ADDENDUM
EUROPEAN UNION-STATE OF THE NETHERLANDS

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. Apart from the applicable United States laws and regulations, it is the responsibility of everyone who does business in The Netherlands on behalf of L-3 to ensure that they know and comply with the national as well as European Union laws and regulations that apply to doing business in this country, especially the laws and regulations that apply to each individual’s position within the L-3 organization. In situations where you are uncertain about whether a particular law applies, consult with your Manager or the Legal Department immediately.

Below are some particular laws applicable to doing business in The Netherlands.

Mandatory Obligation to Disclose Certain Misconduct

The United States Federal Acquisition Regulation (FAR) requires the mandatory disclosure of credible evidence of US federal criminal law violations involving fraud, conflict of interest, bribery, or gratuity violations, as well as claims under the US Civil False Claims Act, and significant overpayments. 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, as instructed in L-3’s [name training], that could potentially constitute a violation of
criminal or civil law, or significant overpayment on a Government contract to your responsible Ethics Officer or the Corporate Ethics Officer. Reporting of these matters is mandatory and will amongst others be dealt with in accordance with Dutch Labour Law and more specific, Dutch Data Protection Regulations. These matters will be treated in accordance with the clause on the protection of privacy in this addendum.

**Gifts and Entertainment: Dutch Public Officials, Foreign Public Officials and Persons Who are Not Officials**

Title VIII (articles 177, 177a and 178) of the Dutch Criminal Code (*Wetboek van Strafrecht*) prohibits one from offering or giving a gift, or offering or making a promise or delivering a service to a Dutch or foreign public official with the intent to make this public official act or fail to act against his public duty. Title XXVIII (articles 362 - 364a) prohibits Dutch and foreign public officials from accepting gifts, promises or services, if they are offered to the official with the intent that the official act or fail to act against his or her public duty. Article 328 prohibits other persons than officials, who are employees or agents, from accepting a gift or promise, while, concealing acceptance of the gift or promise from his employer or principal.

Everyone doing business on behalf of L-3 should refrain from directly or indirectly, giving money, a fee, a commission, credit, a gift, a gratuity, an item of value or any kind of compensation to a Dutch or foreign public official to obtain favorable treatment or affect government decisions concerning L-3.

In The Netherlands there is no ‘culture’ for offering mid or low-level Dutch or foreign public official’s payments to expedite or secure routine government actions. L-3 advises you to refrain from making improper payments because they may result in your arrest and prosecution.

**Procurement (‘tendering’)**

Procurement in The Netherlands is mainly dictated by the Bao (*Besluit aanbestedingsregels voor overheidsopdrachten*)-decree and the Bass (*Besluit aanbestedingen speciale sectoren*)-decree. These decrees are implementations of two European procurement guidelines (2004/17/EG en 2004/18/EG). The Bao-decree applies to Dutch government bodies (such as the state, provinces and communities), public organizations and cooperation’s between government bodies and public organizations. The Bass-decree applies to so-called ‘special sector companies’, which are companies controlled by the Dutch government or a company in which the Dutch government has special or exclusive rights. Examples of such special sector companies are suppliers of gas, heat, electricity, drinking water, public transport, harbours and postal services. You should also be aware that entities covered by the Bao and Bass requirements may also have their own procurement policies.

**Competition**

The Competition Act (*Mededingingswet*), the Netherlands main antitrust law, safeguards competition and provides consumer protection. The Competition Act is administered by the Dutch Competition Authority (*Nederlandse
The NMA scrutinizes large scale mergers and acquisitions protects against the abuse of dominant market positions, and upholds the prohibition against cartels. Separate Agencies within the NMA administer specific laws and regulations related to electricity, gas, railways, airways and other public transportation.

The European Union’s competition rules are also enforced in the Netherlands by the NMA, the European Commission and private parties who may bring civil actions based on alleged violation of the competition rules.

**Insider Trading**

The Financial Supervision Act (*Wet op het financieel toezicht*), administrated by the Financial Markets Authority (*Autoriteit Financiële Markten, AFM*), prohibits those in possession of price sensitive information or information that is not publicly available from dealing in stocks or securities. Everyone who does business on behalf of L-3 should refrain from buying or selling stocks or securities on the basis of inside non-public information, that a reasonable investor would consider important in making investment decisions.

**False Statements and Claims**

Titles XII and/or XXV of the Dutch Criminal Code (*Wetboek van Strafrecht*) prohibits one from: making any material false statements, make fictitious or fraudulent statement or representation; knowingly and willfully falsify or concealing a material fact; or using any false writing with the intent to influence the government. Pursuant to article 44 of Book 3 of the Dutch Civil Code (*Burgerlijk Wetboek*), making false statements and claims also constitutes grounds (bedrog, ‘deceit’) for ending any agreement that is based on these false statements and claims. Everyone doing business on behalf of L-3 should therefore at all times refrain from making any false statements or claims.

**Fair Treatment and Non-Discrimination**

Article 1 of the Dutch Constitution states that all who find themselves on the territory of The Netherlands are treated equally in equal cases and that discrimination against persons on the grounds of religion, views on life, political views, race, gender or any other grounds is not allowed. This constitutional right has led to the General Equal Treatment Act (*Algemene Wet Gelijke Behandeling*), in which the rights to equal treatment of all who find themselves on Dutch territory are dealt with in more detail. The General Equal Treatment Act is administrated by the Commission for Equal Treatment (*Commissie Gelijke Behandeling*).

**Safeguarding Health and Safety**

The Dutch regulations concerning the safeguarding of a healthy and safe working environment can be found in the Labor Circumstances Act (*Arbeidsomstandighedenwet, or short: Arbowet*) and the many Decrees, Regulations and Guidelines on specific topics that accompany it. The Law on Labor Circumstances contains the
general rules for a healthy and safe working environment. The Act is administered by Labour Inspection (Arbeidsinspectie).

Protecting the Environment

The Netherlands has extensive legislation with regard to the protection of the environment, national habitats and zoning ordinances. Examples of this legislation include: the Environmental Control Act (Wet milieubeheer), the Nature Protection Act (Natuurbeschermingswet), the Act of Flora and Fauna (Flora en Faunawet) and the recently implemented Zoning Act (Wet op de ruimtelijke ordening), the Act on the Shipment of Dangerous Substances (Wet vervoer gevaarlijke stoffen) and several regulations with regard to (the shipment of) waste. Specific decisions and provisions also apply to these regulations. All this is actively enforced by the government and special regulatory agencies. Violation of the regulations are in most cases punishable under the Economic Offences Act (Wet economische delicten).

Protecting Privacy

Article 10 of the Dutch Constitution states that the personal space (privacy) of all people on Dutch territory will be respected, save certain lawful limitations (criminal investigation etc.). Article 10 requires that there must be rules for the protection of privacy in relation to the registration and presentation of personal data. These rules can mainly be found in the Protection of Personal Data Act (Wet bescherming persoonsgegevens), the Police Registry Act (Wet politieregisters) and the Communal Basic Administration of Personal Data Act (Wet gemeentelijke basisadministratie persoonsgegevens). The aforementioned legislation is administered by the Dutch Data Protection Authority (College Bescherming Persoonsgegevens).

National Security (Strategic Goods)

An "Export" from a member state of the European Union means export from the European Union itself. European and Dutch legislation related to export control that are particularly important include: the Community Customs Code (Communautaire Douanewetboek van de Europese Unie) and the renewed Dual Use Regulation (May 2009), the General Customs Act (Algemene Douanewet) and the Sanctions Act (Sanctiewet).

The Dutch Ministry of Economic Affairs' Strategic Goods manual (Handboek Strategische Goederen) found in the Ministry's website, explains how export control of military goods and so-called 'dual use'-goods (together: strategic goods) is carried out in the Netherlands. The Manual has two lists: the 'Munitions List' and the 'Dual Use List'. These Lists include equipment, assemblies and components, associated tests, inspection and production equipment, materials, software and technology. Everyone who does business on behalf of L-3 must be aware of the existence and contents of the Manual Strategic Goods.