



SELEX

Sistemi Integrati

A Finmeccanica Company

CODE OF ETHICS

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1. OVERVIEW

SELEX Sistemi Integrati S.p.A. is a limited company, entirely controlled by Finmeccanica S.p.A. and operating in the industry of air defence systems, C4I systems, systems for vessel missions and for air and vessel traffic management and control. The Company designs and manufactures Systems for Homeland Protection by applying corporate technologies or resorting to technologies of other companies of the Finmeccanica Group.

The role taken on by SELEX Sistemi Integrati S.p.A. in both the domestic and international markets, and the nature and importance of the activities the Company is involved in, presupposes the commitment on the part of those working for SELEX Sistemi Integrati S.p.A. or anyone who, in any way whatsoever, operates on behalf of the Company, 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, i.e. the directors, employees, staff and more generally all those who cooperate in any way whatsoever, in the pursuit of the Company's aims (hereinafter jointly defined as "the 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 SpA promotes an ethical behaviour on carrying out any activity and considers correctness in internal and external relations to be the basic criterion to which each action must conform.

On verifying the compliance of the organizational and internal control system with the provisions of the Legislative Decree n. 231/2001, the Company has decided to proceed with the drafting 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 to its personnel and to third parties and that, more generally, characterize how the Company carries out its corporate activities.

The Company, while hoping on 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. In case of any violations, the application of sanctions has been provided for.

2. 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 the Company carries out its activity, in compliance with the principles established by the Code of Ethics and/or by the procedures provided for 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 in 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 a behaviour which is 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 on performing one's duties and taking one's responsibilities. Such a commitment requires that parties with whom the Company has any relations of any kind whatsoever will also act in their relations with the company in accordance with rules and procedures dictated by the same values.

Each Recipient is obliged to take care for the Company's assets and resources that he/she may be assigned 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 16 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 will be managed with the utmost correctness of relations. Any action shall be duly documented and will be performed so as to be easily monitored and checked.

Relations with national and foreign Authorities will be marked by the utmost transparency and collaboration with all due respect for the respective institutional roles.

In case of holdings in other companies and consortia, the Company objectives will also be reached through the optimisation of synergies developed with and between the affiliated companies and with due regard to the duties and responsibilities of each individual business and in accordance with the applicable laws and regulations and in conformity with the values of this 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 instrument for their corporate organisation. Finally, SELEX Sistemi Integrati S.p.A. requires and expects a conduct in line with the principles of this Code from all of its controlled companies and consortia and from its main suppliers.

3. HUMAN RESOURCES AND EMPLOYMENT POLICY

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

In order to ensure the development of the corporate objectives, SELEX Sistemi Integrati S.p.A. corporate policy aims at creating and maintain the necessary conditions for the capabilities, skill and knowledge of each employee to grow further, by 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 allow the correct and orderly operation of the chain of internal controls within an exact and well constructed framework of responsibilities.

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

SELEX Sistemi Integrati staff is hired by a formal employment contract as prescribed by current laws and regulations and in accordance with collective bargaining agreements. In particular, SELEX Sistemi Integrati S.p.A. does not permit the hiring of personnel in breach of current child, woman and immigrant labour protection laws also when hiring external collaborators, suppliers or commercial partners.

4. WORKING ENVIRONMENT

SELEX Sistemi Integrati S.p.A., in compliance with the provisions of the Italian D.Lgs. 81/2008 (Safety law) and of any other relevant regulations, is committed in safeguarding health at work by arranging and implementing all measures required to guarantee the highest standard of hygiene and safety provide for by current scientific knowledge. In addition the Company disseminates and strengthens workers' awareness of safety measures, by developing a policy of risk awareness and promoting a safety-conscious behaviour on the part of all members of the staff and collaborators.

In particular, here below are listed the fundamental principles adopted by SELEX Sistemi Integrati S.p.A. on making any decisions in terms of safety and hygiene at work:

- Avoid risks, by paying special attention in assessing risks which cannot be avoided;
- Fight risks at source;
- Design the workplace and work conditions to fit human needs, abilities and personal limitations;
- Keep pace with the evolution of technologies;
- Replace dangerous materials and equipment with safe or less dangerous ones;
- Plan risks prevention by arranging a comprehensive set of measures covering all aspects involved, from the organization of work to work conditions and work environment;
- Give priority to measures of collective protection rather than individual protection ones;
- Correctly instruct workers.

SELEX Sistemi Integrati S.p.A. is committed in guaranteeing the observance of current safety laws and regulations also on the part of suppliers and subsidiaries especially as concerns the compliance with laws protecting child labour and hygiene and safety at work by providing for a system of contractual penalties and even the termination of contract in case of breach.

5. PROTECTION OF PRIVACY

In compliance with current laws and regulations, SELEX Sistemi Integrati S.p.A., is committed to the protection of the privacy of all its staff and whoever interacts with Company when dealing with information pertaining to the private sphere and the opinions of each individual.

In particular the protection of the worker's dignity will be ensured through the respect of privacy in correspondence and interpersonal relationships between employees by prohibiting any interference in conferences or dialogues and any form of legally unauthorized control that may harm their personality.

The Company shall adopt any measure required for the correct management of databases and personal data will be employed in absolute compliance with current laws and regulations by guaranteeing the confidentiality of the information processed and by entrusting their processing to authorized personnel only.

6. USE OF ITC INSTRUMENTS

The employment of ITC instruments and technologies shall conform to principles of fairness and the authenticity and integrity of data processed will be guaranteed especially vis-à-vis the Authorities and Government Institutions.

Relevant policies for the management of ITC instruments will be implemented and systems will be developed to fight "cyber crime".

7. INFORMATION ON MANAGERIAL FACTS AND ACCOUNTING DATA

The integrity and clarity of accounting data, statements and accounts represent a fundamental value on relating with partners (who must be able to have easy access to corporate information) and any 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), as well as when relating with supervisory board.

To attain that, 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 learns about possible omission, falsifications or irregularities in book-keeping and in the drafting of basic documentation is bound to report these in writing to the Supervisory Board (see article 16 below).

8. 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 exploiting 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 in performing the tasks assigned by 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 relationship established with the Company, and as such are not exhaustive: the involvement of the employee or the collaborator or of their relatives in business 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 16 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 concealing of cases of conflict of interests may, depending on the specific situation and the consequences implied, seriously harm the relationship of trust established with the employee or with the collaborator and represent a breach of contact.

9. CONFIDENTIAL INFORMATION

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

The company distinguishes itself 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, both from third parties and 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 when relating with third parties, the press and anybody who is not authorised for its disclosure.

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 current laws and as such is strictly forbidden.

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

The parties shall therefore commit themselves to the protection of privacy, both when processing data involving other employees of the Company, and when treating data relating to suppliers, consultants, contractors and any parties having corporate relations with these, with due regard for the applicable legislation.

10. 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 takes place 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 activities 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, contacts 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 activities referred to above and the management of relative financial resources will be undertaken by the specifically authorised corporate departments with due respect for current laws and regulations and corporate procedures.

In particular, as provided for by the corporate principles of behaviour as set out in this Code, the following conduct is not allowed when relating 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 provided for 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 those countries where the giving of gifts is a widespread practice) that could influence the independence of opinion or lead to any benefit for the company.
- 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 setup.

11. 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 pursued 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 be made with due regard for the principles of this Code of Ethics, the assignee's 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.

SELEX Sistemi Integrati S.p.A. shall not establish business relations of any kind with anybody or any company involved in criminal organizations or suspected as such or concerned with the traffic of human beings or the exploitation of child labour, or else with individuals or groups connected with terrorist organizations aiming at intimidating people or at destroying the fundamental political, economic and social organization of a Country or of an international organization.

To this purpose, the Recipients shall avoid any transaction which might be considered suspected in terms of transparency and correctness. In particular, the Recipients commit themselves in checking any information available about their commercial partners, suppliers, consultants etc to verify their reliability and credit. The same will operate in such a manner as to avoid any involvement in transactions which might favour the laundering of money coming from criminal activities in compliance with current laws and regulations.

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 to the decision of the superior or the person in charge 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 about gifts or favourable treatment received by other employees or collaborators is obliged to inform the Supervisory Board immediately (as set out in article 16 below).

12. RELATIONS WITH POLITICAL ORGANISATIONS AND TRADE UNIONS

SELEX Sistemi Integrati S.p.A. does not directly or indirectly favour or discriminate against any political organisation or trade union. 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.

13. RELATIONS WITH THE PRESS AND INFORMATION MEDIA

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

Great importance and attention must be given to the publication of documents, news and information concerning events affecting SELEX Sistemi Integrati S.p.A. activities that cannot be 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 by 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 marked by respect for the same rules outlined above for public organisations. In any case, relations with the press and with the mass media must be distinguished by the protection of SELEX Sistemi Integrati S.p.A.'s image.

14. POSITIONS WITHIN THE COMPANY AND IN THE AFFILIATED COMPANIES AND ASSOCIATIONS

Anyone holding a corporate position within the Company or in companies and associations affiliated to SELEX Sistemi Integrati S.p.A. has the duty to assiduously attend 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 encourage the exchange of information within the Company.

15. INTERNATIONAL COMPETITION

The international dimension of SELEX Sistemi Integrati S.p.A. business and activities implies that the principles outlined in the Code of Ethics are also fully applied in the international competition.

Relations with domestic competitors and the 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 restraining monopolistic behaviours.

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.

16. RULES FOR IMPLEMENTING THE CODE OF ETHICS AND OBLIGATION 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 Italian Leg. Decree no. 231 of June 8, 2001, and entrusted 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, also on the base of 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, 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 learns about any behaviour that is illicit or contrary to the Code of Ethics may freely, directly and confidentially refer it to the Supervisor Board.

In order to facilitate the notification of information to the Supervisory Board a dedicated channel has been devised: Organismodivigilanza@selex-si.com. The Supervisory Board may be also contacted by addressing any communication to SELEX SI Supervisory Board at SELEX Sistemi Integrati S.p.A. via Tiburtina, 1.231, 00131 Roma.

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 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 the collection of any further information deemed necessary by the Board for a correct and full evaluation of the case notified. Any consequent measures shall be applied in compliance with the provisions of the sanctions system as set out in article 17 below.

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

17.1 *In relation to employees*

Any worker's violation of the principles set out in the Code of Ethics and in the procedures provided for by internal protocols will represent a breach of the obligations deriving from the work relationship and will imply 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 current laws, by the National Collective Labour Agreement for the Private Metal mechanical Engineering Sector (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.

17.2 *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 provided for by internal protocols, the Company shall evaluate the facts and the behaviour and shall take the appropriate actions against the managers involved in accordance with the legal provisions and the National Collective Labour Agreement for Industrial Managers, as such violations represent 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 provided for in 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 legal steps.

17.3 *In relation to Collaborators, Consultants and other third parties*

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

