

Organization, Management and Control Model
pursuant to Legislative Decree no. 231 dated 8 June 2001
Attachment n°1

CODE OF ETHICS

Approved by the Board of Directors of Galileo Avionica S.p.A. in the meeting of 7 May 2007.
Available on the company's intranet: <http://intranet.galileoavionica.it> and on its
internet website: http://www.selex-sas.com/about_ga.html

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I PREAMBLE

1.1. The Company and the 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 anyone carrying out transactions of any nature whatsoever with Galileo Avionica - Società per azioni (hereinafter referred to as "Galileo Avionica" or "Company").

The principles and provisions of this Code of Ethics are binding on all the following Recipients:

- members of the Board of Directors, when setting targets, deciding activities, implementing projects, proposing investments and in any decision or action concerning the Company's business performance;
- members of the Board of Statutory Auditors when controlling and reviewing the correctness in both form and substance of the Company's business and the operation of the internal control system;
- Deputy General Managers and Executives, with regard to Company direction activities, in connection with the management of both internal and external activities;
- employees and all the co-workers holding any type of contract with the company, including occasional and/or merely temporary ones;
- anybody carrying out commercial and / or financial transactions of any nature with the Company;
- representatives of directly or indirectly controlled companies.

Galileo Avionica and the companies in which it holds majority or minority interests, whether directly or indirectly, are present in advanced technology sectors, (with particular reference to the fields of aerospace, defence, electronics and information technology) and, by scale and significance of their activities, play a major role in the market, in the economic development and scientific and technological progress of the fields in which they operate.

Galileo Avionica is part of the Finmeccanica Group and shares its aims and objectives. It therefore adopts the Code of Ethics of Finmeccanica and accepts the principles of fairness and transparency which inspire the policies of the Finmeccanica Group with regard to organization and business conduct.

The achievement of the set objectives is pursued by all the Recipients through loyalty, integrity, honesty, competence and transparency, in strict compliance with all applicable laws and regulations.

1.2. Relationships with Stakeholders

The presence of Galileo Avionica in both national and international markets, the various contexts in which it operates and the multiplicity of third parties it

deals with, place a focus on the management of the relationship between the Company and its stakeholders (stakeholders being all public and private parties, both Italian and foreign, individuals, groups, companies, institutions, which have any contact with Galileo Avionica and/or have any kind of interest in the activities of the Company).

Galileo Avionica intends its conduct to be in strict compliance with the law (the laws of Italy and of those countries where it operates), with market regulations and with the principles on which fair competition is based.

1.3. Key principles

Compliance with the applicable law, transparency and proper management, trust and cooperation with stakeholders are the ethical principles followed by Galileo Avionica - and which have inspired 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 firm belief of acting to the Company's advantage does not justify the adoption of any conduct in contrast with these principles. All the Recipients, without distinctions or exception, are therefore committed to observe these principles and have them observed within their own functions and responsibilities. Such commitment requires all parties having any business dealings whatsoever with the Company to apply, in all their transactions with the Company, rules and means inspired by the same values.

1.4. Code of Ethics

Galileo Avionica considers it appropriate and necessary to adopt and issue a Code of Ethics which expresses the values to which all the Recipients must conform, by accepting responsibilities, structures, roles and rules for whose breach they are liable towards the Company and outside, even where it does not entail any third party liability for the Company. Knowledge and observance of the Code of Ethics by all those who work with or for Galileo Avionica are therefore essential in maintaining transparency and upholding the Company's reputation. Galileo Avionica shall also bring the Code to the attention of all those with whom has business dealings, who shall be required to know and abide by the rules contained therein.

Within the internal control system, the Code of Ethics represents a management tool for an ethical conduct in business affairs, an effective element of corporate strategy and organisation and an integral part of both the Organizational, Management and Control Model and of the system of sanctions, in relation to the alleged breaches of the rules established by Galileo Avionica pursuant to Articles 6 and 7 of Legislative Decree 231 of 2001 and based on the code of conduct drawn up by Confindustria for the purposes of Article 6, paragraph 3, of the above Legislative Decree. The responsibility for the implementation of the Code of Ethics and its application is a duty of the directors and employees of

Galileo Avionica, 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 examination of the Board of Directors.

In this respect, Galileo Avionica S.p.A. has set up a Surveillance Body overseeing the operation of, and compliance with, the Organizational Management and Control Model adopted for the prevention of the above mentioned crimes and offences as well as of any breaches of the ethical principles established in the present Code.

The Board of Directors shall be in charge of updating the Code of Ethics in line with the new applicable regulations, if any, and the evolution of civil awareness.

1.5. Application within the company and its subsidiaries

As Galileo Avionica operates on the market in an integrated manner with the companies of the Selex Sensors and Airborne Systems Group the attainment of its objectives depends partly upon the optimisation of the synergies which can be developed with and between the companies in which Galileo Avionica owns a majority or minority interest, provided that all those who work within the Company contribute their capabilities within the limits of their respective roles and responsibilities and in the observance of the roles and responsibilities of others, in accordance with applicable laws and with the values identified in the Code of Ethics.

Galileo Avionica, therefore, ensures that this Code of Ethics is disseminated to its directly and indirectly-held subsidiaries, for their formal adoption as a management tool and as an effective element of the corporate strategy and organisation, after any necessary amendments, integrations or changes. As a result of this, the ethical principles set forth in this Code of Ethics are shared by all the subsidiaries of Galileo Avionica and are binding on all the recipient's behaviours. Galileo Avionica also requires all its and associated and related companies to keep a conduct in line with the principles of this Code.

2 GENERAL PRINCIPLES

2.1 Compliance to laws and regulations

Galileo Avionica operates in full observance of the laws and regulations in force in the countries where it carries out its business, in accordance with the principles set forth in the Code of Ethics and with the procedures set out in internal protocols.

Moral integrity is a constant obligation on all the Recipients.

The Recipients are therefore required to be familiar with and observe the laws

and regulations in force in every country in which the Company operates, to the extent of their respective areas of competence. This obligation also includes attention towards and observance of the regulations on competition, both in the national and international market.

All Recipients' relationship with Public Institutions and Authorities must be marked by the highest degree of fairness, transparency and cooperation, in full observance of applicable laws and regulations and of their institutional roles.

2.2 Models and rules of conduct

All the activities undertaken by the Recipients must be performed with professional care, moral rigour and proper management, with a view to safeguard the image of the Company.

The conduct and relationships of all the Recipients, both inside and outside the Company, must be based on transparency, fairness and mutual respect. In such context, directors and executives must be the first to set a good example to all the human resources of Galileo Avionica, by complying, in the performance of their duties, with the principles that inspire the Code of Ethics and with the Company's procedures and rules, by circulating them among the employees and urging these latter to submit inquiries about such code and procedures, or proposals for updating them where necessary.

Particularly, Galileo Avionica shall request its directors to use their best efforts actively to propose and realise any projects, investments and industrial, commercial and managerial actions that may be useful to preserve and increase the economic, technological and professional capacity of the Company.

Galileo Avionica also ensures that any supporting information on company events and decisions is made available, so as to allow the company functions and bodies, the external auditors and the bodies overseeing internal controls, as well as the surveillance authorities, to carry out the most comprehensive and effective control activities. The use of computer and electronic tools means must be in compliance with the principles of fairness and such as to guarantee the integrity and authenticity of the processed data, for the protection of the Company's and of any third party's interests, in particular Public institutions and Authorities in particular. Galileo Avionica has adopted suitable measures to ensure that electronic and computer data can only be accessed in accordance with the applicable regulations and the privacy of any involved persons, and in such a manner as to guarantee that any information shall be kept confidential and be processed only by expressly authorized persons, and that any intrusions shall be impeded.

2.3 Dissemination and observance of the Code of Ethics

Galileo Avionica promotes the knowledge and obedience of the Code of Ethics, of specific protocols and their updates among all the Recipients, requiring their

observance and providing, in case of non-compliance, for adequate disciplinary actions or contractual sanctions. The Recipients are therefore required to be familiar with the contents of the Code of Ethics - asking and receiving any necessary explanations on their interpretation from the company's in-charge officers - to observe the Code and to contribute to their implementation, by reporting any weaknesses or breaches (or even attempted breaches) that they may become aware of.

Galileo Avionica also promotes and encourages cooperation among the Recipients to develop compliance with, knowledge and implementation of the Code of Ethics and of specific protocols, within the scope of each Recipient's competence and functions.

2.4 Corporate Governance

Galileo Avionica shall adopt a Corporate Government system based upon the highest standards of transparency and fairness in business management and to the best international practices.

Such corporate governance system focuses on optimizing value to the benefit of shareholders', controlling enterprise risks, maintaining transparency towards the market and balancing the interests of all shareholders.

3 HUMAN RESOURCES AND EMPLOYMENT POLICY

3.1 Principal conditions

Human resources are an essential element for the existence of the Company and a crucial factor for successful competition on the marketplace. Staff's honesty, fairness, competence, professionalism, integrity, technical expertise and commitment are therefore the principal conditions for the attainment of company objectives and are the pre-requisites that Galileo Avionica demands of its directors, member of the Board of Statutory Auditors, employees and co-workers in their various capacities.

3.2 Selection policies

In order to contribute to achieving the Company's objectives and ensure that such objectives are pursued by everyone in accordance with the ethical principles and values which inspire Galileo Avionica, it is a policy of the company to select each employee and co-worker in any capacity whatsoever, in accordance with the above values and characteristics. Galileo Avionica shall therefore offer equal work opportunities, and grant a fair treatment on the basis of individual expertise and skills. During the selection, which shall be conducted in agreement with equal employment opportunities and without any

discrimination with regard to the applicants' private life and opinions, Galileo Avionica shall see to it that the human resources hired correspond to the Company's effective needs, eschewing favouritism and any kind of facilitation and selecting exclusively on grounds of professional expertise and competence.

The staff of Galileo Avionica has been employed under a regular employment contract, in application of the law, of applicable regulations and national collective bargaining agreements. In particular, Galileo Avionica shall not tolerate or allow any employment relationships involving a breach of applicable labour regulations concerning child, feminine and immigrant work, even if conducted by external co-workers, suppliers or trade partners.

3.3 Development of professionalism

In the course of each work relationship, Galileo Avionica is committed to providing and maintaining the necessary conditions to develop the skills and knowledge of each employee in accordance with the above mentioned 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 take greatest care to enhance and improve the professional expertise of their co-workers by creating the conditions for developing their skills and realise their potential.

Personnel management and selection must be guided by principles of fairness and impartiality, avoiding favouritism or discrimination, and respecting the professional expertise and competence of the worker.

In pursuing company targets, the worker must be aware that ethics are a major interest of Galileo Avionica and that there shall be no tolerance for any conducts in breach of the law, of the regulations currently in force, of the Organizational, Management and Control Model or of this Code of Ethics, even if apparently aiming at ensuring a benefit for the Company or for the Group.

3.4 Human Resources and Code of Ethics

Through its functions and dedicated resources, Galileo Avionica continuously promotes and encourage acquaintance with the Code of Ethics, relevant protocols and amendments and knowledge of the areas of activity of the various functions including assignments of responsibilities, reporting lines, description of duties and training of personnel. Information on, and knowledge of, the Code of Ethics and relevant specific protocols are achieved first of all by circulating specific documentation to all the Company's employees and co-workers in any capacity, who are required by the Company to sign a statement acknowledging receipt of and acquaintance with the informative documentation concerning the Code of Ethics, when this is handed over to them. Secondly, Galileo Avionica provides its employees and co-workers in any capacity and at any level, with special training and follow-up programmes organised by the competent

functions, 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 service relationship, Galileo Avionica 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

Galileo Avionica is committed to providing a work environment which guarantees to all the Recipients, and particularly employees and co-workers in any capacity and at any level, the respect of personal dignity and where the characteristics of an individual cannot give rise to any form of discrimination or conditioning.

In compliance with the provisions of Legislative Decree no. 626 of 1994, and any other provisions in this matter, Galileo Avionica is committed to the safeguard of the workers' health, by applying any necessary and appropriate measures and the best technical and scientific know-how to guarantee the absolute compliance of the work place to the highest standards in matters of health and safety. Galileo Avionica is also fostering and establishing a culture of safety, protection of workers' health in the workplace, developing risk awareness and promoting responsible behaviour by all its employees and/or co-workers.

Galileo Avionica, in full compliance with the Personal Data Protection Code and regulations for the protection of the privacy of all the Recipients and, in general, of anybody having contacts with the Company at any title, adopts appropriate regulations providing for a prohibition to unduly communicating and/or circulating personal data without the prior consent of the person concerned.

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, by prohibiting interferences in meetings or dialogues and any intrusion or form of control or manipulation of personality which may have harmful effects.

Galileo Avionica is committed to the safeguard of the moral integrity of all its employees and/or self-employed co-workers, guaranteeing their right to dignified working conditions and the full exercise of political and union rights. Galileo Avionica protects its workers against acts of psychological violence or mobbing and opposes any discriminating attitude or behaviour which might cause prejudice to the person, its beliefs and inclinations. Harassment or molestation of any kind in any work relationship is absolutely forbidden and it is forbidden, in general, to behave in any way that might compromise the peaceful performance of the functions assigned and otherwise cause prejudice to the dignity of the worker.

4 CONFLICT OF INTEREST

4.1 Company and personal interests

The relationship between Galileo Avionica and its directors and employees at any level is based upon complete trust, within which it is the primary duty of each director and employee to use the Company's assets and his/her own working capacity to achieve the Company's interests, in compliance with the principles set forth in the Code of Ethics and representing the values adopted by Galileo Avionica.

From this viewpoint, directors, employees and co-workers in any capacity of Galileo Avionica must avoid any situation and abstain from any action that could cause a personal interest, either direct or indirect, to interfere with and hamper his/her capacity to take impartial and objective decisions in the interest of the Company. Any conflict of interest would not only be in contrast with the applicable law and the principles set forth in the Code of Ethics, but also prove detrimental to the Company's image and integrity.

The above mentioned Recipients must therefore rule out any possibility of any economic activities connected to personal and/or family interests overlapping or in any way intersecting the position and the duties they hold within the Company, making an instrumental use of their functional capacity. Any situation of conflict, even potential, must be promptly communicated in detail to the Company – in the person of one's superior and of the Surveillance Body pursuant to Legislative Decree no. 231/01 - the individual in potential conflict shall refrain from being involved 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 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, Galileo Avionica, upon assignment of positions or commencement of an employer-employee relationship, requires its directors, employees, consultants and anyone who cooperates, 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 undertakes to inform, promptly and in detail, the Surveillance Body pursuant to Legislative Decree 231/01, of any situation of a real or potential conflict of interest he/she is involved in.

Galileo Avionica also requires that anyone who becomes aware of a situation of conflict of interest must promptly report it, in non-anonymous form, Surveillance Body pursuant to Legislative Decree 231/01 - in the manners set out in the

specific protocols.

5 OPERATING PROCEDURES AND COMPANY RECORDS

5.1 Specific protocols

The Code of Ethics has prompted specific protocols aimed at preventing detrimental events and, therefore, potentially negative impacts on the Company's situation. These protocols are drafted, or properly integrated and amended, on the basis of an analysis of the Company's situation, with a view to highlighting any risks for the Company and for the existing control system and its actual suitability.

Anybody taking part, for any reasons, in the operating process, shall adopt the specific protocols in the terms and manners specifically provided for and described by the competent functions of Galileo Avionica. The correct implementation of the said protocols ensures the identification of Company staff to be put 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. The traceability of each process regarding corporate affairs must also be guaranteed, so as to ensure that the motivations of the choices operated, the persons in charge and any other relevant data for assessing whether the correct choices have been made, can always be traced in the future.

5.2 Compliance with procedures

The Recipients, within the limits of their individual duties and functions, are required to comply strictly with the procedures laid down in the protocols. Particularly, Company procedures shall regulate the execution of each operation and transaction, whose legitimacy, authorisation, consistency, congruity, proper recording and verification, also with regard to the utilisation of financial resources, must be assessable (through the following control elements, although though not exhaustive: squaring off account balances, joint signatures, supporting accounting documents, understanding the activities of sales agents, consultants, suppliers, etc.). Each operation shall therefore be supported by adequate, clear and full documentation to be filed with the company records, 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 improve management efficiency and represents an instrument of support for managerial action.

Non-compliance with the procedures foreseen by the protocols and by the Code of Ethics - to be promptly reported to the Surveillance Body pursuant to Legislative Decree 231/01 - compromises the relationship of trust between Galileo Avionica and those who interact with the Company at any title.

5.3 Accounting transparency

Truthful, precise, full and clear primary data are the prerequisites of transparent accounting and are a fundamental value for Galileo Avionica, also with a view to ensuring 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 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 pursuant to Legislative Decree 231/01. The aforesaid breaches undermine the relationship of trust between employees and the Company and shall lead to a disciplinary process and consequent adequate sanctions.

Within the limits established by applicable laws, Galileo Avionica shall provide exhaustive and prompt information, clarifications, data and documents required by the shareholders, clients, suppliers, surveillance authorities, institutions or bodies in the performance of the respective activities and functions. Any relevant information must be promptly communicated both to the company's bodies in charge of controlling the management of the company, and to the surveillance authorities.

6 PROTECTION OF COMPANY ASSETS

6.1 Custody and management of resources

Galileo Avionica 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's assets, in defence of the Company itself, its shareholders, creditors and the market. Therefore, the use of corporate assets must comply with the law and the applicable regulations as well as with operating procedures.

6.2 Unlawful transactions on shares or corporate capital

To safeguard the entirety of the Company's assets, it is specifically 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 actually 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 which protect 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, Galileo Avionica endeavours to disseminate within its organisation knowledge about the laws in force 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

Galileo Avionica 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's objectives in compliance with all applicable laws and regulations.

Galileo Avionica refrains from any behaviour which, in its sole interest, could prejudice the integrity, autonomy or image of one of the other companies of the Finmeccanica Group. Moreover, Galileo Avionica requires that none of its subsidiaries take any steps or decisions which, even if beneficial to the subsidiary itself, could be detrimental to the integrity or image of other Finmeccanica Group companies.

7.2 Cooperation and communication within the Group

Anybody appointed by Galileo Avionica to an office in a board of any of the subsidiaries has an obligation to attend regularly the meetings convened and perform the duties assigned to him/her with honesty and fairness, stimulate

communication amongst the companies of the Finmeccanica Group, encourage and use the intra-group synergies for cooperation in the pursuit of common objectives. The circulation of information within the Group, particularly for the purpose of preparing actual and forecast financial data reports and balance sheets, consolidated financial statements and other reports, 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.

Any transactions negotiated between Galileo Avionica S.p.A. and its subsidiaries must be duly and formally stipulated and be carried out in compliance with the principles of fairness, actual occurrence and safeguard of the respective interests, with a particular attention to any aspects concerning the circulation of economic resources.

8 SURVEILLANCE BODY

8.1 Tasks and characteristics

The Surveillance Body, which is granted autonomous powers of initiative and control, as relevant for the purposes of Legislative Decree 231 dated 2001, 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 Galileo Avionica 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 is granted access to any source of information of Galileo Avionica; it is entitled to examine any document and to consult any data; it may recommend any updates to the Code of Ethics and the specific protocols also on the basis of the submissions coming from employees; it may perform controls, also on a periodical basis, on the operation of and compliance with the Organizational Model; it is endowed with adequate resources so that it can operate swiftly and efficiently.

The Surveillance Body operates with wide discretionary powers and with the full support of Galileo Avionica's top management, and cooperates with the latter on an absolutely independent basis.

8.2 Submissions to the Surveillance Body

In order to facilitate the flow of information and submissions towards the Surveillance Body, Galileo Avionica has established a dedicated information channel (organismo.vigilanza@galileoavionica.it) through which anybody becoming aware of any illicit behaviours may freely, directly and on a confidential basis, report it to the Surveillance Body. Such Body is entrusted

with the control of received information, with a view to assessing the application of any disciplinary actions 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 monitoring 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 the Authorities and the Public Administration

Relations pertaining to Company activities with public officers or persons in charge of a public service, 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 and any foreign State - 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 laws 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 must be used in the relations with the aforesaid parties, especially in any transactions regarding: tenders, agreements, authorisations, licences, concessions, applications for and/or management and utilisation of funding under any denomination whatsoever originating from a public authority (whether domestic or European Union), management of orders, relations with surveillance authorities and other independent authorities, representatives of the Government or other Public Administrations, social security bodies, bodies in charge of tax collection, bodies established to deal with bankruptcy, civil, criminal or administrative proceedings, etc.

To avoid performing acts in conflict with any provisions of the 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 functions, in compliance with the applicable laws and the principles of this Code of Ethics and in accordance with specific protocols.

With regard to relations with Italian and foreign institutions, Galileo Avionica undertakes to act for its interests and put forward its requirements in a correct and transparent manner, in compliance with the principles of independence and

impartiality in the choices of the Public Administration and in such a way as not to induce it in error or misdirect its decisions. In order to guarantee clear and straightforward relations, contacts with international counterparts shall be exclusively kept by authorized persons and in such a manner as to guarantee fairness and traceability of the contact.

9.1.2 Relations with political and trade-union organisations

Galileo Avionica 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, whether direct or indirect, to political parties and trade union, movements, committees and political or trade union organisations, to their representatives and candidates, except as required by specific laws.

The above does not apply, however, to charitable initiatives that Galileo Avionica regards as an essential value, which it upholds by actively and tactfully cooperating with persons and entities engaging in social activities.

9.1.3 Gifts, benefits and promises of favours

Galileo Avionica prohibits all the Recipients to accept, offer or promise, whether directly or indirectly, money, gifts, goods, services or undue favours in the course of their relations with public officers, persons in charge of a public service or private parties, in order to influence their decisions, in view of obtaining preferential treatment, undue services or any other ends.

In relations with the Italian or foreign Public Administration, Galileo Avionica shall not unduly influence the activity, choices or decisions of the other party, for example by offering undue advantages consisting in sums of money or other benefits, employment or assignment of consultancy arrangements etc., to the public person or his/her family or to natural or legal persons connected to him/her. Any requests or offers of money or favours of any kind whatsoever (including for instance gifts or presents unless of a reasonable value) unduly made to or by anybody acting on behalf of Galileo Avionica in any relations with the Public Administration (whether Italian or of a foreign country) or private persons (either Italian or foreign) must be immediately reported to the Surveillance Body and to the competent Company functions, so that any consequent measures may be taken.

In the event of any requests whatsoever from the Judicial Authorities and, in general, of any contact with said Authority, Galileo Avionica shall offer its full cooperation and refrain from any behaviour that may cause hindrance or prejudice, in compliance with the laws and regulations currently in force and in accordance with the principles of fairness, loyalty, fairness and transparency.

9.2 Relations with customers, consultants, suppliers, other parties in transactions, business and/or financial partners, etc.

9.2.1 Conduct in the course of business

Galileo Avionica conducts its business in compliance with the principles of loyalty, fairness, transparency, efficiency, obedience to the law and the values expressed in the Code of Ethics and openness to the market and requires a similar behaviour from anybody with whom it holds business and/or financial relationship of any nature whatsoever, with a particular stress on the choice of other parties in transactions, suppliers, business partners, consultants etc..

Galileo Avionica shall refrain from any relationship whatsoever, even if indirect or through intermediaries, with natural or legal persons known or reasonably alleged to be part or act in support of any criminal organization of any nature whatsoever, including mafia-like organizations, or organizations trafficking in human beings and exploiting child labour, and persons or groups acting for the purposes of terrorism, regarding as such any conduct that may cause serious damage to a Country or an international organization, carried out in order to intimidate the population or force public authorities or an international organization to act or abstain to act in any way whatsoever or destabilize or destroy basic political, constitutional, economic and social structures of a Country or an international organization.

Particular attention must likewise be given to relationships involving receipt or transfer of sums of money or other benefits: Galileo Avionica, in order to prevent the risk of performing, even unwillingly or without being aware, operations of any nature having as their object money, assets or other benefits inform the proceeds of crimes that have been committed, shall abstain from accepting any cash payments whatsoever, bearer shares or payments through unauthorised intermediaries or through any third parties in such a manner as to make it impossible to identify the payer, or from any relations with persons having their main offices or operating in Countries where the transparency of corporate business is not guaranteed and, in general, from performing operations that might preclude the reconstruction of cash flows.

The selection of other parties in transactions, business partners, consultants and suppliers of goods and providers of services shall be made based on objective, transparent and documented evaluation criteria, in accordance with the principles of this Code of Ethics and the procedures required by the specific internal protocols, in writing and in observance of the hierarchical reporting line. In all cases, the choice shall be made exclusively according to objective parameters such as quality, cost efficiency, price, professional expertise, competence, efficiency and after having priorly obtained suitable guarantees as to the correctness of the consultant or supplier of goods or provider of services. Specifically, Galileo Avionica shall not establish any relationship whatsoever with persons known or reasonably suspected to exploit children labour or to employ irregularly staff or otherwise operating in breach of the law or of any regulations concerning the protection of workers' rights. A particular attention must be paid when dealing with persons operating in Countries where the law

does not afford sufficient protection to the workers, with regard to child, women and immigrant labour, ascertaining whether sufficient hygienic, health and safety conditions are in place.

Commercial transactions require and obligate to pay particular attention to the receipt and payment of moneys, banknotes, credit instruments and securities in general, in compliance with specific protocols, in order to avoid the risk of putting to the public counterfeit or altered securities.

9.2.2 Gifts, acts of giving and benefits

In conducting business dealings with consultants, clients, suppliers, other parties in transactions, business and/or financial partners, 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 that may not to be interpreted as aiming at obtaining a preferential treatment. In all cases, any gifts, acts of courtesy or form of hospitality shall be reported to and submitted to the approval of the persons appointed to such effect.

Any director or employee who receives gifts, or is granted from anybody preferential treatment which exceeds ordinary business practice, shall promptly report it to the Board of Directors or to his/her superior who shall inform the specific Company bodies and/or competent corporate function which, after appropriate controls, shall, through the Company functions in charge of external relations, provide the person who offered the gift, giveaways, etc. about the policy of the Company on this issue.

9.2.3 Protection of the environment

Galileo Avionica regards the environment as a primary asset to be protected and to this end plans its activities in such a way as to achieve a balance between economic initiatives and the environmental protection requirements which should not be ignored. To such extent, Galileo Avionica contains the environmental impact of its activities, taking into account the development of scientific research in this field.

10 CORPORATE INFORMATION

10.1 Availability of and access to information

Within the limits established by applicable laws, Galileo Avionica shall provide exhaustive and prompt information, clarifications, data and documents required by the shareholders, clients, suppliers, surveillance authorities, institutions, bodies, entities and other stakeholders in the performance of the respective functions.

Any relevant corporate information must be promptly communicated both to the

company's bodies in charge of controlling the management of the company, and to the surveillance authorities.

Clear and complete Company information ensures, among other things, the fairness of relationships with the shareholders, who must have easy access to information data, in compliance with all applicable law; with third parties who come into contact with the Company, who must be able to have a clear view of the economic and financial position of the Company and its assets; with the 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 the companies in which it holds an interest, also for preparing the consolidated financial statements and other corporate reports.

10.2 Relevant communication and market requests

Galileo Avionica pursues its mission granting access to information to anyone interested in being informed about the activities and the expected economic and financial trend of the Company, and ensuring 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.

External communications concerning the Company may only be made by the relevant functions and in compliance with the company procedures in force at the time, specifically aimed at ensuring the truthfulness and correct dissemination of the information.

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 the Company with 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 (of the Company and its subsidiaries), 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

Relationships with the press and the media are founded upon the respect of the right of information and to protection of the market and the interests of stakeholders.

Any information shall only be divulged 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 Galileo Avionica 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

Any form of investment, whether direct or through intermediaries, which arises out of confidential information of the Company, is strictly prohibited. Particular care and attention must therefore be used in any external communications of documents and information concerning events occurring in the course of the activities of the parent company Finmeccanica, of Galileo Avionica and its subsidiaries, which are not public and which may, if made public, considerably influence the price of financial instruments and the trends for market trading in Finmeccanica's shares. After being authorised by the directors, such information shall always be disclosed through the channels and the parties specifically in charge of such communications within the sphere of the general policy suggested by Finmeccanica. Under no circumstances, in the management of information, shall employees behave in such a way that could favour insider trading or similar phenomena which would result in the reduction of company equity or be aimed at acquiring undue 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 the Recipients are required to maintain the utmost 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.

Any breaches of the obligation not to disclose confidential information by the Recipients would seriously harm the relationship of trust with the Company and may lead to disciplinary action or the application of contractual sanctions. The above also applies to any breach of the Code of Ethics.

12 BREACHES OF THE CODE OF ETHICS – SANCTIONS SYSTEM

12.1 Reporting breaches

When a committed, attempted or requested breach of the rules of the Code of Ethics and the relevant protocols is reported, 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 (dedicated e-mail box: organismo.vigilanza@galileoavionica.it). As a consequence of the said report, the Company shall promptly arrange the necessary checks and take adequate disciplinary measures.

12.2 Sanctions system

12.2.1 General principles

Breaches of the principles set forth in the Code of Ethics and in the procedures provided by internal protocols prejudice the trusting relation between Galileo Avionica and the Recipients.

Such breaches shall be incisively, promptly and seriously followed up by the Company, through adequate and proportionate disciplinary measures, regardless of whether the relevant 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 the Recipients: for that purpose Galileo Avionica shall circulate the Code of Ethics and the specific protocols to all the persons involved and keep everyone informed on the disciplinary measures provided for in case of breach, and on the methods and procedures for inflicting sanctions.

To safeguard its image and its company resources, the Company shall not have any dealings whatsoever with parties who do not intend to operate in strict

observance of all applicable laws 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.

12.2.2 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 Galileo Avionica.

12.2.3 Executives

Any breaches, on the part of executives, of the internal procedures set out in this Code of Ethics shall determine the application, against the violator, of the most suitable measures in accordance with the provisions of the National Collective Labour Agreement for industrial executives, as detailed at Paragraph 6.2.2 of Galileo Avionica's Organisational Model.

12.2.4 Directors and members of the Board of Statutory Auditors

Any breaches of the ethical principles set out in this Code on the part of Directors or members of the Board of Statutory Auditors of Galileo Avionica shall prompt the Surveillance Body to inform the Board of Directors and the Board of Statutory Auditors which – 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 of or request to call a Shareholders Meetings to discuss appropriate measures towards the individuals responsible for the breach etc.), in accordance with Paragraph 6.2.3 of the Organisational Model of Galileo Avionica.

12.2.5 Co-workers, Consultants, Partners, Other Parties In Transactions and other external persons

Any behaviour adopted by Consultants, Co-workers, Partners, other parties in transactions or external persons which is 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. In co-operation with the Surveillance Body, the department of Legal and Corporate Affairs of the Company shall look after the drafting, update of and insertion in the engagement letters or business and partnership agreements, of any specific contractual clauses that provide for the request of damages for the Company due to the application by the Court of the measures provided for in the Decree, whether dependently of the termination of the contractual relationship.