



SELEX

Sistemi Integrati

A Finmeccanica Company

CODE OF ETHICS

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OVERVIEW

SELEX Sistemi Integrati S.p.A. is a company governed by private law that operates in the sector of the design and production of electronic systems for surveillance, command and control and defence, with particular reference to naval and underwater systems, air traffic control systems, communication systems, land and environment monitoring systems. The Company is entirely controlled by Finmeccanica S.p.A.

The role taken on by SELEX Sistemi Integrati S.p.A. on both the domestic and international markets, and the nature and importance of the activities it carries out presupposes the commitment, on the part of those working in SELEX Sistemi Integrati S.p.A. or anyone who, in any way whatsoever, operates on behalf of the Company for the purposes of attaining the Company's objectives, to operate fairly, seriously, honestly, competently and transparently, and with unfailing observance of laws, market regulations, the principles governing fair competition, all with due regard for the legitimate interests and expectations of customers, suppliers, shareholders and of anyone coming into contact with corporate operations.

For the correct development of relations within the Company and with the outside world, the recipients of this Code of Ethics, understood as the directors, employees, staff and, more generally, all those who co-operate, in any way whatsoever, in the pursuit of the Company's aims within the context of the various relations they have with the Company (hereafter jointly defined as "Recipients"), must cultivate and place at the Company's disposal their cultural, technical, operational and ethical assets for the attainment of the indicated aims, each within the context of his/her own duties and responsibilities and with due regard for the duties and responsibilities of others.

In order to ensure that such complex relations are carried out correctly, SELEX Sistemi Integrati S.p.A. promotes ethical behaviour when carrying out its activity, and considers correctness in internal and external relations to be the basic criterion to which each action must conform.

On the occasion of the activity to verify the compliance of the organisational and internal control system with the provisions of Legislative Decree no. 231/2001, the Company decided to proceed with the preparation and publication of this Code of Ethics, which brings together all the principles of correctness, fairness, integrity, transparency and moral and professional commitment that from its very beginning have marked the Company's relations towards its personnel and towards third parties and that, more generally, characterise how it carries out its corporate activities.

The Company, while hoping on the one hand that the principles contained in this Code of Ethics will be spontaneously shared, adhered to and spread, on the other hand demands that they be respected by each individual operating on behalf of SELEX Sistemi Integrati S.p.A. or who comes into contact with the Company, and envisages the application of sanctions for any violations.

1. GENERAL PRINCIPLES AND THEIR APPLICATION WITHIN THE AFFILIATED COMPANIES AND ASSOCIATIONS

SELEX Sistemi Integrati S.p.A. operates in full observance of the laws and regulations applicable in the places in which it carries out its activity, in compliance with the principles established by the Code of Ethics and/or by the procedures envisaged by internal protocols.

Transparency, correctness, professional commitment, good faith and moral rectitude are the ethical principles to which SELEX Sistemi Integrati S.p.A. aspires – and from which it derives its behavioural models – in order to compete effectively and fairly on the market, improve customer satisfaction, increase the value for shareholders and develop the skills and the professional growth of its human resources. In particular, the conviction of acting, in any way whatsoever, for the benefit of the company does not justify the adoption of behaviour in contrast with the aforesaid principles.

The Recipients of this Code of Ethics are, therefore, committed to observe and to have observed the principles contained herein within the context of his/her duties and responsibilities. Such a commitment requires that parties with whom the Company has any relations of any kind whatsoever must also act in its relations with the company with rules and procedures dictated by these same values.

Each Recipient is bound to look after the Company assets and resources that he/she may hold on account of duties performed or jobs assigned and to use them for the Company's legitimate purposes; moreover, he/she must notify the Supervisory Board (as defined in article 13 below) of any improper use that others may make of the Company's assets and resources.

All actions, operations and transactions relating to SELEX Sistemi Integrati S.p.A. must be undertaken and carried out with all due respect for lawfulness and for the principles of fair competition and managed with the utmost correctness of relations. These must be dictated by the integrity and transparency of information, be confirmed by documentation and must be able to be submitted for testing and monitoring.

Relations with national and foreign Authorities must be distinguished by the utmost transparency and collaboration, with all due respect for their institutional duties.

In the case of holdings in other companies and consortia, the SELEX Sistemi Integrati S.p.A. objectives may also be reached through optimisation of synergies, with and between the affiliated bodies, which can be developed with due regard for the duties and responsibilities of each business, in keeping with the applicable legislation and the values enshrined in the Code of Ethics.

To this end, SELEX Sistemi Integrati S.p.A. submits its Code of Ethics to its controlled companies and consortia so that, after adapting it to suit their particular requirements and situations, they may formally adopt it as a management tool and effective element for their corporate organisation. Moreover, SELEX Sistemi Integrati S.p.A. requires and expects conduct in line with the principles of this Code from all of its controlled companies and consortia and from its main suppliers.

2. HUMAN RESOURCES AND EMPLOYMENT POLICY

The loyalty, capability, professionalism, seriousness, preparation and dedication of personnel are determining values and conditions for attaining the Company objectives.

In order to ensure the development of the corporate objectives, the aim of SELEX Sistemi Integrati S.p.A. corporate policy is to create and maintain the necessary conditions for the capabilities, skills and knowledge of each employee to grow further, by following a policy aimed at recognising merits and respecting equal opportunities. In this regard, the employee must cultivate and request the acquisition of new skills, capabilities and knowledge.

Moreover, when carrying out his/her activities, the employee must always operate with all due respect for the organisational structure and enable the correct and orderly operation of the chain of internal controls and the formation of an exact and well-constructed framework of responsibilities.

Within the context of personnel selection, which must be carried out with due regard for the ethical principles as set out in this Code, for equal opportunities and without any discrimination, SELEX Sistemi Integrati S.p.A. operates so that the acquired resources correspond to profiles that are effectively needed for corporate requirements, avoiding favouritism and concessions of any kind.

3. WORKING ENVIRONMENT AND PROTECTION OF PRIVACY

SELEX Sistemi Integrati S.p.A. is committed to creating a working environment that guarantees its employees and all those who in any way whatsoever interact with the company, conditions that respect personal dignity, and also undertakes to safeguard their moral personality and physical integrity with due regard for the currently applicable legislation.

In compliance with the provisions in the current regulations, SELEX Sistemi Integrati S.p.A. is committed to the protection of the privacy of its personnel as regards information pertaining to the private sphere and the opinions of each individual and, more generally, of those who interact with the company.

In particular, the protection of the worker's dignity must also be ensured through the respect of privacy in correspondence and in interpersonal relationships between employees, through prohibiting interference in conferences or dialogues and through prohibiting interventions or forms of control that can harm the personality.

4. INFORMATION ON MANAGERIAL FACTS AND ACCOUNTING DATA

The integrity and clarity of accounting data, statements and accounts represent a fundamental value both in relations with the partner (who must be able to have easy access to corporate information), in relations with third parties who come into contact with the Company (and who must be able to get a clear picture of the company's financial position), and in relations with supervisory boards.

For this value to be respected, it is essential that the basic information to be recorded in the accounts is complete, truthful, accurate and valid. The relevant accounting records must be reported completely, truthfully, accurately and promptly and must be available for verification at any time.

Each employee or collaborator in any way involved in the management of information on corporate facts who comes to know of possible omissions, falsifications or irregularities in the book-keeping and in the basic documentation is bound to refer these in writing to the Supervisory Board (see article 13 below).

5. CONFLICT OF INTERESTS

There is a contractual relationship of absolute trust between SELEX Sistemi Integrati S.p.A. and the Recipients of the Code of Ethics, in the context of which it is the primary duty of the employee and of the collaborator to use the Company's assets and his/her own working capabilities in the corporate interest, with due regard for the principles of this Code.

With this in mind, the Recipients are bound to avoid any situation and to refrain from any activity where personal interest may clash with the interests of the Company or which might interfere with and hinder the capacity to make impartial and objective decisions in the interest of the Company.

Therefore, these individuals must avoid any exploiting of their position and, in particular, must exclude any possibility of overlapping or crossing of economic activities in which there is or may be a personal and/or family interest with the tasks covered and/or assigned by the Company within the context of their relations with the company.

The following are examples of the kind of behaviour that would be considered a significant conflict of interests within the context of the established relationship, and as such are not exhaustive: the involvement of the employee or the collaborator or of their relatives in activities of suppliers, customers, competitors; the use of information acquired while carrying out work activities to their benefit or to the benefit of third parties and in any way in contrast with the interests of the Company.

Each situation of conflict of interests must be promptly referred to the Supervisory Board (as set out in article 13 below), so that the existence and seriousness of the situation may

be evaluated and so that the effects may be excluded or minimised.

The pursuit of interests in conflict with the Company's interests and/or the concealment of situations of conflict of interests may, depending on the specific situation and the consequences of the behaviour, seriously harm the relationship of trust established with the employee or with the collaborator, as well as being a breach of contract.

6. CONFIDENTIAL INFORMATION

In addition to the information subject to specific regulations and provisions as pertaining to military sectors or protected technologies or that is in any way contractually a secret, confidential information comprises all information learnt while carrying out work activities, or in any way on the occasion of these activities, the disclosure and use of which could cause danger or damage to the Company and/or unjustified earnings for the Recipients.

The company is distinguished by a high level of technology and, therefore, the quality of the information that the employee or collaborator may learn requires absolute respect for the rules of protection of industrial secrets, with reference both to third parties and to parties not functionally authorised for communication.

At any time and, in particular, on the occasion of the stipulation and execution of contracts, the obligation of confidentiality must be strictly observed in relations with third parties, with the press and with other parties not authorised for communication.

Any form of exploitation, use for economic purposes or investment, either direct or through an intermediary, that is based on confidential corporate information is against the law – and as such strictly forbidden.

Violation of the obligation of confidentiality by the Recipients may, depending on the specific situation and the consequences of the behaviour, seriously compromise the relationship of trust, as well as the contractual relationship, with the Company.

Such parties shall therefore commit themselves to the protection of privacy, with reference both to data that affects other employees within the Company, and with reference to data relating to suppliers, consultants, contractors and all parties having corporate relations with these, with due regard for the applicable legislation.

7. RELATIONS WITH PUBLIC AUTHORITIES AND ORGANISATIONS AND OTHER PARTIES REPRESENTING COLLECTIVE INTERESTS

Those Recipients that, in any way whatsoever, have relations on behalf of SELEX Sistemi Integrati S.p.A. with state and government authorities and with public organisations, whether Italian or foreign, with community or supranational organisations, or with other parties representing collective interests and with the natural persons that represent them must operate in constant and strict observance of the legislation applicable in Italy and in the country where the relationship occurs and its activities must be distinguished by correctness and transparency.

Care and attention must be paid in relations with the above-mentioned parties, particularly in operations relating to: tenders, contracts, authorisations, licences, concessions, requests for and/or management and use of any kind of public funding (national or community), management of orders, relations with supervisory authorities or other independent authorities, social security organisations, tax collection agencies, organisations dealing with bankruptcy proceedings, civil, criminal or administrative proceedings, and so on.

So as not to carry out actions in contrast with the legal regulations or in any way prejudicial to the company's image and integrity, the operations referred to above and the related management of financial resources must be undertaken by the specifically authorised corporate departments with due respect for the laws and regulations and corporate procedures.

In particular, in keeping with the corporate principles of behaviour as set out in this Code, the following behaviour is not allowed in relations with the parties referred to above, directly or indirectly:

- Promising or effecting disbursements of money beyond the scope or for purposes other than institutional and service.
- Distributing free gifts and presents beyond those envisaged by normal corporate procedure, that is, any form of gift offered that exceeds the normal commercial or courtesy practices, or that is in any way intended to acquire favourable treatment in the conduction of any corporate activity. In particular, any form of gift to Italian or foreign public officials or to their relatives (including in those countries where the giving of gifts is a wide-spread practice) that could influence the independence of opinion or lead to any benefit for the company is forbidden.
- Promising or granting benefits of any kind in order to influence the independence of opinion or to obtain any benefit for the Company.
- Behaving in a deceitful way that may cause the public authorities to make a wrong technical-economical evaluation of the products and services offered/ provided.
- Assigning contributions, subsidies or public funding for purposes other than those for which they were obtained.

Relations with the parties listed above are reserved exclusively for the parties delegated for this, with due regard for the Company's organisational set-up.

8. RELATIONS WITH CUSTOMERS AND SUPPLIERS

A correct and transparent relationship with customers and suppliers is a fundamental aspect of the Company's success, which must be followed by offering high quality products and services, in competitive market conditions and with due regard for the rules of fair competition.

The selection of suppliers and the acquisition of goods and services must take place with due regard for the principles of this Code of Ethics, the assigned responsibilities and internal procedures, and in written form. In any case, selection must take place exclusively on the basis of objective parameters of quality, convenience, reliability, capability and efficiency.

In business relations with customers and suppliers it is forbidden to give money, benefits, services of any other kind, whether direct or indirect, gifts, acts of courtesy and hospitality, unless they are of such nature and value as not to compromise the Company's image and that cannot be interpreted as intended to obtain favourable treatment not determined by market rules.

In any case, any gifts or acts of courtesy and hospitality must be submitted for the decision of the superior or the responsible person within the Company.

The employee or the collaborator who receives gifts or favourable treatment from customers or suppliers that go beyond the ordinary relations of courtesy or who comes to know of gifts or favourable treatment received by other employees or collaborators is bound to inform the Supervisory Board immediately (as set out in article 13 below).

9. RELATIONS WITH POLITICAL AND TRADE UNION ORGANISATIONS

SELEX Sistemi Integrati S.p.A. does not directly or indirectly favour or discriminate against any organisation of a political or trade union nature. The company refrains from providing any contribution, direct or indirect, in any form, to political or trade union parties, movements, committees and organisations, or to their representatives and candidates, other than those due on the basis of specific legal provisions.

10. RELATIONS WITH THE PRESS AND INFORMATION MEDIA

External communication towards the outside must follow the guiding principles of truth, correctness and transparency and must be aimed at furthering the knowledge and the consensus for corporate policies and for the Company's programmes and projects.

Great importance and attention must be given to external communication of documents, news and information concerning events that take place within the direct sphere of SELEX Sistemi Integrati S.p.A. activities that are not publicly known.

Relations with the press and communication and information media must only be held by parties expressly delegated for this, in compliance with the procedures adopted by the Company.

Any request for news from the press or information media must be communicated to the departments appointed for such a purpose before taking on any commitment to respond to the request.

Relations with the mass media must be distinguished by respect for the same rules already outlined for relations with public organisations. In any case, relations with the press and with the mass media must be distinguished by protection of SELEX Sistemi Integrati S.p.A.'s image.

11. SOCIAL ROLES WITHIN THE COMPANY AND IN THE AFFILIATED COMPANIES AND ASSOCIATIONS

Anyone having a social role within the Company or in companies and associations affiliated to SELEX Sistemi Integrati S.p.A. has the duty to attend assiduously the meetings to which he/she is invited, to fulfil the assigned tasks with fairness and correctness with due regard for the applicable legislation, and to foster communication within the Company.

12. INTERNATIONAL COMPETITION

The international dimension of business, orders and interests with reference to SELEX Sistemi Integrati S.p.A. means that the principles outlined in the Code of Ethics also find full application in the field of international competition.

Competition on SELEX Sistemi Integrati S.p.A.'s domestic and international markets must be carried out in a transparent manner, with due regard for the rules governing competition and the abuse of dominant positions and which restrain actions of a monopolistic nature.

In this field, the Recipients of the Code of Ethics must contribute to the creation and maintenance of a corporate image characterised by efficiency, competitiveness and transparency. Anyone operating overseas in the name and on behalf of SELEX Sistemi Integrati S.p.A. must act with all due respect for the laws of the country in which he/she is carrying out work activities and for the international rules regulating the market and corporate activity.

13. RULES FOR IMPLEMENTING THE CODE OF ETHICS AND OBLIGATIONS OF NOTIFICATION

The task of supervising the working and the observance of the Code of Ethics is entrusted to the Supervisory Board set up by the Board of Directors of SELEX Sistemi Integrati S.p.A. in accordance with Legislative Decree no. 231 of June 8, 2001, and provided with autonomous powers of initiative and control.

The Supervisory Board operates with impartiality, authority, continuity, professionalism and autonomy and may suggest updates to the Code of Ethics, including those based on notifications provided by the Recipients of the Code. The Supervisory Board also operates with wide discretionary powers and with the full support of SELEX Sistemi Integrati S.p.A. top management, with which it collaborates in absolute independence.

In order to make the application of the Code of Ethics more effective, each Recipient of the Code is obliged to notify the Supervisory Board, in written form and without delay, of any behaviour that does not comply with the contents of said Code carried out by anyone operating in any way whatsoever on behalf of the Company.

To this end the Company has communication channels through which all those who come to know of any behaviour that is illicit or contrary to the Code of Ethics may freely, directly and confidentially refer it to the Supervisory Board.

Anonymous notifications shall not be taken into consideration. It shall be the Company's responsibility to ensure the confidentiality of the identity of the notifier, without prejudice to the requirements of legal provisions, and to safeguard the notifier from retaliation, unlawful conditioning, hardships and discrimination of any kind in the working environment, due to having notified the Supervisory Board of a violation of the contents of the Code of Ethics.

It is the Supervisory Board's responsibility to take into consideration and evaluate all notifications received. All the Recipients are obliged to collaborate with the Board, so as to allow all further information deemed necessary by the Board to be collected for a correct and full evaluation of the notification. Any consequent measures shall be applied in compliance with the provisions of the sanctions system as set out in article 14 below.

14. VIOLATION OF THE CODE OF ETHICS AND THE SANCTIONS SYSTEM

14.1 *In relation to employees*

Violation of the principles set out in the Code of Ethics and in the procedures envisaged by internal protocols by workers employed by the Company constitutes a breach of the obligations deriving from the work relationship and leads to the application of disciplinary sanctions.

With reference to the sanctions that can be imposed, it is hereby stated that these shall be applied with due regard for the provisions laid down by law, by the National Collective Labour Agreement for the Private Metal-mechanical Engineering Sector and the installation of plant (hereafter CCNL), as well as the Disciplinary Code adopted by the Company.

Such sanctions shall be applied according to the significance of the individual cases examined and shall be proportionate to their seriousness.

The assessment of the aforesaid infringements, the management of the disciplinary measures and the imposing of sanctions fall under the competence of the corporate departments set up and delegated for this purpose.

14.2 *In relation to managers and Directors*

In the event of a confirmed violation by managers of the principles set out in the Code of Ethics and/or in the procedures envisaged by internal protocols, the Company shall evaluate the facts and the behaviour and shall take the appropriate actions in relation to managers in accordance with the legal provisions and the National Collective Labour Agreement for Industrial Managers, taking into account the fact that such violations constitute a breach of the obligations deriving from the work relationship.

In the event of a confirmed violation of the Code of Ethics and/or of the procedures envisaged by internal protocols by SELEX Sistemi Integrati S.p.A. directors, the Supervisory Board shall inform the entire Board of Directors and its Board of Statutory auditors, who shall take the appropriate actions in accordance with the law.

14.3 *In relation to collaborators, consultants and other third parties*

Any behaviour by collaborators, consultants or other third parties linked to SELEX Sistemi Integrati S.p.A. by a contractual relationship other than an employer-employee relationship that is in violation of the principles envisaged in the Code of Ethics may determine the application of a penalty and, in the most serious cases, also the cancellation of the contractual relationship, without prejudice to any possible request for compensation for damages.

