



ETHICS & SECURITY

Guiding the Way

L-3 Code of Ethics and Business Conduct

Issue Date: April 2007

Division Ethics Officer: _____

Telephone: _____

Email: _____

Division HelpLine: _____

CODE OF ETHICS AND BUSINESS CONDUCT

Dear Colleague,

One of the most important factors in our company's long-term success is the way we conduct ourselves with our suppliers, customers, co-workers and competitors, as well as in the communities where we work.

This Code of Ethics and Business Conduct provides you with guidelines on how to conduct yourself, and applies to everyone at L-3, regardless of position and level of responsibility, as well as to those who act on behalf of L-3. Since no handbook can cover every situation, this booklet also includes resources, such as HelpLines, that are available to you in case you have any questions.

If you are a supervisor or manager you have a special responsibility to model ethical behavior and to promote a work environment that encourages compliance with this Code. You must be careful in both word and deed to avoid placing, or seeming to place, pressure on subordinates that might cause them to deviate from acceptable ethical behavior.

I urge you to become thoroughly familiar with the contents of this Code. Once you have read this material, you will be asked to acknowledge that you understand this Code and will comply with it. Remember you are personally obligated to report any violations. I would also remind you that you will never be penalized for doing so. In fact, your vigilance will ensure that L-3 continues to maintain its reputation as a company with the highest ethical standards, an outstanding workforce, and superior products and services.



Sincerely,

A handwritten signature in dark ink, appearing to read "M. Strianese".

Michael T. Strianese
President and
Chief Executive Officer

STATEMENT OF POLICY

Code of Ethics and Business Conduct

It is L-3's standard of conduct and express policy that all dealings with our customers, suppliers, competitors and co-workers will be conducted at the highest level of ethical behavior and in complete compliance with the letter and the spirit of the applicable laws and regulations and with this Code. Improper activities, or even the appearance of impropriety, could result in serious consequences to the company and to those involved in such activities. Adherence to this policy is a significant indicator of your judgment and competence, and will be taken into consideration when evaluating your future assignments and promotions. Insensitivity to, or disregard for, the principles set forth in this policy will be grounds for appropriate disciplinary action, up to and including termination of



your employment or your business relationship with L-3. You shall not, on behalf of L-3, engage in any conduct that violates any law or is otherwise inconsistent with the highest levels of honesty and integrity.

L-3 also expects you to treat our customers, suppliers, competitors and co-workers fairly and with dignity and respect. You should not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair practice.

The environment in which L-3 does business is governed by complex laws and regulations. This Code of Ethics and Business Conduct outlines key aspects of those laws and regulations, as well as related policies of L-3. Unless otherwise specified, the provisions of this Code apply to all employees, officers and members of the Board of Directors, as well as to consultants and others who act on behalf of L-3. If you are employed by or associated with an L-3 organization based outside of the United States, you are required to abide by this Code and any modifications applicable to that country.

If at any time you are in doubt about any aspect of your compliance responsibilities, you should contact your manager, supervisor, designated contact person or use other resources described later in this booklet to address your concerns.







VIOLATIONS OF THE POLICY

Code of Ethics and Business Conduct

Violation of any of the provisions of this Code of Ethics and Business Conduct may result in disciplinary action, up to and including termination of your employment or your business relationship with L-3.

Disciplinary action may be taken not only against those who authorized or participated directly in the violation, but also against:

- Anyone who deliberately failed to report a violation.
- Anyone who deliberately withheld or misrepresented materials and relevant information concerning a violation.
- The violator's supervisor and manager to the extent that there was inadequate leadership, supervision or diligence.



CORPORATE RESPONSIBILITY

Code of Ethics and Business Conduct



■ Work Environment

L-3 strives to provide a safe, productive workplace free from all types of unlawful discrimination and harassment. Unlawful discrimination in recruiting, hiring, salary actions, promotion, career development or termination will not be permitted within L-3. You must report any incident of unlawful discrimination or harassment to your location's human resources department or by using any of the means discussed under "Reporting Violations."

L-3 is committed to maintaining the highest standards of safety, health and environmental performance at all of its facilities. It is your responsibility to follow the rules and procedures established at each facility to achieve these safety, health and environmental goals. You must report any incident of non-compliance or any unsafe condition immediately to the facility's environmental, health and safety coordinator or by using any of the other means discussed under "Reporting Violations."

■ Training

In addition to publishing this Code, training in specific topics will be provided as appropriate to your work responsibilities to ensure compliance.

■ Protection from Retaliation

L-3 is committed to maintaining an environment in which you are required to report violations and are encouraged to raise questions or report possible violations of this Code and applicable government laws and regulations. You will not be subject to retaliation for making a good faith report of a possible ethical or security violation by others. If, however, you make a report that you know to be false or if you have engaged in a violation yourself, you will still be subject to disciplinary action for that conduct. Nonetheless, in all circumstances, retaliation or punishment for reporting suspected unethical or illegal conduct as provided in this Code or for coming forward to alert L-3 of any questionable situation is prohibited by this Code and may be against the law. If you believe that you have been subject to retaliation or punishment for reporting a violation or possible violation or for providing information during the course of an investigation, you may contact anyone designated in the "Reporting Violations" section and a prompt investigation will be conducted.





YOUR RESPONSIBILITY

Code of Ethics and Business Conduct

L-3 operates strictly within the bounds of the laws, rules and regulations that affect the conduct of its business. There are serious consequences for failing to follow applicable laws, rules and regulations, whether in connection with employment or not, up to and including termination of your employment or your business relationship with L-3. It is your responsibility to read, understand and comply with this Code. Furthermore, you are responsible for knowing your job and what it takes to comply with the applicable rules, laws and regulations relating to the performance of your job. L-3's suppliers, consultants, distributors and representatives, domestic or foreign, must be informed as well. Managers, supervisors and employees jointly share the responsibility of identifying training needs required to assist you in understanding the rules, laws and regulations relating to your job performance.

■ Corporate Policies

L-3 has issued a number of policies governing its business operations. You are responsible to know, understand and comply with the policies relating to you and to your work assignment. These policies are available on the L-3 web site at: <https://webs.l3com.com> by clicking on "Policies" or by contacting your manager.

■ Seeking Guidance

If you have any questions about this Code or any of the laws and regulations governing your duties or responsibilities, you are encouraged to seek guidance from your manager, supervisor or designated contact person; any higher level manager; individuals in functional organizations such as finance, contracts, human resources, security and legal; the location's Ethics Officer; the Corporate Ethics Officer; or the Helpline.

■ Waivers

In certain limited situations, L-3 may waive application of this Code to those who work for or represent L-3. With respect to executive officers and board members of L-3, any such waiver requires the express approval of the Board or any committee of the Board comprised solely of independent directors. Furthermore, L-3 will promptly disclose to its shareholders any such waivers granted to any of its executive officers or board members.



YOUR RESPONSIBILITY - (CONTINUED)

Code of Ethics and Business Conduct

■ Reporting Violations

You are required to report all violations and are encouraged to report suspected violations of this Code or applicable laws and regulations to your manager, supervisor or designated contact person; to anyone in your management organization; to the location's Ethics Officer; the Corporate Ethics Officer; or by using the HelpLine.

L-3 maintains a Corporate HelpLine that is answered by a firm hired by L-3 to provide you with a means to report, on a confidential basis, violations or possible violations of this Code or of the laws and regulations governing L-3's business. You may make any report anonymously if you wish.

Corporate Helpline: 800 324-6653.

If you prefer, you may report such information to the L-3's Corporate Ethics Officer by mail at the following address:

L-3
Corporate Ethics Officer
600 Third Avenue
New York, NY 10016

Or by email at:

ethics@l-3com.com

All reports and complaints concerning questionable accounting, internal accounting controls or auditing matters, including those regarding circumvention or attempted circumvention of internal accounting controls or that otherwise would constitute a violation of L-3's accounting policies, may be reported to the Corporate Ethics Officer, the Corporate Helpline or to the Board of Directors' Audit Committee. Any reports or complaints sent to the Audit Committee should be sent to:

L-3
Attention: Audit Committee
600 Third Avenue
New York, NY 10016

Reports will be forwarded to a designated investigator, who will review them and, if appropriate, commence an immediate investigation.

The results of the investigation will be reported to division and corporate management, and you will be advised within 30 days of

the progress of the investigation. If the report is made anonymously, you may contact the Ethics Officer for the status of the investigation.

You are free to remain anonymous, though in some cases that could make it more difficult to follow up and ensure resolution of your inquiry. You should let the person receiving the report know if you would like to remain anonymous. All reports will be handled confidentially to the extent possible under the circumstances.

■ Avoidance of Conflicts of Interest

L-3 depends on its employees, officers, members of the Board of Directors and those who act on the company's behalf to advance L-3's best interests and to avoid any potential conflict of interest.

A "conflict of interest" exists any time you face a choice between what is in your personal interest (financial or otherwise) and the interests of L-3. When an actual or perceived conflict of interest arises, it can make others question our integrity. Therefore, it is important that you avoid even the appearance of impropriety.

Examples of conflicts of interest and when they may arise are:

- You or someone with a close relationship to you has an interest in an entity with which L-3 competes, does business or is seeking to do business.
- You or someone with a close relationship to you receives improper personal benefits as a result of your position at L-3.
- You have other employment (including self-employment) or you serve as an officer, director, partner or consultant for another organization that interferes with your ability to act in the best interests of L-3, requires you to use or disclose confidential, proprietary or personally identifiable information of L-3, or creates the appearance of impropriety.



You must:

- Be able to identify potential conflicts of interest when they arise.
- Notify your supervisor (or in the case of an executive officer or a Board Member, the Board or any committee of the Board comprised solely of independent directors) immediately when you are in a position where your objectivity may be questioned.
- Receive, in the case of employees, prior approval by the President and Chief Executive Officer of L-3 before serving as an officer or director of any publicly-traded corporation or other organization in L-3's field of interest.
- Make certain that any second jobs, financial interests or management interests you have in another company do not cause a conflict of interest or have a negative impact on the confidence the public has in L-3.
- Always keep L-3's interests uppermost even if the above criteria do not apply to your situation.

You may not:

- Take for yourself an opportunity available to L-3 that is discovered through the use of company property, information or your position with the company.
- Use your position with the company for improper personal gain.
- Undertake employment with, or furnish services as a consultant or other representative to, a firm which competes with, does business with or which seeks to do business with L-3, unless approved in writing by the division president (or designee) or, in the case of an executive officer (other than the Chief Executive Officer), the approval of the Chairman of the Board, or in the case of the Chief Executive Officer, the approval of the Board or any committee of the Board comprised solely of independent directors. Requests by employees should be submitted through the division Ethics Officer.



YOUR RESPONSIBILITY - (CONTINUED)

Code of Ethics and Business Conduct

■ Company Property

You should protect L-3's assets and ensure their efficient use. Unless you have the approval of management, L-3's assets, whether tangible or intangible, are to be used only by authorized employees or their designees and only for the legitimate business purposes of L-3.

Some of L-3's assets are intangible and may be subject to specific corporate policies covering the access and use thereof. The company's use of vendor-supplied computer software is governed by license agreements and those agreements are valuable company assets. It is imperative that you know and comply with the requirements of such licenses.

You are not permitted to take or make use of, steal or knowingly misappropriate the assets of the company or any customer, including any confidential information of L-3, for your own use, for use by another or for an improper or illegal purpose. You are not permitted to remove, destroy or dispose of anything of value belonging to L-3 without the consent of management.

■ Confidentiality

L-3 owns and creates a significant amount of "sensitive information" (e.g., confidential, proprietary or personally identifiable information) in the course of doing business. You are expected to protect the confidentiality of all sensitive information, whether obtained from or relating to L-3 and/or its suppliers, customers or other third parties. You should not disclose (even to family) or use any sensitive information for any purpose other than on a "need-to-know" basis within L-3. Similarly, you should not attempt to obtain or learn sensitive information that you do not need to know to perform your own employment duties. This obligation lasts during the entire term of your employment or relationship with L-3 and at all times thereafter.

If you believe it is appropriate for business reasons, or required by law or regulation, to disclose or use sensitive information outside the company, your local contracts organization or L-3's legal department must be contacted to discuss and implement the proper protective measures before such disclosure or use. You should also contact your local contracts organization or L-3's legal department if any uncertainty exists as to whether certain information is, in fact,

sensitive. Any unauthorized use or disclosure of sensitive information may subject you to civil or criminal liability, and may be prosecuted fully by L-3.

All companies regard their sensitive information as extremely valuable. Therefore you should not accept or attempt to obtain sensitive information, including "proprietary" or "confidential" information from any third parties – suppliers, customers or competitors – without contacting your local contracts organization or L-3's legal department in advance. When L-3 executes a confidentiality agreement with a third party regarding sensitive information to be received by L-3, you must honor the terms of such an agreement.

■ Compliance with Insider Trading Laws

L-3's policy against insider trading is designed to promote compliance with securities laws and to protect L-3 as well as company representatives from the very serious liability and penalties that can result from violations of these laws. L-3 is committed to maintaining its reputation for integrity and ethical conduct and this policy is an important part of that effort. Insider trading is both







illegal and unethical. Federal and state securities laws and L-3's policy prohibit the buying or selling of securities on the basis of material non-public information. Regardless of your level of responsibility, if you are aware of material non-public information related to L-3 or any other businesses you may not, directly or indirectly, use such material non-public information in purchasing or selling any securities of L-3 or such other businesses. If you are prohibited from purchasing or selling the securities of L-3 or other businesses because you possess material non-public information, you may not have any other person purchase or sell such securities on your behalf. Any purchases or sales made by another person on your behalf will be attributable to you. Material non-public information may not be disclosed to any person outside L-3 (including relatives, friends or business associates and regardless of the purpose for which such disclosure may be made) until authorized L-3 officials have adequately disclosed the information to the public.

■ Reporting of Labor Charges

The accurate reporting of labor charges at L-3 is both essential and mandatory because it is the source for charging labor costs and distributing overhead costs to a contract. You are responsible for understanding and complying with the labor reporting procedures at your location.

■ Accuracy of Business Records

L-3's policy prohibits you from creating or knowingly allowing others to create false or misleading entries into the business records of the company under any circumstances.

Particular care must be taken to ensure that statements made to the U.S. Government or higher tier contractors and claims submitted to the U.S. Government or higher tier contractors are accurate. The U.S. Government may impose severe penalties for false statements or false claims. If you submit expense accounts and other forms requesting reimbursement you must follow your division procedures. Expense reports should only contain charges that you actually incur in the furtherance of L-3's business. Expenses should be accurately described so that unallowable expenses may be excluded from billings to the U.S. Government. The finance department will provide guidance if you have any questions.

Destruction or falsification of any document that is potentially relevant to a violation of law or a U.S. Government investigation may lead to prosecution for obstruction of justice. Therefore, if you have reason to believe that a violation of law has been committed or that a U.S. Government criminal or regulatory investigation or legal proceeding may be commenced, you must retain all records (including computer records) that are or could be relevant to an investigation of the matter, whether conducted by L-3 or by a U.S. Governmental authority. Questions with regard to destruction or retention of documents in this context should be directed to your location's records administrator or L-3's legal department.

■ Financial Reporting Responsibility

L-3's financial statements are prepared using L-3's accounting policies which are in accordance with the United States Generally Accepted Accounting Principles (GAAP). L-3 prides itself on the transparency of its financial and non-financial reporting. It is critical to the reputation of L-3, and to you personally, that the financial and non-financial data that we report be accurate, complete and valid in all material respects. In addition, L-3 strictly prohibits you from taking any action to fraudulently influence, coerce, manipulate or mislead the internal or external auditors engaged in the performance of an audit of L-3's financial statements. Misstating financial statements carries potential criminal and civil fines and penalties for L-3 and personal criminal liability for you. It can also expose L-3 to shareholder litigation and have serious capital market ramifications for the company.

L-3 strives to apply the highest ethical standards in its financial and non-financial reporting and follows all Securities and Exchange Commission (the "SEC"), New York Stock Exchange and other applicable standards and rules regarding corporate governance and financial reporting.



■ Producing Quality Products and Services

L-3 is committed to delivering products and services with the highest levels of quality and reliability consistent with each customer's requirements.

To achieve this goal, you must follow these guidelines:

- Make achievement of quality and excellence your personal goal.
- Strive to do each job right the first time.
- Comply with all contract requirements, including:
 - Design requirements.
 - Performing all inspections and tests specified in each contract.
 - Preparing all required reports accurately and completely.
 - Using only materials and processes conforming to quality levels specified in each contract.
 - Using only substitute materials or processes that have been approved in writing in advance by the customer's authorized representative.

By providing quality products and services, not only do we meet our customers' requirements, but also we make the company more competitive and stronger in the marketplace.





YOUR RESPONSIBILITY - (CONTINUED)

Code of Ethics and Business Conduct

■ Entertainment, Gifts and Gratuities

It is L-3's policy that all dealings with other organizations be conducted with the highest ethical standards and in complete compliance with applicable laws and regulations. Our business transactions should always be free from even a perception that favorable treatment was sought, received or offered by gifts, favors, hospitality, entertainment or similar gratuities. While there are certain circumstances under which it is permissible to furnish or accept such items, you are expected to follow a course of action that complies with the following guidelines:

■ Soliciting Gratuities:

You may not solicit, directly or indirectly, for your benefit or for the benefit of another person, any gift, favor or other gratuity from a person or organization with which the company does business or that seeks to do business with L-3. Soliciting a gift, favor or other gratuity is strictly prohibited regardless of the nature or value of the item or service.

■ Giving and Receiving Gratuities:

You may not give or accept business courtesies that constitute, or could be reasonably perceived as constituting, unfair business inducements or that could violate law, regulation or policies of L-3 or its customers or could cause embarrassment or reflect negatively on L-3's reputation.

■ Political Contributions and Activities

Contribution of L-3's funds or the use of L-3's assets or facilities for the benefit of political parties or candidates anywhere in the world is prohibited unless approved in advance by L-3's General Counsel.

L-3's employees are encouraged to participate personally in the political process and to support the political parties and candidates of their choice.

■ Special Requirements in Dealings with Government Representatives

The company must comply with special standards of conduct in contracting with the U.S. Government. U.S. Government representatives should not be offered or given, either directly or indirectly, anything of value that they are prohibited from receiving by applicable rules and regulations. If you deal with representatives of a particular federal agency, you are responsible for complying with that agency's standards of conduct. Where there is a question as to a particular agency's requirements under its standards of conduct, you must contact your location's Ethics Officer in advance for guidance.

Except as otherwise permitted by law or regulation, you are prohibited from paying for meals, refreshments, entertainment, travel or lodging expenses for any U.S. Government employee or representative. Modest refreshments – such as soft drinks, coffee and donuts offered on an occasional basis in conjunction with business activities – are acceptable.



YOUR RESPONSIBILITY - (CONTINUED)

Code of Ethics and Business Conduct

Those who deal with state or local government officials are responsible for knowing and adhering to the rules that may apply to such state or local government employees. Generally, state and local government officials are often under prohibitions similar to those of U.S. Government employees.

In certain instances where customs in foreign countries require the exchange of gifts, the company will, to the extent permitted, provide the gift. Any gifts, other than those of nominal value, received from representatives from these countries, will become company property.



■ Following Security Guidelines

To ensure a safe and secure working environment, remain competitive in the marketplace and enhance our reputation as a U.S. Government contractor, we must effectively protect information, property and personnel. In addition, L-3 and its divisions that contract with the U.S. Government or its prime contractors in the development and production of products essential to national security are obligated to implement and maintain a system of security controls.

You are responsible for:

- Complying with all applicable government and customer security requirements.
- Reporting to management and security personnel security violations or situations that could compromise or otherwise affect the security of L-3's personnel, facilities, information and/or contracts.
- Following established procedures for safeguarding government-classified information in your possession.
- Following established procedures for protecting L-3's "proprietary" information and other sensitive customer and business information including, but not limited to, telephone directories, program information, personnel and financial information, business plans and other related information. Such information is not to be released outside of the company (including to family and friends) without approval.

If you have any questions about security matters, contact your supervisor, security representative or the Ethics Officer at your location.

■ Marketing Activities

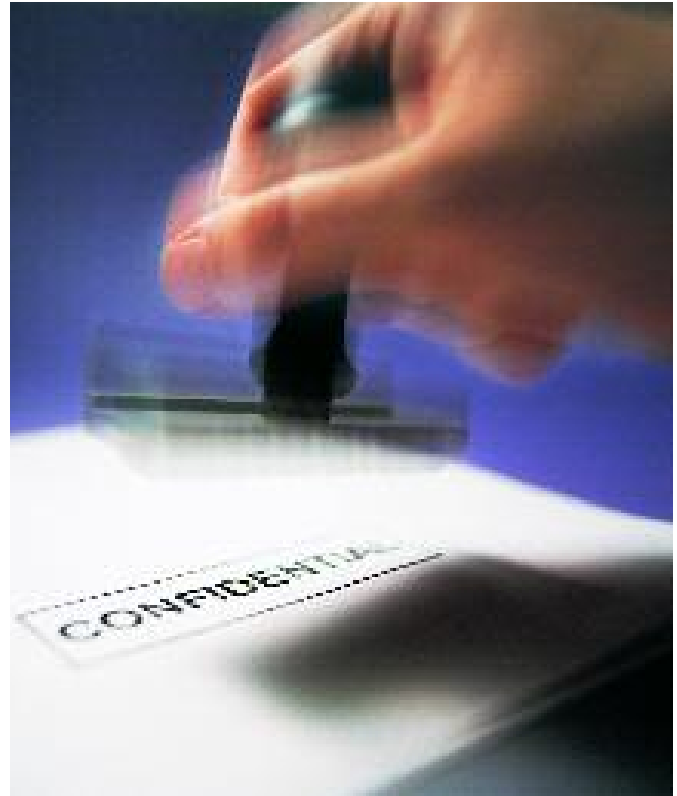
L-3 supports vigorous and fair competition. We believe that enduring customer relationships are built on integrity and trust. We seek to gain advantage over our competitors through superior research, engineering, manufacturing and marketing. It is our intention to win business through excellent products and services, never through unethical or questionable business practices.

■ Information Gathering

The marketplace requires the gathering of a wide range of information in a systematic and legal manner. This information provides an understanding of the industry structure and customer requirements for existing or potential products and services of L-3. It is the policy of L-3 that its Board Members, officers, employees, consultants and other representatives will only gather information to which the company is legally entitled. L-3 will neither seek nor accept any information which is prohibited from disclosure to contractors by law, regulation or policy of the customer, or information, whether or not containing restrictive legends, which constitutes a part of, or relates to the contents of, another company's proposal at any stage of a competition. There are strict rules against gaining access to information relating to U.S. Government procurements which are discussed below under the heading "Procurement Integrity." In all circumstances, you must not:

- Seek special treatment or data that are otherwise restricted.
- Seek unauthorized access to classified, officially restricted or other information when there is reason to believe that L-3 should not have access to that information. In particular, you must be careful to avoid any information labeled "source-selection sensitive," "proprietary" or "confidential." Employees, consultants and others who were previously employed by, or had a business relationship with, another firm are prohibited from using that firm's proprietary or confidential information or disclosing that firm's proprietary or confidential information to anyone at L-3 or to anyone performing work for L-3.
- Attempt to improperly influence specifications to gain unfair advantage or limit competition.
- Exchange unauthorized or so-called "inside information," or attempt to induce government or competitor employees to violate their standards of conduct by seeking information they cannot properly provide.

If you have any questions about whether it is appropriate to receive what appears to be sensitive information, do not accept the information without first consulting with your location's legal department.



YOUR RESPONSIBILITY - (CONTINUED)

Code of Ethics and Business Conduct

■ Antitrust

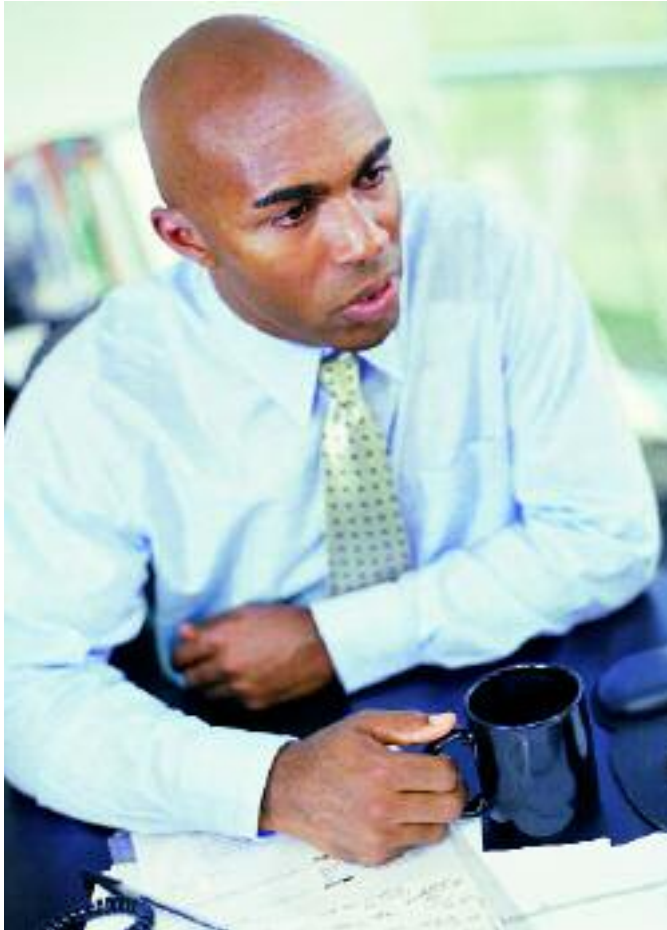
The United States and many of the countries in which L-3 conducts business have laws designed to promote free and open competition. These laws prohibit practices which would be "in restraint of trade" such as taking steps or reaching an agreement with another company to keep that company from bidding in a competition. These laws also prohibit price fixing, and agreements to allocate customers or markets so that only one company will bid to a particular customer. They also prohibit predatory pricing designed to drive a competitor out of business; disparaging or misrepresenting a competitor; stealing of trade secrets; bribery and kickbacks.





MARKETING AND CONTRACTING WITH THE FEDERAL GOVERNMENT

Code of Ethics and Business Conduct



The law forms a foundation for L-3's business activities. We must conduct business in accordance with the laws of the cities, states and nations where we operate. For example, in dealings with the U.S. Government, if you perform legislative liaison, marketing, proposal and/or contract activities, you should be especially sensitive to the following regulations:

■ Procurement Integrity

The U.S. Government has a number of laws designed to protect the integrity of the procurement process. For example, Congress enacted the Federal Acquisition Reform Act of 1996, which includes what are known as the "Procurement Integrity" rules. Among the provisions of this Act and its implementing regulations are the following:

- You may not solicit or obtain another contractor's bid or proposal information or U.S. Government source-selection information from any source, unless specifically authorized by law and in writing, before the award of a competitive contract to which the information relates.
- U.S. Government procurement officials are required to report to their supervisors any contacts by a bidder or offeror regarding future or potential employment.
- U.S. Government agency officials who held certain procurement-related positions or responsibilities may not accept compensation as an employee, officer, director or consultant within a period of one year after the former official was involved in the procurement or program. There are also other post-employment restrictions on various U.S. Government personnel depending upon their rank, grade or official duties. Because of the complexities in this area, you should not engage in any employment discussions with U.S. Government personnel without prior approval from L-3's human resources and legal departments.
- Offers to provide unauthorized contractor bid and proposal information or source-selection information to L-3 must be refused and immediately reported to L-3's legal department.
- Because the procurement integrity provisions are complex, any questions should be presented to your supervisor, manager or an L-3 legal department to obtain appropriate advice and guidance.

■ Truth in Negotiations Act (TINA)

All proposals submitted to the U.S. Government and higher tier contractors must comply with the applicable Federal Acquisition Regulation ("FAR") and the proposed contract requirements.

Where cost or pricing data are required to be submitted, such data must be accurate, complete and current as of the date of final agreement on price. Whether you are the contract negotiator, the cost estimator or the person responsible for furnishing data to the cost estimator, you must ensure that the data meet these FAR requirements.

If you have a question as to whether information is cost or pricing data that must be disclosed to the U.S. Government, you should seek advice from the finance or contracts organization or from L-3's legal department. All doubts should be resolved in favor of disclosure.

It is L-3's intention that all relevant cost or pricing information will be disclosed to the U.S. Government. Falsely certifying facts or data used in U.S. Government contracts, whether unintentionally or deliberately, is a violation of U.S. Government law and contract requirements and may subject the company and those involved to criminal or civil penalties, or administrative action.





■ The Anti-Kickback Act

The Anti-Kickback Act prohibits any individual or company from providing, attempting to provide or soliciting, accepting or attempting to accept, any kickback. "Kickback" is defined as any money, fee, commission, credit, gift, gratuity, thing of value (including money, meals, trips, tickets, transportation, beverages and personal services) or compensation of any kind that is provided, directly or indirectly, to any individual or company for the purpose of improperly obtaining or rewarding favorable treatment in connection with a prime contract or sub-contract/supplier relating to a prime contract.

You are strictly prohibited from offering or accepting "kickbacks" in connection with any business dealing.

■ The False Statements Act

The False Statements Act prohibits any individual or company from knowingly and willfully falsifying or concealing a material fact, making any materially false, fictitious or fraudulent statements or representations or using any false writings in connection with any matter within the jurisdiction of the executive, legislative or judicial branch of the U.S. Government. A "material" fact is defined as any fact that is capable of influencing the decision of a decision-making body to which it is addressed.

■ The False Claims Act

The False Claims Act prohibits any individual or company from submitting or causing the submission of false claims to the U.S. Government. A "claim" is broadly defined by this law and includes, but is not limited to, any request, demand or submission whether under contract or otherwise, for money or property, which is made to a contractor, grantee or other recipient if the U.S. Government provides any portion of the money or property requested, or if the U.S. Government will reimburse such recipient for any portion of the money or property requested.

A "claim" also includes any request, demand or submission that has the effect of decreasing an obligation of the company to the U.S. Government.

This law strictly prohibits you from submitting or causing the submission of false claims, using or causing the use of false statements to cause the payment of false claims, causing false statements to be made or used (for example, by a higher tier

contractor), making or delivering a false receipt for U.S. Government property or knowingly buying property from an officer of the U.S. Government who is not authorized to sell such property.

■ Use of Suspended/Debarred Individuals and/or Contractors

Care should be taken to ensure that individuals and/or companies listed on the General Services Administration's List of Parties Excluded from Federal Procurement and Nonprocurement Programs are not hired by you or others as employees, consultants or used as subcontractors on U.S. Government contracts, unless appropriate approval has been obtained.

■ The Byrd Amendment

This law prohibits the use of federally appropriated money (normally money received as contract payments) to pay any person for influencing or attempting to influence officials of the executive or legislative branches (including members of Congress and their staffs) of the U.S. Government in connection with the award or modification of U.S. Government contracts. Any questions about the propriety of payments should be raised with L-3's legal department.



INTERNATIONAL MARKETING AND CONTRACTING

Code of Ethics and Business Conduct

L-3's international business activities are subject to U.S. Government laws and regulations as well as the laws and regulations of the countries in which it seeks to do business. It is L-3's policy to comply fully with these laws whenever they are applicable, at home or abroad. Therefore, if you (1) perform marketing, proposal and/or contract negotiations and performance activities with respect to foreign contracts or with those representing business interests or the governments of those countries; (2) engage consultants, distributors or representatives to do so; or (3) are involved in a teaming agreement, joint venture or subcontract relationship relating to international business, you should be especially sensitive to the following:

■ Export/Import Compliance

The export/import of technical data, hardware and/or services must comply with all applicable U.S. Government laws and regulations to protect U.S. national security and foreign policy. L-3's policies describe the steps necessary for you to comply with U.S. Government export control requirements. Failure to comply may result in the loss of export privileges and civil and/or criminal penalties against L-3 or you.

If you have any questions about export/import compliance, contact your division's Empowered Official, Export Compliance Coordinator, L-3's legal department or Washington Operations, International Licensing Group.





■ Foreign Corrupt Practices Act (FCPA)

The FCPA makes it illegal for a U.S. company to offer or give money or anything else of value, directly or indirectly, to foreign officials to assist the U.S. company in obtaining or retaining business. The FCPA also requires the U.S. company to maintain accurate and complete financial books, records and accounts, as well as a system of due diligence and internal controls to ensure accuracy and completeness.

■ Anti-Boycott Act

Provisions of the U.S. Anti-Boycott Act prohibit officers, directors, employees, representatives and consultants from taking any action or making any agreement or statement which has the effect of furthering, supporting, participating in or cooperating with any foreign boycott not sanctioned by the U.S. Government.



CODE OF CONDUCT ACKNOWLEDGMENT

Code of Ethics and Business Conduct

I have read and I understand L-3's Code of Ethics and Business Conduct and will abide by it. I realize that violation of this Code is considered grounds for termination of employment and/or other disciplinary action.

Name (please print) _____

Employee Identification Number _____

Signature _____

Date _____

L3 Division or
Outside Organization _____

Corporate Ethics Office

L-3

Phone: 212 805-5656

Email: ethics@l-3com.com

600 Third Avenue

New York, NY 10016

