



ADDENDUM CANADA

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

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

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

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

Requirements

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

This addendum describes specific areas of Canadian law that either substitute for or complement the existing requirements of the Code and is meant to be read in conjunction with the Code. Where this Addendum is silent, or in the absence of any explicit Canadian alternative, Canadian employees are required to follow the Code.

Providing Gifts and Entertainment

Gifts and Entertainment with Canadian Government Representatives

The Criminal Code and the Financial Administration Act prohibit any individual or company from providing or attempting to provide, corruptly, to a public official, a bribe for cooperation, assistance, exercise of influence or an act of omission in connection with the transaction of business with or any matter of business relating to the government. This is true whether or not the official is able to cooperate, render assistance, exercise influence or do or omit to do what is proposed, as the case may be.

Canadian Federal Government employees are not permitted to accept or solicit any gifts, hospitality or other benefits that may have a real or apparent influence on their objectivity in carrying out their official duties or that may place them under obligation to the donor. This includes free or discounted admission to sporting and cultural events arising out of an actual or potential business relationship directly related to the public servant's official duties.

Accepting gifts, hospitality and other benefits is permissible if they:

1. are infrequent and of minimal value (low-cost promotional objects, simple meals, souvenirs with no cash value);
2. arise out of activities or events related to the official duties of the government employee concerned;
3. are within the normal standards of courtesy, hospitality or protocol; and
4. do not compromise or appear to compromise in any way the integrity of the government employee concerned or his or her organization.

Those who deal with provincial or local government officials are responsible for knowing and adhering to the rules that may apply to such provincial or local government employees.

Gifts and Entertainment with non-Canadian Government Employees and Officials

Like the Foreign Corrupt Practices Act in the U.S., the Canadian Corruption of Foreign Public Officials Act makes it an offense to give, offer or agree to give or offer to a non-Canadian public official (including a U.S. official), directly or indirectly, a loan, reward, advantage or benefit of any kind in order to induce favourable business treatment, such as obtaining or retaining business or some kind of other advantage in the course of business. L-3 has strict approval requirements for retaining agents to represent its interests outside Canada as acts of agents could make L-3 liable under the Corruption of Foreign Public Officials Act. Nothing of any value should be offered to a foreign public official even if as a reimbursement of expenses of a reasonable nature incurred by the public official or simply to expedite the performance of duties of a routine nature, without advance approval in writing from the Legal Department.

Other Special Requirements for Canadian Government Customers

Security and Confidential Information

The Canadian and International Industrial Security Directorate of the Canadian Government administer the regulations associated with Security Clearances relating to Canadian and foreign government contracts. Not adhering to the security clearance regulations carries significant penalties in terms of loss of clearance, loss of business and criminal proceedings.

If you have any questions about compliance with the security clearance regulations or if you become aware of a potential breach of the regulations, contact your location's security or ethics officer.

Procurement Integrity

Like the U.S. Government, the Canadian Government has a number of laws designed to protect the integrity of the procurement process. The Criminal Code, the Federal Accountability Act, the Financial Administration Act, the Government Contracts Regulations, Department of Public Works and Government Services Act (which authorizes the incorporation of terms contained in the Standard Acquisition Clauses and Conditions Manual published by *Public Works and Government Services Canada (*PWGSC)), the Defence Production ACT (DPA) and the guidelines set out in the Code of Conduct for Procurement, govern the awarding of government contracts as well as the conduct of government employees acting in their functions.

Although departments of the Canadian Government are permitted to purchase most services themselves, *PWGSC is generally responsible for the purchase of goods. As the Canadian Government's largest purchasing organization, PWGSC uses a step-by-step process to buy goods and services. Employees are expected to become familiar with, and abide by, these steps and related regulations and conduct themselves accordingly so as not to compromise L-3's ability to be a successful bidder or to seek administrative or judicial recourse with respect to defects in the procurement process (including the filing of an appeal with the Canadian International Trade Tribunal within the 10 business days appeal period).

All proposals submitted to the Canadian Government must comply with applicable legislation and the proposed contract requirements. The DPA provides that no person may make false or misleading statements or provide false or misleading information to a member of the Department of National Defence carrying out functions under the Act and involved in the procurement process, or to destroy records or documents or falsify records which are required by the DPA to be kept or produced. In addition, the Criminal Code prohibits any person, having made a tender to obtain a contract with the government, from giving to another person who has made a tender, or to a member of his or her family, a reward or advantage or benefit of any kind as consideration for the withdrawal of his or her tender.

Similarly to U.S. prohibitions, the Canadian government prohibits success-based or contingency-fee lobbying where, for example, a company engages a lobbyist in order to obtain a contract and will only pay the lobbyist if the contract is obtained. Further, government contracts will usually not reimburse successful bidders for any lobbying-related expenses.

There are post-employment restrictions for former Canadian Government officials who held certain procurement related positions or responsibilities that are similar to the guidelines outlined in the Code for employing former U.S. Government officials. Canadian Government officials may not, for one year following their leaving the Canadian Government, take on directorship or employment positions with, represent, or advise entities with which they or their subordinates have had significant official dealings.

Compliance with the aforementioned rules and regulations is also critical for our commercial interests. Any undue influence that assists in the creation of bias or discrimination by the Canadian Government procuring authority may result in a competitor filing a complaint with respect to the procurement process and thus jeopardize our commercial relations with the Canadian Government.

False Statements, False Claims and Other Procurement-Related Misconduct

Mandatory Obligation to Disclose Certain Misconduct (U.S. Federal Government Contracts)

The U.S. Federal Acquisition Regulation (FAR) requires the mandatory disclosure of credible evidence of federal criminal law violations involving fraud, conflict of interest, bribery, or gratuity violations, as well as claims under the Civil False Claims Act, and significant 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, including employees located in Canada, must immediately report any issues that could potentially constitute a violation of criminal or civil law, or significant overpayment on a U.S. Government contract or subcontract, to your responsible Ethics Officer or the Corporate Ethics Officer. You may also report these matters through the Ethics Helpline. Reporting of these matters is mandatory, although you may use the Ethics Helpline if you prefer to remain anonymous.

Mandatory Obligations of Accuracy (Canadian Federal Government Contracts)

You must ensure that only objective and verifiable factual information that is current and accurate, based on all available knowledge at the time of writing, is used in reporting to the Canadian government.

The Defence Production Act, as well as similar provisions found throughout the Consolidated Statutes of Canada, prohibit any individual or company from making false or misleading statements or providing false information to the Canadian Government.

Responsibilities to Our Colleagues

Fair Treatment and Non-Discrimination

Canadian human rights and non-discrimination legislation, such as the Canadian Human Rights Act and equivalent provincial legislation, prohibit discrimination based on various grounds including race, national or ethnic origin, colour, religion, age, sex (including pregnancy or child-birth), sexual orientation, marital status, family status, disability or any other characteristic protected by applicable law. For these purposes, mandatory retirement based on age constitutes age discrimination in several jurisdictions and employees addicted to drugs and alcohol may be found to have a disability.

Harassment in Canada May Occur as a Single Incident or a Series of Incidents.

We make every reasonable effort to accommodate disabled employees. We do not permit pre-employment drug and alcohol testing and/or random drug and alcohol testing. Nonetheless, the following types of drug and alcohol testing may be allowed, subject to applicable law, if the testing is a bona fide occupational requirement and part of a broader program of monitoring, rehabilitation and support: random alcohol testing of employees in safety-sensitive positions, alcohol or drug testing for "reasonable cause" or "post accident", and periodic or random testing following disclosure of a current alcohol or drug dependency or abuse problem.

We comply with provincial "pay equity" legislation, which seeks to create wage parity between male and female workers to redress systemic discrimination. We also comply with applicable federal employment equity laws and reporting respecting workplace practices.

Protecting Privacy

Canadian privacy laws are designed to ensure that the collection, use, and disclosure of personal information, including personal information of employees, is responsibly managed by companies and employees. We are committed to limiting the collection of employee personal information to that which is necessary for our business. Access to employee personnel and medical records and the information contained therein shall be limited to those with a need to know for a legitimate business purpose. All employees have the right to see their own personnel record. Personal information shall not be used or disclosed for purposes other than those for which it was collected, except with the knowledge and consent of the individual or as required by law. Personal information shall be retained only as long as necessary for the fulfilment of those purposes and shall be kept sufficiently accurate, complete and up-to-date to minimize the possibility that inappropriate information may be used or disclosed. All employees shall adhere to L-3 policies and procedures respecting the protection of personal information against loss or theft, as well as unauthorized access, disclosure, copying, use or modification.

Privacy Laws

At L-3 we are committed to protecting personal information obtained in the course of conducting our business. L-3 and all L-3 employees shall comply with all applicable federal and provincial laws regulating the disclosure of personal information, including the Personal Information Protection and Electronic Documents Act (Canada). Collection of personal information shall be

limited to that which is necessary for business, legal, security or contractual purposes and shall be conducted by fair and lawful means with the knowledge and consent of the individual from whom the information is being collected. Personal information shall be retained only as long as necessary for the fulfilment of those purposes for which it was collected and shall be kept sufficiently accurate, complete and up-to-date to minimize the possibility that inappropriate information may be used or disclosed. As an L-3 employee you are expected to observe obligations of confidentiality and non-disclosure of personal information, including information about our employees and customers, with the same degree of diligence that you are expected to use in protecting confidential information of our company. We require that third parties to whom we have transferred personal information for processing shall comply with applicable privacy laws and L-3 policies with respect to the safeguarding and use of personal information. All employees shall adhere to L-3 policies and procedures designed to protect personal information and to mitigate against its loss or theft, as well as unauthorized access, disclosure, copying, use or modification.

Responsibilities to Our Communities

Fair Competition

Prohibitions under Canada's competition laws are similar to those outlined in the Code. In addition, the Competition Act prohibits certain illegal activities relating to bid-rigging and foreign directives.

As part of the Competition Act we may not engage in any form of bid-rigging. Bid-rigging is any agreement or arrangement with another person to coordinate bids, including the withdrawal of bids, on a project or procurement without previously informing the person requesting the bids or quotations of this agreement. For example, bid-rigging may include agreements with competitors to submit identical prices or that each competitor will bid at an agreed price. Penalties may be levied even where such agreement has not been implemented or where it is not proven that competition was reduced.

Canadian competition laws also prohibit the implementation of foreign directives that if carried out, in whole or in part, would offend Canadian conspiracy laws. Any attempt by a company or person outside Canada to influence the policies of a company operating in Canada and to implement an illegal agreement is strictly prohibited. This prohibition applies even where the Canadian company and its officers and directors had no knowledge of the existence of the illegal agreement.

As Canadian competition laws are complex and the application of such laws is fact-specific, you should refer any questions you may have to your Supervisor or to the Legal Department.

International Trade Regulations

Canadian Import/Export Compliance

In addition to U.S. Government import/export regulations, economic sanction laws and anti-boycott laws, we are required to comply with Canadian laws and regulations governing international trade in products, services and technology.

The Canadian trade restrictions can be based on the type of product, service or technology that is being exported, the country where it is being exported, or specified persons with whom L-3 may be considering entering into a commercial relationship.

The Export and Import Permits Act (EIPA) governs the export and import of technical data, hardware and/or services. The EIPA implements the Export Control List (ECL), which covers

both defense and non-defense related items. The defense related portions of the ECL have been harmonized with the United States Munitions list (USML) in the International Traffic in Arms Regulations (ITAR).

The EIPA requires an export permit for the export of U.S. origin technical data, hardware and/or services outside of Canada. For some goods, these permits will only be granted with U.S. Government re-export authorization.

The EIPA also authorizes the listing in the Area Control List (ACL) of countries where exports of any nature are prohibited unless an export permit is obtained. This list reflects political, foreign policy and national security concerns of the Canadian Government at any particular time and is subject to frequent changes. Currently, only two countries, Belarus and Myanmar (formerly Burma) appear on the ACL.

The Defence Production Act (DPA) governs the access (within Canada) to defense-related technical data, hardware and/or services, referred to as "controlled goods," through production, possession, transfer or other means. The DPA requires entities involved with access to controlled goods to register with the Controlled Good Directorate of the Canadian Government under the Controlled Goods Program.

The Canadian Government also imposes trade restrictions and economic sanctions against particular countries based on decisions and resolutions made by the United Nations Security Council. The United Nations Act (UN Act) and regulations provide for restrictions of varying nature against sales and exports to Côte D'Ivoire, North Korea, Congo, Iran, Iraq, Lebanon, Liberia, Sierra Leone, Somalia and Sudan. In addition, the UN Act also imposes restrictions on engaging in a commercial relationship with individuals, entities and corporations that are on the United Nations terrorist list and under the Al-Qaida and Taliban regulations.

Through the Special Economic Measures Act, the Canadian Government can impose sanctions in addition to those authorized by United Nations decisions and resolutions. Currently, Myanmar (formerly Burma) and Zimbabwe are subject to sanctions under this act.

While in almost all instances it is possible to comply with both U.S. and Canadian export and import controls and economic sanctions, in the limited instance of trade with Cuba conflicting obligations are imposed on Canadian subsidiaries of U.S. companies and on management personnel in Canada of such subsidiaries who are U.S. nationals. It is therefore critical to immediately consult with the Legal Department on any opportunities presented for engaging in trade with Cuba.

Canadian trade regulations and export controls are very complex. If you have any questions about controlled goods matters, contact your Supervisor, Controlled Goods Designated Official (DO) or Export Compliance Coordinator (ECC) at your location.

Lobbying

There are strict rules governing lobbying at all levels of government in Canada. Generally lobbying is any contact regarding our company's business with public officials of the government other than simple information requests. Prior to participating in lobbying activities you must seek approval from the Legal Department and comply with all registration requirements under the Lobbyist Registration Act (Canada) and other relevant federal, provincial and municipal laws and regulations, including the Lobbyists' Code of Conduct.

French Language Requirements

Certain French language requirements apply to companies who carry on business in Quebec. The Charter of the French Language provides that companies in Quebec must translate into French all common business documents with the French displayed at least as prominently as the English translation. Business documents include employment forms, order forms, invoices, advertising, website advertising and product labelling. As a Canadian company with operations in Quebec we recognize the fundamental right of every person to have companies doing business in Quebec communicate in French, and we abide by the Charter and all other relevant French language laws.