantive communication, by social media or otherwise, that is prohibited by this Section.

(c) During the term of Eligible Employee's service to the Company and for a period of twelve (12) months following the Eligible Employee's termination of employment, the Eligible Employee will not, directly or indirectly, either on Eligible Employee's own behalf or on behalf of any other individual or commercial enterprise (i) Solicit any Client to transact business with a Competitive Enterprise or to reduce or refrain from doing any business with the Company; (ii) transact business with any Client that would cause you to be a Competitive Enterprise or (iii) interfere with or damage any relationship between the Company and a Client.

(d) The grant of the Severance Pay provided herein and Eligible Employee's agreement to the Restrictive Covenants are intended to be mutually dependent promises and in the event Eligible Employee breaches or threatens to breach the Restrictive Covenants, then to

the greatest extent permitted by applicable law: (i) Severance Pay that has not yet been paid shall cease to be payable and (ii) any Severance Pay that has been paid to Eligible Employee during the twelve (12) months prior to Eligible Employee's breach or threatened breach of the Restrictive Covenants that have not yet been paid to Eligible Employee shall be forfeited for no consideration.

5.2 Immediately upon the Eligible Employee's termination of employment for any reason, or upon Company's request at any other time, Eligible Employee will deliver to Company all Company Property. Following Eligible Employee's termination of employment, Eligible Employee shall not retain, copy, or remove (either physically or electronically) any Company Property from Company premises, computers, or other electronic equipment or storage devices.

5.3 By participating in the Plan, each Eligible Employee agrees and acknowledges that Eligible Employee has carefully read and considered the Restrictive Covenants, and, having done so, agrees and acknowledges that the Restrictive Covenants limit Eligible Employee's ability to engage in competition during the period provided for above. Eligible Employee expressly warrants and represents that these restrictions with respect to time and scope of activity are reasonable and necessary to protect the Confidential Information and the Company's business goodwill and competitive position.

PLAN MODIFICATION OR TERMINATION.

The Plan may be amended or terminated by the Board at any time; provided, however, that except as required by law, the Plan may not be amended or terminated in anticipation of a Change of Control or within two (2) years immediately following a Change in Control in a manner that would adversely affect the rights of Eligible Employees under the Plan without the express written consent of each Eligible Employee so affected. Following an Eligible Employee's Qualifying Termination, no Plan termination or amendment shall adversely affect the rights of such Severed Employee under the Plan without such Severed Employee's written consent.

GENERAL PROVISIONS.

7.1 Except as otherwise provided herein or by law, no right or interest of any Eligible Employee under the Plan shall be assignable or transferable, in whole or in part, either directly or by operation of law or otherwise, including without limitation, by execution, levy, garnishment, attachment, pledge or in any manner; no attempted assignment or transfer thereof shall be effective; and no right or interest of any Eligible Employee under the Plan shall be subject to any obligation or liability of such Eligible Employee. When a payment is due under the Plan to a Severed Employee who is unable to care for his affairs, payment may be made directly to his legal guardian or personal representative.

7.2 If the Company is obligated by law or by contract (including an outstanding executive employment agreement) to pay severance pay, a termination indemnity, notice pay, or the like, or if the Company is obligated by law to provide advance notice of separation, then any

Severance Pay paid to a Severed Employee hereunder shall be reduced by the amount of any such severance pay, termination indemnity, notice pay or the like, as applicable, and by the amount of any salary received by the Severed Employee after the Company provided notice of separation according to Section 7.3 hereof. For the avoidance of doubt, a Severed Employee who is party to an executive employment agreement shall (notwithstanding anything to the contrary in such employment agreement) receive the greater of (i) any amounts payable hereunder or (ii) any amounts payable under such employment agreement arising from termination. If an Eligible Employee is party to an employment agreement with the Company, with regard to any amounts payable under such employment agreement upon a termination of employment, notwithstanding any provisions of the Plan to the contrary, the time and form of payment provided under the employment agreement shall apply instead of the time and form of payment under the Plan to the extent necessary to comply with Section 409A.

7.3 All notices or other communications hereunder shall be in writing and shall be deemed to have been duly given (a) when delivered personally, (b) upon confirmation of receipt when such notice or other communication is sent by facsimile or electronic mail, (c) one day after timely delivery to an overnight delivery courier, or (d) on the fifth day following the date of deposit in the United States mail if sent first class, postage prepaid, by registered or certified mail. The address for the Company shall be as follows: Leonardo DRS, Inc., 2345 Crystal Drive, Suite 1000, Arlington, Virginia 22202. The address for each Eligible Employee shall be the address on file with the Company.

7.4 Neither the establishment of the Plan, nor any modification thereof, nor the creation of any fund, trust or account, nor the payment of any benefits shall be construed as giving any Eligible Employee, or any person whomsoever, the right to be retained in the service of the Company, and all Eligible Employees shall remain subject to discharge to the same extent as if the Plan had never been adopted.

7.5 If any provision of the Plan shall be held invalid or unenforceable, such invalidity or unenforceability shall not affect any other provisions herein, and the Plan shall be construed and enforced as if such provisions had not been included.

7.6 The Plan shall be binding upon the heirs, executors, administrators, successors and assigns of the parties, including each Eligible Employee, present and future, and any successor to the Company. In the case of any transaction in which the Company's successor would not by operation of law be bound by the Plan, the Company shall require such successor to the Company to expressly and unconditionally assume the Plan in writing and honor the obligations of the Company hereunder, in the same manner and to the same extent that the Company would be required to perform if no succession had taken place.

7.7 The headings and captions herein are provided for reference and convenience only, shall not be considered part of the Plan, and shall not be employed in the construction of the Plan. Whenever any words are used herein in the masculine gender, they shall be construed as though they were also used in the feminine gender in all cases where they would so apply, and, whenever any words are used herein in the singular form, they shall be construed as though they were also used in the plural form in all cases where they would so apply.

7.8 The Plan shall not be funded. No Eligible Employee shall have any right to, or interest in, any assets of any Company which may be applied by the Company to the payment of benefits or other rights under the Plan.

7.9 The laws of the Commonwealth of Virginia shall govern the interpretation, validity, administration, enforcement and performance of the terms of the Plan regardless of the law that might be applied under principles of conflicts of laws. The parties agree that any suit, action, or proceeding arising out of or relating to the Plan shall be brought to the exclusive jurisdiction of the Circuit Court of Arlington County (Virginia) or the United States District Court for the Eastern District of Virginia (Alexandria Division). The parties irrevocably waive, to the fullest extent permitted by law, any objection a party may have to the laying of venue for any such suit, action or proceeding brought in such court. **THE PARTIES ALSO EXPRESSLY WAIVE ANY RIGHT THEY HAVE OR MAY HAVE TO A JURY TRIAL OF ANY SUCH SUIT, ACTION OR PROCEEDING.** If any one or more provisions of the Plan shall for any reason be held invalid or unenforceable, it is the specific intent of the parties that such provisions shall be modified to the minimum extent necessary to make it or its application valid and enforceable.

7.10 Each Eligible Employee agrees to shorten the applicable statute of limitations and agrees that no claims or causes of actions may be brought against the Company or any its subsidiaries or affiliates or any of their directors, officers, employees, controlling persons, agents or representatives based upon, directly or indirectly, any claim that arises under the Plan more than twelve (12) months after the date of the action that is the subject of the claim or lawsuit. Each Eligible Employee agrees to waive any statute of limitations to the contrary.