



SELEX

Sensors and Airborne Systems

A Finmeccanica Company

Code of Ethics



CODE OF ETHICS

Free Translation

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Code of Ethics

1. PREAMBLE

1.1. The Company and Selex Sensors and Airborne Systems Group

This Code (hereinafter referred to as the “Code of Ethics”) expresses the commitments and ethical responsibilities in the conduct of business and corporate affairs undertaken by employees, directors, members of the Board of Statutory Auditors and collaborators at any title, of Selex Sensors and Airborne Systems - Società per azioni (hereinafter referred to as “Selex Sensors and Airborne Systems” or “Company”).

The Selex Sensors and Airborne Systems Group operates in the sector of advanced technology for defence, developing a synergic and integrated portfolio of activities focused, as a matter of priority, on the field of surveillance, protection, tracking, targeting and imaging systems and plays, for the scale and significance of its business, a significant role in the marketplace, in the economic development and the technological and scientific progress of the sectors in which it operates. In particular, the object of Selex Sensors and Airborne Systems, pursued also through its shareholdings in other companies, both Italian and foreign, is “to operate, for itself or on the behalf of third parties, in the electronic, electrical, optical and mechanical industry connected with the study, conception, development, experimentation, construction, manufacturing, transformation, reparation and the maintenance in Italy and abroad of processing, presentation, surveillance and automation systems for application in the defence, aeronautics and space fields”.

The achievement of Selex Sensors and Airborne Systems’ objectives is pursued by all those who work for the Company through fairness, integrity, honesty, competence and transparency, in strict compliance with all applicable law and regulations.

Selex Sensors and Airborne Systems is subject to the direction and coordination activities of Finmeccanica - Società per azioni (hereinafter referred to as “Finmeccanica”). Within this context, in adopting the Code of Ethics of Finmeccanica, it accepts the principles of fairness and transparency which inspire the policies of the Finmeccanica Group with regard to organisation and business conduct.

1.2. Relationships with stakeholders

Selex Sensors and Airborne Systems’ presence in both national and international markets, its operating in various contexts and the multiplicity of third parties with which it deals makes the management of the relationship between Selex Sensors and Airborne Systems and its stakeholders extremely important (stakeholders being all public and

private parties, both Italian and foreign, individuals, groups, companies, institutions, which have any contact with Selex Sensors and Airborne Systems and/or have any kind of interest in the activities of the Company).

Selex Sensors and Airborne Systems' business conduct is characterised by strict compliance with the law (the laws of Italy and of those countries where it operates), with market regulation and with the principles on which fair competition is based.

1.3. Key principles

Compliance with applicable law, transparency and proper management, trust and cooperation with stakeholders are the ethical principles that Selex Sensors and Airborne Systems follow - and from which it draws inspiration for its models of conduct - in order to compete effectively and fairly in the market, to improve customer satisfaction, give added value to its shareholders and develop the capabilities and promote the professional growth of its human resources. In particular, the conviction that one is acting to the Company's advantage does not justify the adoption of any conduct with contrast with these principles. All those who work for Selex Sensors and Airborne Systems, without distinctions or exceptions, are therefore committed to observe these principles and have them observed within their own functions and responsibilities. Such commitment justifies itself and requires all parties who have any kind of business relationship with the Company to work with the Company applying rules and means inspired by the same values.

1.4. The Code of Ethics

Selex Sensors and Airborne Systems considers it appropriate and necessary to adopt and issue a code of conduct, the here present Code of Ethics, which expresses the values to which all its directors, members of the Board of Statutory Auditors, employees and anyone who collaborates, at any title, with the company shall conform, by accepting responsibilities, structures, roles and rules for whose breach, even if it does not imply any third party liability of the Company, they are personally liable towards the Company and outside. Knowledge and observance of the Code of Ethics by all those who work for Selex Sensors and Airborne Systems are therefore the main conditions for maintaining transparency and the reputation of the Company. Furthermore, the Code is brought to the attention of all those with whom Selex Sensors and Airborne Systems has business dealings.

Within the system of internal control, the Code of Ethics represents a management tool, for the ethical conduct in business affairs, an effective element of the corporate strategy and organisation as well as an integral part of the Organizational Management and Control Model. For alleged breaches of the Code of Ethics, the system of sanctions adopted by Selex Sensors and Airborne Systems for the purposes of

Articles 6 and 7 of Legislative Decree 231 of 2001 shall be applied. The responsibility for the implementation of the Code of Ethics and its application is a duty of the directors and employees of Selex Sensors and Airborne Systems who shall report any non-compliance or failure to apply to the special-purpose body called “the Surveillance Body pursuant to Legislative Decree 231/01”; such body may put forward proposals for the integration or amendment of its provisions, submitting them to the Board of Directors who has the responsibility for approving any updates to the Code of Ethics. In this respect, Selex Sensors and Airborne Systems has instituted a Surveillance Body which will oversee the operation of, and compliance with, the Organizational Management and Control Model adopted for the prevention of crimes pursuant to Legislative Decree 231/01, and the operation of, and compliance with, this Code.

1.5. Application in the Sensors and Airborne Systems Group

As Selex Sensors and Airborne Systems owns shareholdings with a majority interest, the attainment of its objectives also depend upon the optimisation of the synergies which can be developed with and between the subsidiaries, provided that all those who work within Selex Sensors and Airborne Systems Group make available their capabilities, each within the limits of their roles and responsibilities and in the observance of the roles and responsibilities of others, always in accordance with all applicable law and the values identified in the Code of Ethics.

This Code of Ethics, then, expresses the underlying ethical values by which the companies of the Selex Sensors and Airborne Systems Group shall inspire themselves. Therefore, Selex Sensors and Airborne Systems disseminates the Code of Ethics to its directly and indirectly-held subsidiaries so that these companies, after having eventually integrated or amended it, adopt it as a management tool and as an effective element of the corporate strategy and organisation. As a result of this, the ethical principles set forth in this Code of Ethics become those upheld by all the subsidiaries of Selex Sensors and Airborne Systems.

2. GENERAL PRINCIPLES

2.1. Compliance with laws and regulations

Selex Sensors and Airborne Systems operates in full observance of the laws and regulations in force in the countries where it carries out its activities, in accordance with the principles set forth in the Code of Ethics and with the procedures foreseen by internal protocols.

Moral integrity is a constant obligation on all those that work for Selex Sensors and Airborne Systems and is the distinctive feature of all behaviours of the organisation.

The directors, members of the Board of Statutory Auditors and employees of Selex Sensors and Airborne Systems, together with all those who for any reason work with Selex Sensors and Airborne Systems, are therefore held, within the limits of their respective area of competence, to be familiar with and observe the laws and regulations in force in every country in which Selex Sensors and Airborne Systems operates. This obligation also includes attention towards and respect of the regulations on competition, both in the national and international market, as well as the respect of those legal and regulatory requirements regarding subsidiaries of Italian publicly listed companies.

The relationships that all those who work for Selex Sensors and Airborne Systems have with the Authorities shall be marked by the maximum degree of fairness, transparency and collaboration, in the full observance of all applicable law and regulations and in respect of their institutional roles.

2.2. Models and rules of conduct

For all those who work for Selex Sensors and Airborne Systems, all their activities shall be performed with professional care, moral rigour and managerial fairness, also in order to safeguard the image of the Company.

The conduct and relationships of all those who in any way operate in the interest of Selex Sensors and Airborne Systems, both inside and outside the Company, shall be inspired by transparency, fairness and mutual respect. In such a context, the executives shall be the first to give, through their conduct, an example for all the human resources of Selex Sensors and Airborne Systems, by complying, in the performance of their duties, with the principles that inspire the Code of Ethics, with the Company's procedures and rules, by circulating them among the employees and by urging them to submit inquiries about them or proposals for updating them where necessary.

Furthermore, with a particular reference to the directors, Selex Sensors and Airborne Systems requests them to do their best to actively propose and realise the projects, investments and industrial, commercial and managerial actions that are useful for preserving and increasing the economic, technological and professional capacity of the Company.

Selex Sensors and Airborne Systems furthermore ensures that, regarding company events and decisions, supporting information is available in order to allow the functions and company's bodies, the external auditors and those bodies overseeing internal controls, as well as surveillance authorities, to carry out the most comprehensive and effective control activities.

2.3. Dissemination and observance of the Code of Ethics

Selex Sensors and Airborne Systems promotes the knowledge and observance of the Code of Ethics, of internal protocols and of their updating among all directors, members of the Board of Statutory Auditors, employees and anyone who collaborates, at any title, with the company, commercial and financial partners, consultants, customers and suppliers, requiring them to respect it and providing, in case of non-observance, for adequate disciplinary action or contractual sanctions. The aforesaid parties are therefore held to be familiar with the contents of the Code of Ethics, - asking and receiving from the company's in-charge officers explanations regarding their interpretation - , to observe the Code and to contribute to their implementation, by reporting any weaknesses or breaches (or even attempted breaches) that they become aware of.

Selex Sensors and Airborne Systems also promotes and encourages the collaboration of its employees in effecting the observation, knowledge and implementation of the Code of Ethics and the internal protocols, each employee within the scope of his/her competence and functions.

3. HUMAN RESOURCES AND EMPLOYMENT POLICY

3.1. Principal conditions

Human resources are a fundamental element for the existence of the Company and a crucial factor for successful competition on the marketplace. Honesty, fairness, competence, professionalism, integrity, technical skills and commitment of personnel are therefore the principal conditions for the attainment of the company objectives and are the pre-requisites that Selex Sensors and Airborne Systems demands of its directors, members of the Board of Statutory Auditors, employees and anyone who collaborates, at any title, with the company.

3.2. Selection policies

In order to contribute to achieving the objectives of development of the Company and to assure that the said objectives have been pursued by everyone in accordance with the ethical principles and values which inspire Selex Sensors and Airborne Systems, the company policy aims at selecting each employee, consultant, anyone who collaborates, at any title, with the company according to the aforesaid values and characteristics. During selection, which is conducted in respect with equal employment opportunities and without any discrimination with regard to the applicant's private life and opinions, Selex Sensors and Airborne Systems shall see to it that the human resources hired correspond to the Company's effective needs, eschewing favouritism and any kind of facilitation.

3.3. Development of professionalism

In the development of the employer-employee relationship, Selex Sensors and Airborne Systems is committed to providing and maintaining the conditions required for enabling further improvement of the skills and knowledge of each employee in accordance with the said values, by following a policy based upon recognition of merits and equal opportunities, and by envisioning specific programmes for professional training and acquisition of improved skills. For this reason, employees are required to cultivate and improve their skills and acquire new skills and knowledge, while executives and heads of function shall pay their utmost attention to enhance and improve the professionalism of their collaborators by creating the conditions for development of their skills and realisation of their potential.

3.4. Human resources and the Code of Ethics

Through its functions and dedicated resources, Selex Sensors and Airborne Systems continuously promotes and takes care to the acquaintance with the Code of Ethics, rel-

evant protocols and supplements relating to it and of the areas of activity of the various functions with the assignment of responsibilities, hierarchical reporting lines, description of duties and training of personnel. Information on, and knowledge of, the Code of Ethics and the specific protocols pertaining to it are achieved first of all through the circulation of specific documentation to all those who interact with the Company, which, in such a case, requires of them, upon delivery of the material on the Code of Ethics, to sign a statement that they have taken due note of the documentation received.

Secondly, Selex Sensors and Airborne Systems provides special training and follow-up programmes for its employees, organised by the competent officers, on the Code of Ethics and pertaining protocols. All Company employees may at any time seek guidance and clarifications from their superiors on the contents of the Code of Ethics and the protocols and on the tasks that they have been assigned to perform. On the occasion of the creation of a new employment, consultancy or collaboration relationship, Selex Sensors and Airborne Systems shall promptly deliver the information for their adequate knowledge of the Code of Ethics and the protocols, with particular reference to those pertaining to specific competences.

3.5. Work environment and protection of privacy

Selex Sensors and Airborne Systems is committed to providing a work environment which guarantees, to all those who interact with the Company at any title, conditions respectful of personal dignity and where the characteristics of an individual cannot lead to any form of discrimination or conditioning.

In this respect, in compliance with all applicable law, Selex Sensors and Airborne Systems is committed to protecting data and information regarding the private life and opinions of its employees, and in general of all those who interact with the Company. In particular, the respect for the dignity of each worker shall also be ensured through the respect of privacy in correspondence and interpersonal relationships between employees, through prohibiting interference in meetings or dialogues and through prohibiting any intrusion or form of control which could harm human personality.

4. CONFLICTS OF INTEREST

4.1. Company and personal interests

The relationship between Selex Sensors and Airborne Systems and its employees is based upon complete trust, within which it is the primary duty of each employee to use the Company's assets and his/her own working capacity to realise the Company's interests, in full compliance with the principles set forth in the Code of Ethics that represent the values which inspires Selex Sensors and Airborne Systems. From this viewpoint, directors, employees and anyone who collaborates, at any title, with the company working with Selex Sensors and Airborne Systems must avoid any situation and abstain from any action that could involve a personal interest which could interfere and hamper his/her ability to take impartial and objective decisions in the interest of the Company. Should any conflicts of interest occur, besides being in contrast with applicable law and the principles set forth in the Code of Ethics, it would also prove to be detrimental to the Company's image and integrity. Directors, employees and anyone who collaborates, at any title, with the company should therefore rule out any possibility of overlapping or in any way intersecting, through the instrumental use of their position, the economic activities in keeping with personal and/or family interests and the duties they hold within the Company. Any situation of conflict, even potential, must be promptly communicated in detail to one's superior and, if the case, to the Surveillance Body; the individual in potential conflict shall refrain from committing or participating in any act that might prejudice the Company or any third parties, or damage their image.

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

4.2. Prevention of conflicts of interest

In order to prevent situations, even potential, of conflicts of interest, Selex Sensors and Airborne Systems, upon assignment of positions or commencement of an employer-employee relationship, requests of its directors, employees and anyone who collaborates, at any title, with the company to sign a statement that excludes the possibility of a conflict of interest between the individual and the Company. This statement also provides that the individual shall undertake to inform, promptly and in detail, the Surveillance Body of Selex Sensors and Airborne Systems, of any situation of a real or potential conflict of interest he/she may find him/herself. Selex Sensors and Airborne Systems also requires that anyone who becomes aware of a situation of conflict of interest shall promptly inform the Surveillance Body through the dedicated information channels (the e-mail boxes org.vigilanzadlgs231-01@Selex-Sas.it and etico@selex-sas.it).

5. OPERATING PROCEDURES AND COMPANY RECORDS

5.1. Specific protocols

Specific protocols aiming at preventing detrimental events and consequential potentially negative impacts on the Company situation draw inspiration from the Code of Ethics and are drafted, or properly integrated and amended, on the basis of the analysis of the Company context, aiming at highlighting the risks weighing on the Company and the existing control system and its actual adequacy. All those who, for any reasons, take part in the operating process, shall adopt the specific protocols according to the terms and in the manner specifically provided for and described by the competent functions of Selex Sensors and Airborne Systems. The proper implementation of the said protocols ensures the possibility of identifying the Company members of staff in charge of the processes of decision-making, authorisation and performance of operations: for this purpose, according to the principle of control represented by the separation of tasks, it is necessary that individual operations are carried out in their various stages by different parties, whose duties are clearly defined and known within the organisation in order to prevent unlimited and/or exaggerated powers being assigned to individual parties.

5.2. Compliance with procedures

The directors, particularly directors, employees and all those who have any kind of relationship with Selex Sensors and Airborne Systems, each within the limits of their duties and functions, are required to strictly comply with the procedures laid down in the protocols. Particularly, Company procedures shall regulate the execution of each operation and transaction, of which (through the following control elements, even though not exhaustive: squaring off account balances, joint signatures, supporting accounting documents, understanding the activities of sales agents, consultants, suppliers, etc.), the legitimacy, authorisation, consistency, congruity, proper recording and ability to verify, also with regard to the utilisation of financial resources, must be able to be ascertained. Each operation shall therefore be supported by adequate, clear and full documentation to be filed, in order to allow, at all times, a control on the motives, the characteristics of the operation and the exact identification of who, at the different stages, authorised, carried out, recorded and verified the same. The respect of the indications provided in the specific protocols regarding the procedural flows to be observed during formation, decision and recording of company events and their consequences, among other things, permits to engender and stimulate at all levels in the business a culture of control, which contributes to the improvement of management efficiency and represents an instrument of support for managerial action. Every non-compliance with the procedures foreseen by the protocols and by the Code

of Ethics - to be promptly reported to the Surveillance Body - compromises the relationship of trust between Selex Sensors and Airborne Systems and those who, for any title, interact with the Company.

5.3. Accounting transparency

Truthful, precise, full and clear primary data are the prerequisites which permit transparent accounting and are a fundamental value for Selex Sensors and Airborne Systems also in order to ensure that shareholders and third parties have the possibility to have a clear image of the economic, equity and financial position of the Company. For that value to be observed it is first of all necessary that the documentation of the basic facts, to be brought forward as evidence of the book entry, be complete, clear, truthful, precise and valid and that it is filed for any possible checking. The relevant book entry shall reflect in a complete, clear, truthful, precise and valid manner that which has been described in the supporting documentation. In the case of economic and financial elements based on valuations, the relevant book entry shall be made in accordance with the criteria of reasonableness and prudence, explaining clearly in the underlying documentation the criteria which guided the valuation of the asset.

If anyone becomes aware of any possible omission, falsification, irregularity in the books and records of the Company, or of any breach of the principles set forth in the Code of Ethics and in the specific protocols, he/she should immediately report this to the Surveillance Body. The aforesaid breaches undermine the relationship of trust between employees and the Company and will lead to a disciplinary process and shall be adequately sanctioned.

6. PROTECTION OF COMPANY ASSETS

6.1. Custody and management of resources

Selex Sensors and Airborne Systems endeavours to work so that the use of available resources, carried out in compliance with applicable law and the corporate by-laws, and in line with the values of the Code of Ethics, is directed towards guaranteeing, increasing and strengthening the Company assets, in defence of the Company itself, its shareholders, creditors and the market.

6.2. Unlawful transactions on shares or corporate capital

To safeguard the entirety of the Company assets, it is strictly forbidden, except as expressly permitted by law, to give back in any form the payments made by the shareholders or to free them from the obligation to make those payments; to distribute profits not really earned or appropriated to statutory reserve, or reserves which cannot be distributed as prescribed by law, to purchase or subscribe shares or quotas of the Company or of holding companies; to make reductions of share capital, to bring about mergers or split-ups by violating the provisions protecting creditors; to fictitiously form or increase share capital; to pay off, in case of winding-up, shareholders' claims to the detriment of creditors.

In order to prevent the occurrence of the aforesaid cases in point, Selex Sensors and Airborne Systems endeavours to disseminate within its organisation knowledge about applicable law and the provisions of the Code of Ethics and relevant protocols, providing specific information and training programmes for directors and employees on corporate crimes.

7. INTRAGROUP RELATIONSHIPS

7.1. Autonomy and common ethical values

Selex Sensors and Airborne Systems recognises autonomy to its directly-held subsidiaries, which are required to adhere to the values expressed in the Code of Ethics and to loyally collaborate in the pursuit of the company objectives in observance of all applicable law and regulations.

Selex Sensors and Airborne Systems avoids conduct which, in its sole interest, could prejudice the integrity or the image of one of the companies within Selex Sensors and Airborne Systems Group. Moreover, Selex Sensors and Airborne Systems requires that none of its subsidiaries shall behave or take decisions which, even if beneficial to the subsidiary itself, could be detrimental to the integrity or image of other Finmeccanica Group companies.

7.2. Co-operation and communication within the Group

Those who have been appointed by Selex Sensors and Airborne Systems to an office in the companies within Selex Sensors and Airborne Systems Group shall regularly attend the meetings convened and perform the duties assigned to them with honesty and fairness, stimulate communication amongst the companies of Selex Sensors and Airborne Systems Group, encourage and use the intra-group synergies for cooperation in the pursuit of common objectives. The circulation of information within the Selex Sensors and Airborne Systems Group, particularly for the purpose of preparing the consolidated financial statements and other reports regarding Selex Sensors and Airborne Systems Group, actuals and forecast, shall be in accordance with the principles of truthfulness, honesty, fairness, completeness, clearness, transparency and prudence, and be respectful of the autonomy of each company and of the specific fields of activity.

8. SURVEILLANCE BODY

8.1. Tasks and characteristics

The Surveillance Body, which is granted autonomous powers of initiative and control, is entrusted by the Company's Board of Directors with the task of overseeing the operation of, and compliance with, the Organizational, Management and Control Model pursuant to Legislative Decree 231/01 and subsequent amendments (hereinafter "Organizational Model") adopted by Selex Sensors and Airborne Systems and the Code of Ethics which forms an integral part of it.

The Surveillance Body operates with impartiality, authority, continuity, professionalism and autonomy and, for this purposes (i) is granted access to any Selex Sensors and Airborne Systems's source of information relevant to the performance of the functions attributed the Body pursuant to the Decree; (ii) is entitled to examine any document and to consult any data; (iii) recommends any update of the Code of Ethics and of the specific protocols also on the basis of the submissions coming from employees; (iv) may perform control activity also on a periodical basis on the operation and compliance with the Organizational Model; (v) is endowed adequate resources so that it can operate swiftly and efficiently.

The Surveillance Body operates with wide discretionary powers and with the full support of Selex Sensors and Airborne Systems top management, and cooperates with the latter on an absolutely independent basis.

8.2 Submissions to the Surveillance Body

In order to facilitate the flows of information and submissions towards the Surveillance Body, Selex Sensors and Airborne Systems has established – in full respect of privacy and other individual rights – dedicated information channels (the e-mail boxes org.vigilanzadlgs231-01@selex-sas.it and etico@selex-sas.it) through which whoever becomes aware of any illicit behaviours, may submit the same, freely, directly and on a confidential basis, to the Surveillance Body. Such Body is entrusted with the control of the received information, in view of assessing for the application of disciplinary action or sanctions or the triggering of the procedures for terminating the relevant contracts once due investigation activity has been performed thereon. In this context, the Surveillance Body has been tasked with the monitoring of the efficacy of the predisposed contractual clauses and the assessment of the suitability of initiatives being undertaken by the reference Functions in the business.

9. EXTERNAL RELATIONS

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

9.1.1. Relations with Authorities and the Public Administration

Relations pertaining to Company activities with public officers or representatives of public utilities, who work on behalf of the central or local Italian Public Administration, or on behalf of legislative bodies, European Union institutions, public international and foreign organisations; with the judiciary, surveillance public authorities and other independent authorities, as well as with private partners operating a public utility under government licence, shall be conducted in full and strict compliance with all applicable law and regulations and with the principles set forth in the Code of Ethics and internal protocols, in order not to compromise the integrity and reputation of both parties.

Particular care and attention shall be used in the relations with the aforesaid parties, especially in the transactions regarding: tenders, agreements, authorisations, licences, concessions, applications for and/or management and utilisation of credit of any kind whatsoever of public (national or international) origin, management of orders, relations with surveillance authorities and other independent authorities, social security bodies, bodies in charge of tax collection, bodies established by bankruptcy, civil, criminal or administrative proceedings, etc. To avoid performing acts in conflict with the provisions of law or which could prejudice the image and integrity of the Company, the aforesaid transactions and the related management of financial resources shall be executed by specially authorised Company officers, in full compliance with all applicable law and the principles of this Code and in full observance of internal protocols.

9.1.2. Relations with political organisations and trade unions

Selex Sensors and Airborne Systems does not encourage or discriminate, directly or indirectly, any political organisation or trade union. The Company does not make contributions of any kind or in any form, direct or indirect, to political parties and trade union, movements, committees and organisations, to their representatives and candidates, except for those contributions due by virtue of specific laws and regulations.

9.1.3. Gifts, benefits and promises of favours

Selex Sensors and Airborne Systems prohibits all those who work in the interest, in the name and on behalf of Selex Sensors and Airborne Systems to accept, offer or promise, also indirectly, money, gifts, goods, services or undue favours (also in terms of opportunities of employment) in their relations with public officers, representatives of public utilities or private parties, in order to influence their decisions, in view of obtaining preferential treatment, undue services or any other ends.

Every request or offer of money or of favour of any kind (including but not limited to for example giveaways or gifts of a non-modest value) unduly made to or by those who

work on behalf of Selex Sensors and Airborne Systems, in their relations with the Public Administrations, both Italian and foreign, or with private parties, both Italian and foreign, shall promptly be made aware to the Surveillance Body and to the pertinent Company officer in charge of taking proper measures.

9.2. Relationships with customers and suppliers

9.2.1. Conduct in the course of business

Fair and transparent relations with customers and suppliers are a key element of Company success. The choice of suppliers and the purchase of goods and services shall be made in accordance with the principles of this Code of Ethics and specific internal procedures, in writing and in observance of the Company hierarchy. In all cases, the choice shall be made exclusively according to objective parameters such as quality, convenience, price, capability, efficiency.

In business transactions employees are required, also in compliance with specific protocols, to be particularly prudent when receiving and spending coins, bank notes, credit instruments and securities in general in order to avoid the risk of putting counterfeit or forged securities on to the market.

9.2.2. Gifts, acts of giving and benefits

In conducting business dealings with customers and suppliers, no acts of giving or benefits (both direct and indirect), gifts, acts of courtesy or hospitality of any kind shall be made, unless they are of such a kind and value that do not compromise the image of the Company, and which may not to be interpreted as aiming at obtaining preferential treatment that is not determined by the rules of free market economy. In all cases, any gifts, acts of courtesy or form of hospitality shall be reported to and submitted to the approval of his/her superiors.

Any employee who receives gifts, or is granted preferential treatment from customers or suppliers which exceed ordinary business practice, shall promptly report it to his/her superiors who shall inform the specific Company body and/or competent function who, after appropriate controls, shall, through the Company officers in charge of external relations, provide the person making the gift, giveaways, etc. about Company policy on the issue.

10. CORPORATE INFORMATION

10.1. Availability and access to information

To the extent permitted under applicable law, Selex Sensors and Airborne Systems provides, in good time and in full, any information, explanations, data and documentation requested by shareholders, customers, suppliers, surveillance public authorities, institutions, bodies and other stakeholders in the performance of their duties.

Every significant piece of Company information shall be promptly reported both to the Company bodies duly charged with corporate management and to the surveillance authorities.

Clear and complete Company information, among other things, ensures, among others, the fairness of the relationships: with shareholders who must have, in compliance with all applicable law, easy access to information data; with third parties who come into contact with the Company, and must be able to have a clear view of the economic and financial position of the Company; with surveillance authorities, the external auditors and the bodies overseeing internal controls, which must perform their control activities effectively, in order to protect not only the shareholders but also the entire market; with its other companies in Selex Sensors and Airborne Systems Group, also for preparing the consolidated financial statements and other reports regarding Selex Sensors and Airborne Systems Group, actuals and forecast, and the other corporate communications.

10.2. Relevant communications and market requests

In the manner and through the officers appointed in the internal protocols, Selex Sensors and Airborne Systems grants, to all those who have an interest in being informed about the activities and the expected economic and financial trend of the Company, access to information and ensures the transparency of the choices made. Shareholders shall be regularly informed of all events, of all significant aspects of Company activities and of the expected trend of the Company. Special care and fairness shall be used in the dissemination of important information concerning vital business activities of the Company which could seriously affect the business or the credibility and reliability of Selex Sensors and Airborne Systems in relation to other companies and/or banks. For this purpose, specific protocols shall set out the procedures of verification and control so that, the Company information required by law, information for shareholders and the public about the position of the Company and the expected economic and financial trend (both of the Company and Selex Sensors and Airborne Systems Group), shall always be truthful, free from omissions and stating facts which, even if subject to evaluations, are reliable, so that those who receive the information are not misled.

11. MEDIA RELATIONS AND INFORMATION MANAGEMENT

11.1. Conduct guidelines

Relations with the press, the media and, in general, with external parties shall be kept only by those who have been specifically authorised to do so, in compliance with the procedures and regulations adopted by the Company within the sphere of the general communication strategy suggested by the parent company Finmeccanica. Any request for information from the press or the media received by the personnel of Selex Sensors and Airborne Systems shall be reported to the officers in charge of external relations, before undertaking any commitments to answer the request. External communications shall follow the principles of truthfulness, fairness, transparency, prudence and shall aim at disseminating the policies, programmes and plans of the Company. Media relations shall be marked by observance of the law, of this Code of Ethics, of the related protocols and the principles mentioned above with regard to relations with public institutions and with regard to safeguarding the image of the Company.

11.2. Price sensitive information

Selex Sensors and Airborne Systems strictly prohibits any form of investment, directly or through a third party, which arises out of confidential information of the Company. Particular care and attention shall therefore be used when disseminating documents and information outside the Company concerning events occurring in the course of the activities of Selex Sensors and Airborne Systems and its own subsidiaries, which are not public and, if made public, are such as to considerably influence the price of financial instruments and the trends for market trading in Finmeccanica's shares. The circulation of such information, after being authorised by the directors, shall always take place through the channels and the parties specifically charged for such communications. Under no circumstances, in the management of information, shall employees behave in such a way that could favour insider trading or similar phenomena which result in the reduction of company equity or are aimed at acquiring unjust personal advantages or advantages for third parties.

11.3. Confidentiality

Due to the peculiarity and importance of the sectors of activity of the Company (for example, defence, strategic communications, scientific research, protected technologies, etc.), all those who work for any reason whatsoever on behalf of Selex Sensors and Airborne Systems are required to maintain the confidentiality of any proprietary information, and shall not disclose or unduly request information about documents,

know-how, research projects, company business activities, and in general about any information acquired in the performance of their duties. In particular, confidential or secret proprietary information means all information subject to specific laws or regulations as they pertain, for instance, to national security, military sectors, inventions, scientific discoveries, protected technologies or new industrial applications, as well as information declared secret by contract. Confidential information is also all information acquired in the performance of working activities or through such activities, whose circulation and use could jeopardise or harm the Company and/or create unjust enrichment of the employee. Breaches of the obligation not to disclose confidential information by the employees or collaborators seriously harm the relationship of trust with the Company and may lead to disciplinary action or the application of contractual sanctions.

12. BREACHES OF THE CODE OF ETHICS SANCTIONS SYSTEM

12.1. Reporting breaches

With regard to the report of a committed, attempted or requested breach of the rules of the Code of Ethics and the relevant protocols, the Company shall ensure that no-one, in the workplace, may be subject to any retaliation, illegal conditioning, hardship and discriminating treatment of any kind, for having reported a breach of the Code of Ethics or of the procedures foreseen by the internal protocols to the Surveillance Body (to the e-mail boxes org.vigilanzadlgs231-01@Selex-Sas.it and etico@selex-sas.it). As a consequence of the said report, the Company shall promptly arrange the necessary checks and take adequate disciplinary measures.

12.2. Guidelines of the sanctions system

General principles

Breaches of the principles set forth in the Code of Ethics and in the procedures foreseen by internal protocols prejudice the trusting relation between Selex Sensors and Airborne Systems and its directors, members of the Board of Statutory Auditors, employees, consultants, anyone who collaborates, at any title, with the company, customers, suppliers, commercial and financial partners. Such breaches shall be promptly and seriously followed up by the Company, through adequate and proportionate disciplinary measures, regardless of whether such conduct is an indictable crime or whether any criminal proceedings has been instituted in the cases of indictable crimes. The consequences of the breaches of the principles set forth in the Code of Ethics and of the specific protocols shall be taken into serious consideration by all those who have any kind of dealings with Selex Sensors and Airborne Systems: for that purpose Selex Sensors and Airborne Systems shall circulate the Code of Ethics and the specific protocols and keep everyone informed of the disciplinary measures provided for in case of breach, and of the methods and procedures for inflicting sanctions.

To safeguard its image and its company resources, Selex Sensors and Airborne Systems shall not have any kind of dealings with parties who do not intend to operate in strict observance of all applicable law and regulations, and/or refuse to act in accordance to the values and principles set forth in the Code of Ethics and to adhere to the procedures and regulations set out in the relevant protocols.

Workers and middle management

Any behaviour of employees which is in breach of any rule of conduct deduced from this Code of Ethics shall be defined as *disciplinary offence*.

Any sanctions applicable to the said employees shall fall within the provisions of the company's disciplinary rules and respect the procedures outlined in Article 7 of the workers' statute of rights and any specific applicable regulations.

In relation to the above, the Organizational Model and the Code of Ethics, which is an integral part of it, refer to categories of sanctionable acts under the existing sanctioning mechanisms.

These categories describe sanctioned behaviours according to the emphasis assumed by the single case in point and the sanctions actually provided for committing such acts, depending on how serious they are.

In particular, the "Criteria for correlating workers' offences and disciplinary measures" contained in the current National Collective Labour Agreement for private engineering industry workers are detailed in paragraph 6.2.1 of the Organizational Model adopted by Selex Sensors and Airborne Systems.

Executives

Any breaches, on the part of executives, of the internal procedures foreseen by this Code of Ethics or the adoption, during the performance of activities in risk areas, of a behaviour not that prescribed in the Organizational Model, shall be dealt with by adopting against those responsible for such breach, the most appropriate measures in accordance with the provisions of the National Collective Labour Agreement for Industrial Executives.

Directors and Members of the Board of Statutory Auditors

Any breaches of the ethical principles on the part of directors or members of the Board of Statutory Auditors of Selex S&AS S.p.A. shall prompt the Surveillance Body to inform the Board of Directors and the Board of Statutory Auditors who – depending on their respective responsibilities – shall proceed to adopt the most appropriate and adequate measures consistent with the seriousness of the breach and in accordance with the powers granted by the law and/or the Articles of Association (statements in the minutes of meetings, call or request to call of a Shareholders Meetings to discuss appropriate measures towards the individuals responsible for the breach etc.).

Collaborators and Partners

Any behaviour adopted by Consultants, external Collaborators or Partners in contrast with the lines of conduct indicated in this Code of Ethics may determine, by application of the appropriate clauses, the termination of the contractual relationship.

