



## **ADDENDUM ITALY**

Our Code, as well as this addendum is provided as guidance in conducting your L-3 responsibilities. These documents are not intended to be all inclusive. You should seek guidance from the Legal Department as conflicts arise.

The L-3 Code of Ethics and Business Conduct ("Code") applies to everyone who does business on behalf of L-3 - employees, officers and members of our Board of Directors. It also may apply to agents, consultants, contract labor and others who act on L-3's behalf. Above all, every L-3 employee must conduct himself or herself in an ethical manner.

Specifically, everyone who represents L-3 will ensure that:

- ✓ Ethical behavior is the foundation by which we conduct our business
- ✓ We do not take advantage, or abuse our position for personal gain or otherwise knowingly violate the law
- ✓ Our actions do not create, directly or indirectly, a conflict of interest
- ✓ We seek guidance when necessary

### Requirements

If you are a U.S. citizen working outside of the United States, you are required to abide by United States laws, as well as the laws and regulations of the country in which you are employed. All other individuals may or may not be subject to both U.S. and foreign laws, depending on the circumstances. In situations where you are uncertain about whether a particular law applies, consult with your Manager or the Legal Department immediately.

Specific provisions set forth by Italian law, applicable national collective labor agreements, in-house regulations and company agreements might be in conflict with some parts of the content of the Code. In such circumstances, the national law and, either national or in-house agreements shall prevail on the Code. Major areas where specific national law or company's agreements' provisions shall apply are listed below.

#### **Gifts and Entertainment with Government Representatives**

The Italian Criminal Code Article no. 318 prohibits public officers from obtaining, seeking or agreeing (also in favor of a third party) to receive a bribe to perform their duties, and you should not give, offer or promise to give a bribe to a public officer.

The Italian Criminal Code Article no. 319 prohibits public officers from obtaining, seeking or agreeing (also in favor of a third party) to receive a bribe not to perform, or to delay, their duties, and you should not give, offer or promise to give a bribe to a public officer.



The Italian Criminal Code Article no. 322 specifies that it is considered a crime also the simple offer of bribe, even if it is not accepted by the public officer.

### **Non-competition, Good faith and Confidentiality**

Employees are bound to the duties of loyalty, diligence, confidentiality and non competition as set forth under Articles no. 2104 and 2105 of the Italian Civil Code. Accordingly an employee shall perform his/her job with the diligence required by the nature of the services for the best interests of the firm. Furthermore, he/she shall comply with such instructions for the performance and discipline of work as are given by the employer and its assistants to whom he/she is subordinated (article no. 2104 of the Italian Civil Code).

Furthermore, an employee cannot engage in business, either on his/her own account or on the account of third persons, in competition with his/her employer. In addition an employee is not to disclose information concerning the organization and methods of production of the enterprise if the disclosure is prejudicial to the employer (article no. 2105 of the Italian Civil Code).

### **Fairly competing in the market**

According to article 2598 of the Italian civil code, the following behaviors are in breach of the law: (i) using brands and names of other companies, imitating a competitor's products, acting as to create confusion with the products and activities of a competitor; (ii) divulging information and comments on a competitor's products and activities as to bring discredit on him/her; (iii) adopting measures in breach of correctness' principles in doing business, and by doing so other companies' business are damaged.

Accordingly, hiring employees from our competitors, being aware that these are under restrictive covenants not to compete, and using trade data and secret information from our employees being hired from our competitors are both in breach of Italian law.

### **Protecting privacy and employees' rights under the Italian Law no. 300 of 1970**

The Italian Legislative Decree no. 196/03 sets forth a duty to inform owners of protected data if the data is comprised to ensure database safety and protect the transfer of data. All employees are required to take due note of the applicable law provisions and of the information received in this respect, and also not to take any steps which might lead the Company to be in breach of the above mentioned law provisions.

Romantic relationships are part to the private sphere of each employee. The employer is not allowed to investigate on romantic relationships between colleagues, and to take any action (e.g. transfer, change of duties, etc.) or arise any arguments towards employees by reason of they having a romantic relationship with a colleague.

Italian Law. no. 300 of 1970 prohibits the employer to use audiovisual systems and other systems to control its employees' activity from a distance.



Notwithstanding this, the employee is requested to observe the company's guidelines on the use of e-mail, telephone, internet access, and other company's tools. Under certain circumstances set forth in such guidelines, the employer is allowed to monitor the proper use of the company's tools.

### **Procurement Integrity**

All Italian public entities are governed by procurement laws. The most recent legal provisions on procurement are legislative decree no. 163/06; legislative decree no. 6/07 and legislative decree no. 152/08. Due to the complexity and sensitiveness of the matter, please refer to our Legal Department, in any case of doubt.

### **False Statements and False Claims**

The Italian Legislative Decree no. 206/05 (called: Code of Consumer) covers various aspects of consumer protection: unfair practices (including misleading and deceptive conduct), product safety and information, conditions and warranties in consumer transactions, actions against manufacturers/importers of goods and product liability.

### **Fair Treatment and Non-Discrimination**

The Italian Constitution prohibits discrimination due to sex, race, language, religion political opinion and personal and social conditions of the individuals.

People, either employees, or customers, or suppliers, or contractors, shall not be treated less favorably because of their sex, race, ethnic origin, religion, political orientation, sexual orientation, handicap, age, pregnancy status, marital status (Italian Legislative Decrees no. 215/03, no. 216/03, 256/04, Italian Legislative Decree no. 198/06 and Italian Legislative Decree no. 151/01, and Italian Law no. 104/06).

### **Safeguarding Health and Safety**

L-3 must abide by Italian law provisions on health and safety at work as set forth by the Italian Legislative Decree no. 81/08, and any other law provisions which are applicable according to its field of activity.

The system is based on the direct involvement of the employer and employees in safeguarding and ensuring safety at the work place. The employer must prepare a document evaluating the risks involved in the company's activity and provides for countermeasures and training of the employees, besides setting up the Office for Prevention and Protection. The employees elect their representative for safety and health and must comply with the safety rules set forth by the employer.

### **Avoiding Insider Trading**

Italian Legislative Decree no. 58/98 prohibits insider trading, which is dealing in securities whilst in possession of price sensitive information that is not generally available. According to article 180 of Italian Legislative Decree no. 58/98, an *Insider* is anyone who, as a result of performing his/her function, profession or office, has access to privileged information regarding the company as may be the case, in particular, of participating in decisions, meetings, presentations and informal discussions. Employees belong to this category.

When, in relation to the performed functions, you acquire important information not disclosed to the public, you are forbidden to utilize it to your advantage or to the



advantage of your relatives or acquaintances and in general of third parties, also for the purpose of purchasing and selling securities issued by L-3 or external companies.

### **Environmental Laws**

Italian Legislative Decree n. 152/2006 is the consolidated text on environmental protection. It includes rules on waste management (including hazardous wastes), environmental impact assessment and strategic environmental assessment procedures, water protection and environmental damage. Pursuant to such decree, waste management is under the responsibility of all the involved subjects, such as producers, transporters and waste management sites' operators. This decree sets forth all the relevant rules concerning the waste management, such as, for instance, documents for the transport, declaration of waste production, competent authorities, sanctions etc.

Italian Legislative Decree no. 151/2005 (as amended and supplemented) concerning Waste of Electric and Electronic Equipment: such piece of legislation has implemented the European WEEE and RoHS directives and it concerns these specific categories of wastes, which has to be disposed of separately. In particular, such decree establishes that EEE producers have to implement a WEEE collecting network in order to promote their re-utilization and recycling.

Italian Legislative Decree no. 192/2005 (as amended and modified) concerning energy performances of the buildings: such piece of legislation has implemented European Directive 2002/91/EC on the matter. It provides that an energy certificate on the building's energy performances has to be available for the owner/tenant of the building in order to make transparent costs and opportunities of energy consumption.

### **Mandatory Obligation to Disclose Certain Misconduct**

Though in Italy there is no law requiring the mandatory disclosure of credible evidence of criminal and/or civil law violations, as a US based company, all employees, officers, directors, representative and consultants must comply with the Federal Acquisition Regulation (FAR). The FAR requires the mandatory disclosure of credible evidence of federal criminal law violations involving fraud, conflict of interest, bribery, or gratuity violations, as well as claims under the Civil False Claims Act, and significant overpayment. This mandatory disclosure obligation continues up through three (3) years after contract close-out. In order to comply with these obligations, all L-3 employees must immediately report any issues that could potentially constitute a violation of criminal or civil law, or significant overpayment on a Government contract or subcontract, to your responsible Ethics officer or the Corporate Ethics Officer. You may also report these matters through the Ethics Helpline. Reporting of these matters is mandatory, although you may use the Ethics Helpline if you prefer to remain anonymous.

### **Money laundering**

Legislative Decree no. 231/07 sets forth the provisions to prevent money laundering. Money laundering refers, without limitation, to the introduction (such as through conversion or transfer) of money or other assets originating directly or indirectly from a criminal offense into the regular economic cycle of money. Breaches of money



laundering regulations may result in criminal sanctions, therefore, if in doubt, please refer to our Legal Department.

**Acknowledgment of the L-3 Code of Ethics and Business Conduct**

Your re-affirming your commitment to the L-3 Code would be highly appreciated. We therefore kindly ask you to sign the acknowledgment statement on the back flap of the L-3 Code of Ethics and Business Conduct book.